

Common Good Funds

The Council administers the Common Good Funds which consist of all property of a Royal Burgh not acquired under statutory powers or held under specific trusts. These funds were transferred to Moray District Council in 1975 and then to The Moray Council in 1996 as the successor Council under the reorganisation of Local Government.

These funds 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 for the benefit of the community or organisations within the Moray area.

The Accounts for Common Good have been prepared according to the LAASAC Guidance *Accounting for Common Good (December 2007)* which is consistent with proper accounting required by the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Accounting Policies

Accounting Policies adopted for the Common Good are the same as those adopted for the Moray Council with the exception of the application of IAS 16 and IAS 40. IAS 16 requires that assets be depreciated and that the charge for depreciation be set against any surplus in the Income and Expenditure Account. IAS 40 requires any movement in the fair value of investment properties to be recognised in the surplus or deficit in the Income and Expenditure Account.

Common Good Funds Income and Expenditure Account

31 March 2019		31 March 2020
£000		£000
	Income	
(2)	Property	(3)
(96)	Investment Income	(105)
-	Other Income	-
(189)	Net Movement in Fair Value of Investment Property	-
(30)	Gain on Disposal of Asset	-
(317)	Total Income	(108)
	Expenditure	
3	Property Costs	6
5	Administrative Costs	5
56	Donations, Grants etc	40
2	Other Costs	19
440	Depreciation	661
-	Loss on Disposal of Asset	127
-	Net Movement in Fair Value of Investment Property	1,740
506	Total Expenditure	2,598
189	(Surplus)/Deficit for the Year	2,490
31	(Surplus) on revaluation of Non-current Assets	(5,782)
220	Total Comprehensive Net (Income)/Expenditure	(3,292)

Common Good Funds Balance Sheet

31 March 2019		31 March 2020
£000		£000
12,434	Property, Plant & Equipment	Note 1 17,398
204	Heritage Assets	Note 2 204
4,106	Investment Property	Note 3 2,366
16,744	Long Term Assets	19,968
1	Inventories	1
6	Debtors	8
3,457	Loans Fund Balance	3,522
3,464	Current Assets	3,531
(7)	Creditors	(6)
(7)	Current Liabilities	(6)
20,201	Net Assets	23,493
12,628	Revaluation Reserve	17,592
7,573	Revenue Reserve	5,901
20,201	Total Reserves	23,493

Summary of Funds

31 March 2019		31 March 2020	
£000		Invested in Loans Fund	Total Funds
£000		£000	£000
3,588	Buckie	1,520	4,117
186	Cullen	59	186
14	Dufftown	14	14
9,157	Elgin	1,510	13,686
6,218	Forres	360	4,309
52	Portknockie	51	51
202	Keith	7	297
296	Lossiemouth	-	288
488	Findochty	1	545
20,201	TOTAL	3,522	23,493

Notes to the Common Good Accounts

Note 1 Property, Plant and 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 2019/20.

Assets have been valued on the following basis:-

Other Land and Buildings	-	Existing Use Value (EUV) or Depreciated Replacement Cost (DRC)
Community Assets	-	Historic Cost where available
Surplus Assets	-	Market value

Depreciation

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

Other Land and Buildings - Buildings up to 60 years, land is not depreciated
Surplus Assets - land is not depreciated

Movements of Property Plant and Equipment were as follows:

2018/19

	Other Land & Buildings £000	Surplus Assets £000	Assets Held For Sale £000	Total £000
Gross Book Value at 1 April 2018	13,504	875	-	14,379
Revaluations	47	(120)	-	(73)
Reclassifications	(30)	(5)	35	-
Disposals	-	-	(5)	(5)
Gross Book Value at 31 March 2019	13,521	750	30	14,301
Accumulated Depreciation at 1 April 2018	1,467	2	-	1,469
Revaluations	(40)	(2)	-	(42)
Charge for the Year	440	-	-	440
Depreciation at 31 March 2019	1,867	-	-	1,867
Net Book Value at 31 March 2019	11,654	750	30	12,434

Note 1 Property, Plant and Equipment (continued)

2019/20

	Other Land & Buildings £000	Surplus Assets £000	Assets Held For Sale £000	Total £000
Gross Book Value at 1 April 2019	13,521	750	30	14,301
Revaluations	4,471	(425)	-	4,046
Reclassifications	-	-	-	-
Disposals	(139)	-	(30)	(169)
Gross Book Value at 31 March 2020	17,853	325	-	18,178
Accumulated Depreciation at 1 April 2019	1,867	-	-	1,867
Revaluations	(1,748)	-	-	(1,748)
Charge for the Year	661	-	-	661
Depreciation at 31 March 2020	780	-	-	780
Net Book Value at 31 March 2020	17,073	325	-	17,398

Revaluations (18/19 and 19/20) include assets previously held on the General Services Account now identified as Common Good. The increase in the revaluation figure in 2019/20 is mostly attributable to a change in the measurement basis of Moray Leisure Centre.

Disposals in 19/20 include assets previously held as Common Good but which have transferred to Trust Fund.

Note 2 Heritage Assets

This note details the movement in Heritage Assets during the years 2018/19 and 2019/20.

	Fine Art £000	Chains of Office £000	Total Heritage Assets £000
Valuation at 1 April 2018	125	79	204
Revaluations	-	-	-
At 31 March 2019	125	79	204
Valuation at 1 April 2019	125	79	204

The Chains of Office were independently valued during 2012/13 and 2013/14 by William Windwick, PJDip FGA FNAG MIRV, a member of the Institute of Registered Valuers.

The following table shows assets that 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.

	Estimated number of assets 31 March 2019
Monuments and Fountains	3
Nelson Tower	1

Note 3 Investment Property

The following items of income and expense have been accounted for in Investment Income in the Income and Expenditure Account:-

	2018/19 £000	2019/20 £000
Rental income from investment property	43	51
Net gain	43	51

There are some restrictions from the original benefactors on the Common Good's ability to realise the value inherent in its investment property. The Common Good has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement.

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

	2018/19 £000	2019/20 £000
Balance at start of the year	3,917	4,106
Net gains /(loss) from fair value adjustments	189	(1,740)
Balance at end of the year	4,106	2,366

The significant downwards movement in the fair value of investment property is mostly due to the downward valuation of the Field at Pilmuir Road West, Forres due to environmental designation in the new local development plan.