

Common Good Funds

The Council administers the Common Good Funds which consist of all property of a 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 2020/21.

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 2020 £000		31 March 2021 £000
	Income	
(3)	Property	(5)
(105)	Investment Income	(125)
-	Other Income	(2)
<u>(108)</u>	Total Income	<u>(132)</u>
	Expenditure	
6	Property Costs	3
5	Administrative Costs	5
40	Donations, Grants etc	22
19	Other Costs	16
661	Depreciation	569
127	Loss on Disposal of Asset	1,125
1,740	Revaluation of Investment Property	(91)
-	Investment Property Transfer to Assets Held for Sale	123
<u>2,598</u>	Total Expenditure	<u>1,772</u>
<u>2,490</u>	(Surplus)/Deficit for the Year	<u>1,640</u>
(5,782)	(Surplus)/Deficit on revaluation of Non-current Assets	1,074
<u>(3,292)</u>	Total Comprehensive Net (Income)/Expenditure	<u>2,714</u>

Common Good Funds Balance Sheet

31 March 2020 £000			31 March 2021 £000
17,398	Property, Plant & Equipment	Note 1	14,555
204	Heritage Assets	Note 2	204
2,366	Investment Property	Note 3	2,334
<u>19,968</u>	Long Term Assets		<u>17,093</u>
1	Inventories		1
8	Debtors		8
3,522	Loans Fund Balance		3,684
<u>3,531</u>	Current Assets		<u>3,693</u>
(6)	Creditors		(7)
(6)	Current Liabilities		(7)
<u>23,493</u>	Net Assets		<u>20,779</u>
17,592	Revaluation Reserve		14,749
5,901	Revenue Reserve		6,030
<u>23,493</u>	Total Reserves		<u>20,779</u>

Summary of Funds

31 March 2020 Total Funds £000		31 March 2021 Invested in Loans Fund £000	31 March 2021 Total Funds £000
4,117	Buckie	1,547	4,091
186	Cullen	57	196
14	Dufftown	15	15
13,686	Elgin	1,562	10,884
4,309	Forres	442	3,221
51	Portknockie	52	52
297	Keith	7	295
288	Lossiemouth	-	1,492
545	Findochty	2	533
23,493	TOTAL	<u>3,684</u>	<u>20,779</u>

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 2020/21.

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
Assets Held for Sale	–	Lower of carrying amount and fair value less costs to sell

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:

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
Disposals	(139)	-	(30)	(169)
Gross Book Value at 31 March 2020	<u>17,853</u>	<u>325</u>	<u>-</u>	<u>18,178</u>
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	<u>780</u>	<u>-</u>	<u>-</u>	<u>780</u>
Net Book Value at 31 March 2020	<u>17,073</u>	<u>325</u>	<u>-</u>	<u>17,398</u>
2020/21	Other Land & Buildings £000	Surplus Assets £000	Assets Held For Sale £000	Total £000
Gross Book Value at 1 April 2020	17,853	325	-	18,178
Revaluations	(1,676)	-	-	(1,676)
Reclassifications	325	(325)	122	122
Disposals	(1,234)	-	-	(1,234)
Gross Book Value at 31 March 2021	<u>15,268</u>	<u>-</u>	<u>122</u>	<u>15,390</u>
Accumulated Depreciation at 1 April 2020	780	-	-	780
Revaluations	(480)	-	-	(480)
Disposals	(34)	-	-	(34)
Charge for the Year	569	-	-	569
Depreciation at 31 March 2021	<u>835</u>	<u>-</u>	<u>-</u>	<u>835</u>
Net Book Value at 31 March 2021	<u>14,433</u>	<u>-</u>	<u>122</u>	<u>14,555</u>

Revaluations (2019/20 and 2020/21) include assets previously held on the General Services Account now identified as Common Good.

Note 2 Heritage Assets

This note details the movement in Heritage Assets during the years 2019/20 and 2020/21.

	Fine Art	Chains of Office	Total Heritage Assets
	£000	£000	£000
Valuation at 1 April 2019	125	79	204
Revaluations	-	-	-
At 31 March 2020	<u>125</u>	<u>79</u>	<u>204</u>
Valuation at 1 April 2020	125	79	204
Revaluations	-	-	-
At 31 March 2021	<u>125</u>	<u>79</u>	<u>204</u>

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.

Assets excluded from Heritage Assets	Estimated number of assets 31 March 2021
Monuments and Fountains	2
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:

	2019/20	2020/21
	£000	£000
Rental income from investment property	51	50
Net gain	<u>51</u>	<u>50</u>

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:

	2019/20	2020/21
	£000	£000
Balance at start of the year	4,106	2,366
Revaluations	(1,740)	91
Movement to Assets Held for Sale	-	(123)
Balance at end of the year	<u>2,366</u>	<u>2,334</u>