

## **Trust Funds**

The Council administers 65 trust funds, acting as sole trustee for 60 trusts and as one of several trustees for a further 5 funds. These accounts do not represent a charge to Council Tax payers but form part of the statutory reporting requirements of the Council. They represent funds set up by various individuals and organisations for the benefit of the community or organisations within the Moray area.

The statements below summarise the trust funds' income and expenditure for the year and the funds assets and liabilities at 31 March 2017.

## **Trust Reorganisation**

The Council is currently undertaking a review of its trusts, in consultation with the Office of the Scottish Charities Regulator (OSCR), to identify options for restructuring its existing charitable and non charitable trusts in order to create a smaller number of trusts with improved governance arrangements and with the opportunity to maximise the use of these resources to the benefit of the citizens of Moray. In August 2016, The Moray Council Charitable Trust was awarded charitable status under the Charities and Trustee Investment (Scotland) Act 2005.

## **Accounting Policies**

### **Basis of Preparation**

The financial statements for the charitable trusts have been prepared in accordance with the Charities: Statement of Recommended Practice 2015, commonly referred to as the Charities SORP, in accordance with the Financial Reporting Standard 102 (FRS 102), which is effective for accounting periods beginning after 1 January 2015. The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at fair value, in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

In line with Regulation 7 of the 2006 Regulations, these financial statements have been prepared on the basis that the trust funds for which it acts as sole trustee are connected charities. As such the accounts for these individual charities have been prepared on a collective basis for the Council. Separate financial statements covering all the Councils charitable trusts are published on the Councils website.

The financial statements for the non-charitable trusts have been prepared in accordance with the code of practice on Local Authority Accounting in the United Kingdom 2016/17.

As far as concerns the trusts reported in these financial statements, application of different reporting standards does not produce inconsistent results.

### **Investment Income**

Investment income is accounted for in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

### **Resources expended**

Expenditure is included in the financial statements on an accruals basis.

### **Investments**

Investments are included at fair value at the balance sheet date in accordance with the principles of the SORP. Investment gains and losses include any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to fair value at the end of the period.

## Trust Funds Income and Expenditure Account

2015/16			2016/17	
Connected Charitable £000	Other £000		Connected Charitable £000	Other £000
		<b>Income</b>		
(19)	(76)	Investment Income	(21)	(82)
-	(37)	Property Rental Income	-	(42)
-	-	Revaluation of Fixed Assets	-	(1,300)
31	126	(Surplus)/ Deficit on revaluation of Available for Sale Financial Assets	(82)	(339)
(3)	(28)	Other Income	(1)	(16)
<b>9</b>	<b>(15)</b>	<b>Total Income</b>	<b>(104)</b>	<b>(1,779)</b>
		<b>Expenditure</b>		
12	38	Beneficiaries	6	70
19	17	Administration	8	9
-	98	Other Costs	-	43
-	65	Depreciation	-	89
<b>31</b>	<b>218</b>	<b>Total Expenditure</b>	<b>14</b>	<b>211</b>
<b>40</b>	<b>203</b>	<b>(Surplus)/ Deficit for the year</b>	<b>(90)</b>	<b>(1,568)</b>
(31)	(191)	Items not Chargeable to Revenue Reserves	82	1,550
<b>9</b>	<b>12</b>	<b>(Increase)/ Decrease in Revenue Reserves</b>	<b>(8)</b>	<b>(18)</b>

## Trust Funds Balance Sheet

31 March 2016			31 March 2017		
Connected			Connected		
Charitable	Other		Charitable	Other	
£000	£000		£000	£000	
-	2,812	Property Plant & Equipment	Note 1	-	4,023
-	74	Investment Properties	Note 3	-	74
439	1,813	Long Term Investments	Note 4	521	2,152
<b>439</b>	<b>4,699</b>	<b>Long Term Assets</b>		<b>521</b>	<b>6,249</b>
1	5	Debtors		1	11
435	1,504	Loans Fund Balance		424	1,500
<b>436</b>	<b>1,509</b>	<b>Current Assets</b>		<b>425</b>	<b>1,511</b>
(24)	(23)	Creditors		(5)	(7)
(24)	(23)	<b>Current Liabilities</b>		(5)	(7)
<b>851</b>	<b>6,185</b>	<b>Net Assets</b>		<b>941</b>	<b>7,753</b>
-	74	Capital Adjustment Account		-	74
-	2,788	Revaluation Reserve		-	3,999
188	778	Available for Sale Financial Instruments Reserve		270	1,117
663	2,545	Revenue Balance		671	2,563
<b>851</b>	<b>6,185</b>	<b>Total Reserves</b>		<b>941</b>	<b>7,753</b>

