

OKEHAMPTON UNITED CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

OKEHAMPTON UNITED CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--------------------------|---|
| Trustees | Mr R Campbell Mr D Chapman Rev S Cook Mrs M Cooper Mr W Cornish Mr A Ewen Mr A Fisher Mrs J Gibbons Dr M Ireland Mrs C Marsh Mr D Webber Mrs J Yelland |
| Treasurer | Mr C J Owen FCCA |
| Clerk | Mrs K Percival CG (Affiliated) |
| Charity number | 202686 |
| Principal address | 15 Upper Crooked Meadow Okehampton Devon EX20 1WW |
| Auditor | Simpkins Edwards LLP Michael House Castle Street Exeter Devon EX4 3LQ |
| Bankers | Lloyds Bank PLC Fore Street Okehampton Devon EX20 1HJ |
| Solicitors | Trowers & Hamlins LLP The Senate Southernhay Gardens Exeter Devon EX1 1UG |
| Land agents | Kivells Chartered Surveyors Liskeard PL14 4BE |

OKEHAMPTON UNITED CHARITY

CONTENTS

| | Page |
|---|-------------|
| Trustees' report | 1 - 5 |
| Statement of trustees' responsibilities | 6 |
| Independent auditor's report | 7 - 9 |
| Statement of financial activities | 10 |
| Balance sheet | 11 - 12 |
| Notes to the financial statements | 13 - 27 |

OKEHAMPTON UNITED CHARITY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019).

Objectives and activities

The charity has two branches; the Almshouse branch and the United Charity branch the objects of which are;

Almshouse Branch

The provision of housing accommodation for persons who:

- a. are in need, hardship or distress; and
- b. are resident in the area of benefit (the Parishes of Okehampton and Okehampton Hamlets).

United Charity Branch

After the payment of administration costs including the repair and insurance of its properties, the Trustees must:

- a) make a grant of £2,500 to the Okehampton United Ecclesiastical Charity (1077584) for the general purposes of that charity;
- b) apply the sum of £1,000 for relief of need and sickness in the area of benefit;
- c) divide the remaining income into seven equal parts and apply:

Three equal parts to the Trustees of the Okehampton Educational Foundation (306677) for application of the general purposes of that charity.

Four equal parts must be applied for such charitable purposes for the inhabitants of the area of benefit (the Parishes of Okehampton and Okehampton Hamlets) as the Trustees may decide.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. These objectives are met by following the scheme's rules for the application of income. This is generally achieved by responding to applications for grants from local organisations. The charity uses an application form to ensure that if applicants are not charities, the charitable purpose is clear. Organisations applying are also required to confirm that their members or beneficiaries are not unreasonably restricted and that they reside within the area of benefit. If organisations operate outside the area of benefit, grants are adjusted on a pro rata basis.

Achievements and performance

During the year the charity distributed **£2,500** to Okehampton United Ecclesiastical Charity, **£149,747** to Okehampton Educational Foundation and awarded grants of **£160,326** to local organisations and individuals. Included in the awarded grants was £12,140 in relation to a Covid-19 Hardship Fund, which was set up at a total of £40,000 to specifically provide financial help to those individuals who were not eligible for the government's support schemes. The balance of this is recognised in designated funds. In total the applications to the charity for grant awards during 2020 was lower than in previous years primarily as a result of the Covid-19 pandemic.

Full details of grants made are shown in **note 8** to the financial statements.

The trustees are satisfied that the grants awarded to organisations and to individuals who were suffering an immediate crisis, met and exceeded the scheme's requirement of distributing £1,000 for the relief of persons resident in the area of benefit, who are in need, hardship or distress.

OKEHAMPTON UNITED CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

A reconciliation of the scheme income distribution, with the actual distributions made during the year, is included in note 5 of the financial statements.

The trustees are satisfied that all grants made in 2020 fulfill one or several of the charitable purposes set out in the Charities Act 2011. The trustees are also satisfied that each of the grants provided benefits to residents of the Parishes of Okehampton and Okehampton Hamlets.

