

Common Good Funds

The Council administers the Common Good Funds which consist of bequests made to the former Town Councils for the good of the residents. 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 2012/13.

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 2012		31 March 2013
£000	Expenditure	£000
38	Property Costs	5
15	Administrative Costs	15
34	Donations, Grants etc	75
7	Other Costs	6
108	Depreciation	121
202	Total Expenditure	222
	Income	
(14)	Property	(10)
(97)	Investment Income	(112)
5	Movement in Fair Value of Investment Property	(10)
(24)	Gain on disposal of asset	-
(130)	Total Income	(132)
72	(Surplus)/Deficit for the Year	90

Common Good Funds Balance Sheet

31 March 2012
£000

31 March 2013
£000

5,703	Property, Plant & Equipment	Note 1	6,339
125	Heritage Assets	Note 2	210
1,648	Investment Property	Note 3	1,658
<u>7,476</u>	Long Term Assets		<u>8,207</u>
1	Inventories		1
7	Feu duties		5
3,252	Loans Fund Balance		3,298
<u>3,260</u>	Current Assets		<u>3,304</u>
(1)	Creditors		(24)
<u>(1)</u>	Current Liabilities		<u>(24)</u>
<u>10,735</u>	Net Assets		<u>11,487</u>
5,818	Revaluation Reserve		6,539
4,917	Revenue Reserve		4,948
<u>10,735</u>	Total Reserves		<u>11,487</u>

Summary of Funds

Total Funds £000		Invested In Loans Fund £000	Total Funds £000
4	Aberlour	-	-
2,242	Buckie	1,466	2,479
95	Cullen	27	114
21	Dufftown	9	22
5,454	Elgin	1,590	5,426
2,917	Forres	204	3,444
2	Keith	2	2
<u>10,735</u>	TOTAL	<u>3,298</u>	<u>11,487</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 Valuations Standards 6th Edition.

Property, plant and equipment is classified into groupings required by the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13.

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.
Surplus Assets	- Market value

Movements of Fixed Assets were as follows:

2011/12

	Other Land & Buildings	Community Assets	Surplus Assets	Total
	£000	£000	£000	£000
Gross Book Value at 1 April 2011	5,977	1,204	794	7,975
Revaluations	14	-	-	14
Reclassifications	1,204	(1,204)	(179)	(179)
Restatements	(1,620)	-	-	(1,620)
Disposals	(120)	-	-	(120)
Gross Book Value at 31 March 2012	5,455	-	615	6,070
Accumulated Depreciation at 1 April 2011	290	81	2	373
Revaluations	-	-	-	-
Reclassifications	81	(81)	(2)	(2)
Restatements	(103)	-	-	(103)
Relating to Disposals	(9)	-	-	(9)
Charge for the Year	108	-	-	108
Depreciation at 31 March 2012	367	-	-	367
Net Book Value at 31 March 2012	5,088	-	615	5,703
Net Book Value at 31 March 2011	5,687	1,123	792	7,602

Note 1 Property, Plant and Equipment (continued)

2012/13

	Other Land & Buildings	Surplus Assets	Total
	£000	£000	£000
Gross Book Value at 1 April 2012	5,455	615	6,070
Revaluations	176	-	176
Restatements	461	-	461
Gross Book Value at 31 March 2013	6,092	615	6,707
Accumulated Depreciation at 1 April 2012	367	-	367
Revaluations	(138)	-	(138)
Restatements	18	-	18
Charge for the Year	121	-	121
Depreciation at 31 March 2013	368	-	368
Net Book Value at 31 March 2013	5,724	615	6,339
Net Book Value at 31 March 2012	5,088	615	5,703

Restatements relate to assets transferred from General Services.

Note 2 Heritage Assets

This note details the movement in Heritage Assets during the years 2011/12 and 2012/13.

	Fine Art	Chains of Office	Total Heritage Assets
	£000	£000	£000
Valuation at 1 April 2011	125	-	125
Revaluations	-	-	-
At 31 March 2012	125	-	125
Valuation at 1 April 2012	125	-	125
Revaluations	-	85	85
At 31 March 2013	125	85	210

Four Chains of Office have been independently valued at £0.063M by William Windwick, PJDip FGA FNAG MIRV, a member of the Institute of Registered Valuers.

Using these valuations as a baseline, the estimated value of the remaining four Chains of Office is £0.023M for accounts disclosure purposes. These Chains are currently being independently valued.

Note 2 Heritage Assets (continued)

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 2013
Monuments and Fountains	3
Nelsons Tower	1

Note 3 Investment Properties

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

	2011/12 £000	2012/13 £000
Rental income from investment property	27	41
Net gain/ (loss)	<u>27</u>	<u>41</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 repairs, maintenance or enhancement.

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

	2011/12 £000	2012/13 £000
Balance at start of the year	1,476	1,648
Net gains/(losses) from fair value adjustments	30	10
Transfers from Property, Plant and Equipment	177	-
Other Changes	(35)	-
Balance at end of the year	<u>1,648</u>	<u>1,658</u>