## Notes to the Trust Fund Accounts

### Note 1 Property, Plant & Equipment

Property, plant and equipment is valued on the basis recommended by CIPFA and the valuation report is produced by the Council's Estates Manager who is a Member of the Royal Institute of Chartered Surveyors. The assets are valued on a 5 year rolling programme and have been prepared in accordance with the provisions of the Royal Institution of Chartered Surveyors Valuation - Professional Standards January 2014.

Property, plant and equipment is classified into groupings required by the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17

Assets have been valued on the following basis:-

Other Land & Buildings - Existing Use Value (EUV) or Depreciated Replacement Cost (DRC)  
Community Assets - Historic Cost where available.

Depreciation:

The following useful lives and depreciation rates have been used in the calculation of depreciation:-

Other Land & Buildings - Buildings up to 55 years, land is not depreciated  
Community Assets - Rights and land are not depreciated

Movements of property, plant & equipment were as follows:

#### 2015/16

	Other Land & Buildings	Community Assets	Total
	£000	£000	£000
Gross Book Value at 1 April 2015	2,983	24	3,007
Revaluations	-	-	-
Gross Book Value at 31 March 2016	2,983	24	3,007
Accumulated Depreciation at 1 April 2015	130	-	130
Revaluations	-	-	-
Charge for the Year	65	-	65
Depreciation at 31 March 2016	195	-	195
Net Book Value at 31 March 2016	2,788	24	2,812
Net Book Value at 31 March 2015	2,853	24	2,877

#### 2016/17

	Other Land & Buildings	Community Assets	Total
	£000	£000	£000
Gross Book Value at 1 April 2016	2,983	24	3,007
Revaluations	1,224	-	1,224
Gross Book Value at 31 March 2017	4,207	24	4,231
Accumulated Depreciation at 1 April 2016	195	-	195
Revaluations	(76)	-	(76)
Charge for the Year	89	-	89
Depreciation at 31 March 2017	208	-	208
Net Book Value at 31 March 2017	3,999	24	4,023
Net Book Value at 31 March 2016	2,788	24	2,812

Revaluations in 2016/17 includes assets previously held on the General Services Account now identified as Trust Fund assets.

## Note 2 Heritage Assets

The following table shows assets which may be regarded as Heritage assets, but which have not been included in the Balance Sheet as the Council considers that obtaining valuations would involve disproportionate cost and that reliable cost or valuation information cannot be obtained for these items. The Code therefore permits such assets to be excluded from the Balance Sheet.

Assets excluded from Heritage Assets	Estimated number of assets 31 March 2017
Monuments and Fountains	2

## Note 3 Investment Properties

The following table summarises the movement in the fair value of investment properties over the year.

	2015/16 £000	2016/17 £000
Balance at start of the year	74	74
Net gains/(losses) from fair value adjustments	-	-
Balance at end of the year	<u>74</u>	<u>74</u>

## Note 4 Long Term Investments

Long Term Investments are a mixed portfolio of Unit Trusts.

## Note 5 Trust Details

### Funds for which The Moray Council act as Sole Trustee

<u>Fund</u>	Income £000	Expenditure £000	Assets £000	Liabilities £000
<b>Registered Charitable Trusts</b>				
36 Registered Charitable Trusts, each with Assets less than £50,000	(3)	4	181	(2)
Cumine of Auchray <i>Established to provide for decayed merchants of the Burgh of Elgin</i>	(2)	-	127	-
Moray & Nairn Educational <i>Grants payable to persons resident in the former combined County of Moray &amp; Nairn, including University &amp; Central Institution Bursaries; Adult Education; School Equipment; Sports facilities; Travel Grants and School Excursions</i>	(99)	10	638	(3)
	<u>(104)</u>	<u>14</u>	<u>946</u>	<u>(5)</u>
<b>Other Trusts</b>				
6 Non Registered Trusts, each with Assets less than £50,000	(10)	-	129	-
Longmore Hall <i>Village Hall for the use of the community</i>	-	28	971	-
Glenisla Comforts Fund <i>For the benefit of the residents of Glenisla Care Home</i>	(18)	-	136	-

