

**The Highland Council**  
**Skye, Ross and Cromarty Area Committee**  
**19 November 2014**

Agenda Item	11d
Report No	SRC/044/14

**Invergordon Common Good – Annual Report and Quarter 2 Monitoring Report**

**Joint Report by the Head of Policy and Reform and Director of Finance**

**Summary**

This report invites Members to note the:  
Invergordon Common Good Fund – Annual Report 2013/14  
Invergordon Common Good Fund - Second Quarter Monitoring Statement

**1. Annual Report**

- 1.1 Appendix I of this report shows the Income and Expenditure Account and Balance Sheet in respect of the Invergordon Common Good Fund (ICGF) for Financial Year 2013/14.
- 1.2 The bulk of the spend in 2013/14 relates to the cost of a survey and options appraisal carried out on the Invergordon Town Hall which is in poor condition. This does result in a small deficit over the year but the appraisal is being used to inform work around the potential future use of the building, which may in turn help to identify external funding sources to support necessary refurbishment work.
- 1.3 In the accounts the classification of all non-current assets is subject to de minimis level of £6,000 for vehicles, plant and machinery and £20,000 for all other assets. Consequently some assets belonging to the Common Good, with smaller value, may not be included in the figure reported in the accounts.
- 1.4 Members are requested to note changes to the reserves reported in the audited accounts. This is as a result of adjustments provided by Audit Scotland to the Common Good accounts.
- 1.5 The underlying concept is that each category of asset in the top half of the balance sheet has an equivalent reserve in the bottom half of the balance sheet.
- 1.6 Unusable Reserves comprise the Revaluation Reserve and the Capital Adjustment Account, and these are matched with the non-current assets. Usable reserves comprise Revenue Funds and represent the actual funds available (£59,902). They are represented by short term deposits net of sundry creditors at the year end.

- 1.7 The usable reserves of the Common Good Funds have increased due to the reallocation of items which in previous years had been identified as unusable reserves.
- 1.8 The Revaluation Reserve represents the value of heritage assets held by the Common Good which are over the de minimis level. The amount has decreased as a result of the removal of the Bouchardon bust from the heritable assets, as approved by members at the April 2014 Area Committee, in the light of evidence that the bust is owned by the Council rather than the ICGF.
- 1.9 The effect of the amendments on each reserve was as follows:

**Invergordon Common  
Good  
31/03/2014  
Usable and Unusable  
Reserves**

	<b>Audited £</b>	<b>Unaudited £</b>	<b>Movement £</b>
<b>Usable Reserves</b>			
Revenue Fund	59,902	50,975	8,926
	<u>59,902</u>	<u>50,975</u>	<u>8,926</u>
<b>Unusable Reserves</b>			
Revaluation Reserve	85,000	177,500	-92,500
Capital Fund		9,926	-9,926
Capital Adjustment Account	93,500		93,500
	<u>178,500</u>	<u>187,426</u>	<u>-8,926</u>
<b>Total Reserves</b>	<u><b>238,402</b></u>	<u><b>238,402</b></u>	<u><b>0</b></u>

**2. Monitoring Statement to September 2014**

- 2.1 A monitoring statement showing transactions against budget to the end of September 2014 against budget is attached as Appendix 2.

**3. Expenditure**

- 3.1 The expenditure of £798 previously reported relates to essential external repairs and is within the budget set.

**4. Income**

4.1 The rental income of £3,000 for the Invergordon Town Hall from Highlife Highland has now been received.

## **5. Implications**

5.1 The expenditure to date is within budget and there are no Resource or Financial Implications. There are no known Equalities, Climate Change/Carbon Clever, Legal, Risk, Gaelic or Rural Implications.

### **Recommendation**

The Committee is invited to note:

- i. the Invergordon Common Good Fund Annual Report for 2013/14; and
- ii. the position of the Invergordon Common Good Fund as shown in the Quarter 2 Monitoring Statement against budget.

Designations: Carron McDiarmid, Head of Policy and Reform  
Derek Yule, Director of Finance

Date: 29 October 2014  
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Appendix One a)

**STATEMENT OF AUDITED ACCOUNTS 2013-14**  
**Invergordon Common Good Fund**  
**Income and Expenditure Account**

	2013/14 £	2012/13 £
<u>Expenditure</u>		
Property costs	248	-
Consultants Fees	4,197	-
Administration charges	<u>34</u>	<u>32</u>
Total expenditure	4,479	32
<u>Income</u>		
Rents	3,000	3,000
Interest and investment income	<u>294</u>	<u>337</u>
Total income	<u>3,294</u>	3,337
<b>Surplus/(deficit) for the year</b>	<b>(1,185)</b>	<b>3,305</b>
Unrealised gains on investments	<u>(200,000)</u>	<u>17,500</u>
Total comprehensive income and expenditure	<u><u>(201,185)</u></u>	<u><u>20,805</u></u>

**Appendix One b)**

<b>Balance Sheet</b>	31/03/14	31/03/13
	£	£
<u>Non current assets</u>		
Investment properties	93,500	93,500
Heritage	<u>85,000</u>	<u>285,000</u>
	178,500	378,500
<u>Current assets</u>		
Loans fund deposits	64,099	61,086
<u>Current liabilities</u>		
Sundry Creditors	(4,197)	
	<u>238,402</u>	<u>439,586</u>
<b>Total assets</b>		
<b>Usable reserves</b>		
Revenue funds	59,902	61,086
<b>Unusable reserves</b>		
Revaluation reserve	85,000	285,000
Capital adjustment account	<u>93,500</u>	<u>93,500</u>
	178,500	378,500
	<u>238,402</u>	<u>439,586</u>
<b>Total reserves</b>		

## Appendix Two

### Invergordon Common Good Fund – Quarter 2 Monitoring Statement 2014/15

	<b>2014-2015 Budget</b>	<b>Actual year to date</b>
<u>Expenditure</u>		
Property Costs	1,000	798
Administration charges	100	0
<b>Total expenditure</b>	<b>1,100</b>	<b>798</b>
<u>Income</u>		
Rents	3,000	3,000
Interest and investment income	300	
<b>Total income</b>	<b>3,300</b>	<b>3,000</b>
<b>Surplus/(Deficit)</b>	<b>2,200</b>	<b>(2,202)</b>