

## 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 2015/16.

## 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 2015 £000		31 March 2016 £000
	<b>Income</b>	
(5)	Property	(7)
(117)	Investment Income	(99)
(42)	Other Income	(8)
(1,928)	Movement in Fair Value of Investment Property	(119)
<u>(2,092)</u>	Total Income	<u>(233)</u>
	<b>Expenditure</b>	
16	Administrative Costs	16
24	Donations, Grants etc	53
39	Other Costs	255
348	Depreciation	384
<u>427</u>	Total Expenditure	<u>708</u>
<u>(1,665)</u>	<b>(Surplus)/Deficit for the Year</b>	<u>475</u>
(4,765)	(Surplus) on revaluation of Non-current Assets	(2,719)
<u>(6,430)</u>	<b>Total Comprehensive Net (Income)</b>	<u>(2,244)</u>

## Common Good Funds Balance Sheet

31 March 2015  
£000

31 March 2016  
£000

9,821	Property, Plant & Equipment	<b>Note 1</b>	12,156
204	Heritage Assets	<b>Note 2</b>	204
8,582	Investment Property	<b>Note 3</b>	8,701
<b>18,607</b>	<b>Long Term Assets</b>		<b>21,061</b>
84	Debtors		-
1	Inventories		1
3,396	Loans Fund Balance		3,270
<b>3,481</b>	<b>Current Assets</b>		<b>3,271</b>
(3)	Creditors		(3)
<b>(3)</b>	<b>Current Liabilities</b>		<b>(3)</b>
<b>22,085</b>	<b>Net Assets</b>		<b>24,329</b>
10,015	Revaluation Reserve		12,350
12,070	Revenue Reserve		11,979
<b>22,085</b>	<b>Total Reserves</b>		<b>24,329</b>

### Summary of Funds

Total Funds £000		Invested In Loans Fund £000	Total Funds £000
2,652	Buckie	1,489	2,633
118	Cullen	36	120
24	Dufftown	13	13
9,634	Elgin	1,393	10,116
9,605	Forres	286	10,894
50	Portknockie	51	51
2	Keith	2	267
-	Lossiemouth	-	235
<b>22,085</b>	<b>TOTAL</b>	<b>3,270</b>	<b>24,329</b>

## Notes to the Common Good 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 2015/16.

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

Depreciation

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

Other Land & Buildings - Buildings up to 60 years, land is not depreciated

Surplus Assets - land is not depreciated

Movements of Property Plant & Equipment were as follows:

#### 2014/15

	Other Land & Buildings	Surplus Assets	Total
	£000	£000	£000
Gross Book Value at 1 April 2014	5,941	-	5,941
Revaluations	3,435	-	3,435
Restatements	911	-	911
Disposal	(45)	-	(45)
Gross Book Value at 31 March 2015	10,242	-	10,242
Accumulated Depreciation at 1 April 2014	482	-	482
Revaluations	(408)	-	(408)
Restatements	(1)	-	(1)
Charge for the Year	348	-	348
Depreciation at 31 March 2015	421	-	421
Net Book Value at 31 March 2015	9,821	-	9,821
Net Book Value at 31 March 2014	5,459	-	5,459

#### 2015/16

	Other Land & Buildings	Surplus Assets	Total
	£000	£000	£000
Gross Book Value at 1 April 2015	10,242	-	10,242
Revaluations	(14)	1,000	986
Restatements	1,462	270	1,732
Disposal	-	-	-
Gross Book Value at 31 March 2016	11,690	1,270	12,960
Accumulated Depreciation at 1 April 2015	421	-	421
Revaluations	(1)	-	(1)
Restatements	-	-	-
Charge for the Year	379	5	384
Depreciation at 31 March 2016	799	5	804
Net Book Value at 31 March 2016	10,891	1,265	12,156
Net Book Value at 31 March 2015	9,821	-	9,821

Restatements (2015/16) relate to 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 2014/15 and 2015/16.

	<b>Fine Art</b>	<b>Chains of Office</b>	<b>Total Heritage Assets</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Valuation at 1 April 2014	125	79	204
Revaluations	-	-	-
<b>At 31 March 2015</b>	<b>125</b>	<b>79</b>	<b>204</b>
Valuation at 1 April 2015	125	79	204
Revaluations	-	-	-
<b>At 31 March 2016</b>	<b>125</b>	<b>79</b>	<b>204</b>

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.

<b>Assets excluded from Heritage Assets</b>	<b>Estimated number of assets 31 March 2016</b>
Monuments and Fountains	1
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:-

	<b>2014/15</b> <b>£000</b>	<b>2015/16</b> <b>£000</b>
Rental income from investment property	64	45
Net gain	<u>64</u>	<u>45</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:

	<b>2014/15</b> <b>£000</b>	<b>2015/16</b> <b>£000</b>
Balance at start of the year	6,700	8,582
Net gains from fair value adjustments	1,928	119
Disposals	(46)	-
Balance at end of the year	<u>8,582</u>	<u>8,701</u>