## Note 5 Trust Details (continued)

<b>Fund</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
<b>Other Trusts (continued)</b>				
Speyside Comforts Fund <i>For the benefit of the residents of Speyside Nursing Home</i>	(9)	-	60	-
The Pringle Trust <i>Established to make payments annually to Ministers, serving and emeriti of the Church of Scotland, Baptist and Free Church of Scotland</i>	(2)	1	101	-
William Lawtie <i>For the Poor of Cullen</i>	(2)	-	186	-
The MacDonald Benevolent Fund <i>Established in 1989 for persons in need of financial assistance particularly in Dufftown as decided by the Social Work Department</i>	(13)	3	274	-
Milne's Institution Trust <i>The free annual income to be applied as The Moray Council thinks fit for the purposes of the educational enrichment of pupils attending Milne's High School and Milne's Primary School. The income shall be apportioned to the schools on a pro rata basis by reference to attendance rolls of the respective schools</i>	(46)	6	276	-
Laing Mortification <i>For the benefit of a decayed merchant resident in Elgin.</i>	(4)	-	289	-
Craigmoray Bequest (Bishopmill) <i>For the benefit of the residents of Craigmoray Care Home</i>	(45)	1	394	-
Ladyhill Public Trust <i>Provides homes for two veterans from the Elgin area</i>	-	3	67	-
Jubilee Cottages Public Trust <i>Trust established by monies raised during Queen Victoria's Diamond Jubilee for the purposes of providing low cost housing</i>	(126)	18	636	-
Cooper Park Public Trust <i>Trust established at turn of last century to provide Elgin library and reading rooms and parkland for recreation – all for the inhabitants of Elgin</i>	(15)	32	394	-
River Lossie Public Trust <i>Established mid 1800's to provide ground for recreation for the people of Elgin</i>	(495)	46	910	-
Grant Park Public Trust <i>Trust incorporating the public convenience, tea room/shop and the cricket and bowling pavilions, to be used for the benefit of the community of Forres.</i>	(719)	17	715	-

## Note 5 Trust Details (continued)

<b>Fund</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
<b>Other Trusts (continued)</b>				
Miltonduff Hall <i>Established to provide space for local groups for education, recreation etc</i>	-	6	242	-
Logie Cottage <i>Established to provide a free home or house of rest to a respectable retired couple or single woman in Forres</i>	-	-	77	-
	<u>(1,504)</u>	<u>161</u>	<u>5,857</u>	<u>-</u>

### Funds for which The Moray Council acts as one of several trustees

#### Registered Charitable Trusts

Auchernack Trust <i>For the benefit of the elderly community of the Forres Area who are in need of relief by reason of advanced age</i>	(103)	32	752	-
Falconer Musuem <i>Established to provide a Public Museum in Forres</i>	-	-	-	-
	<u>(103)</u>	<u>32</u>	<u>752</u>	<u>-</u>

#### Other Trusts

Donald Manson (Edinkillie) Fund <i>3 Bursaries for children living in the Parish of Edinkillie in S1 as well as one Further Education Bursary for a student aged under 18. The annual balance of the fund is payable to Forres Academy</i>	(53)	7	343	(6)
Donald Manson (Forres) Fund <i>One bursary for a child living in the Burgh of Forres in S1. The annual balance of the fund is payable to Forres Academy</i>	(13)	2	95	(1)
Banffshire Educational Trust <i>Grants payable to persons resident in the former County of Banffshire, including University, Post Graduate, Apprentices &amp; Trainees; School Equipment; Sports Facilities; Support of Clubs; Promoting Education in Drama, Music &amp; Visual Arts; Travel Grants and School Excursions.</i>	(106)	9	713	-
	<u>(172)</u>	<u>18</u>	<u>1,151</u>	<u>(7)</u>

<b>Fund</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
<b>Summary</b>				
Connected Charitable Trusts	(104)	14	946	(5)
Other Trusts	(1,779)	211	7,760	(7)
Total	<u>(1,883)</u>	<u>225</u>	<u>8,706</u>	<u>(12)</u>