# Trust Funds

The Council administers 60 trust funds, acting as sole trustee for 56 trusts and as one of several trustees for a further 4 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 2020.

**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 Accounting and Reporting by Charities: Statement of Recommended Practice 2015, applicable to charities preparing their accounts, in accordance with the Financial Reporting Standard 102 (FRS 102), applicable for the UK and Republic of Ireland, commonly referred to as the Charities SORP which is effective for accounting periods beginning on or 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 Council’s charitable trusts are published on the Council’s 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 2019/20.

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**

****

**Trust Funds Balance Sheet**

****

**Notes to the Trust Fund 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 |
|  |  |  |
| Depreciation: |  |  |
| The following useful lives and depreciation rates have been used in the calculation of depreciation:- |
|  |  |  |
| Other Land and Buildings | - | Buildings up to 55 years, land is not depreciated |
| Community Assets | - | Rights and land are not depreciated |

Movements of property, plant and equipment were as follows:



**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.

****

**Note 3 Investment Properties**

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



**Note 4 Long Term Investments**

Long Term Investments are a mixed portfolio of Unit Trusts.

During 2018/19 an investment was redeemed, with proceeds allocated to the Moray and Nairn Educational Trust. The adjustment to investment redeemed figure in 2019/20 is to correct the opening balance in the Balance Sheet as at 1 April 2019 by the value of the investment redeemed in 2018/19.

**Note 5 Trust Details**

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



**Note 5 Trust Details (continued)**



**Note 5 Trust Details (continued)**



**Note 5 Trust Details (continued)**

****