Financial review

Investments

To enable the charity to fulfill its charitable objectives, the trustees have adopted an investment strategy to provide a sustainable level of income for grant awards and for the protection of the charity's capital. The charity's endowment is expected to exist in perpetuity and the trustees' investment objective is to maintain the real value of the charity's assets whilst providing a long-term sustainable return to fund grant making.

In order to provide a consistent level of income for grant awards, the trustees use a total return approach (within the meaning of the Trustees (Capital and Income) Act 2013) rather than relying on the dividend yield alone to provide the income for grant making. The trustees have the power to adopt this approach as the general funds of the charity are expendable. The trustees used a guideline of 3.5% of the value of the investment portfolio, as the sustainable amount to be drawn down as income for administration expenditure and grant awards for the year. During 2020 the trustees did not need to drawdown any income in excess of the dividend yielded by the investments.

The income from investment dividends in 2020 was £376,369 which was a yield 2.94% of the average capital value of the investment portfolio during the year.

The investment portfolio is invested with the long-term aim of providing an annual total return (capital growth and income drawdown) of inflation (CPI) plus 5%.

The market value of investments at the end of the year was **£13,110,736** which gave an increase in capital value of 7.5% for the year net of additional investments made during the year of £109,170 (plus £11,960 of fee rebates reinvested). The resulting overall total return for the year was 10.4% which compared favourably with the trustees' long-term investment strategic objective aim of CPI 0.6% plus 5% = 5.6%

During the year the investment portfolio was held in the income units of the COIF Investment Fund managed by CCLA. The on-going investment management fees charged by CCLA are 0.60% and the fee is included in the market price of the units in the COIF Charity Investment Fund. During the year fee rebates received from CCLA of £11,961 were reinvested in units in the COIF Charity Investment Fund.

The investments had made a net unrealised gain of £790,198 at the end of the year.

Properties

The property owned by the charity (including Almshouses) is valued at **£1,165,000** at 31st December 2020 and is included as part of the Capital Fund expendable endowment. The property holdings are comprised of; Agricultural land valued at £711,000 which provided a rental income (including wayleaves) of £15,958 for the year, Amenity land valued at £174,000 and the Almshouse branch properties, valued at £280,000.

In accordance with the Trustees' policies, the properties owned by the charity were re-valued at 31st December 2020 by the charity's land agent Kivells, resulting in a net unrealised gain of £124,750.

Land held as Custodian Trustee

During the year the trustees completed the purchase at the market value agreed in 2018 of the half share of the land jointly owned with Okehampton United Ecclesiastical Charity at Higher Kempley, £51,000. The purchase was completed in December 2020 and the share of the rental income received for the year of £300 was set against administration expenditure of £300 incurred on behalf of Okehampton United Ecclesiastical Charity.

OKEHAMPTON UNITED CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial activities

The total income of the charity in the year was £403,432, with total expenditure of £359,668. This was split between the Almshouse branch and the United Charity branch as follows.

The Almshouse branch

Income from the weekly contributions of the Almshouse residents was; **£9,063** (2019: £8,374) and expenditure was **£5,691** (2019: £3,508). The resulting surplus of £3,372 was added to the Almshouse branch reserve.

The United Charity branch

Total income for the year was **£394,369** (2019: £468,159). Income from investments was **£376,369** (2019: £280,397), and property income was **£17,740** (2019: £17,400).

Charitable activities expenditure of the United Charity branch was £353,977 (2019: £439,129) of which governance costs were £4,440 (2019: £4,015).

Full details of the charitable activities expenditure is included in notes 7 & 8.

The net movement in funds for the year excluding any investment gains or drawdown from capital, was an increase of £43,764 (2019: £27,622). At 31 December 2020 the Capital Fund of the charity was £14,275,738 (2019: £13,349,498) and the Income Fund £164,466 (2019: £120,032) including the Almshouse Branch reserve fund and Covid Hardship fund.

Reserves policy

The trustees consider that it remains prudent to maintain a specific Income Fund reserve equivalent to six months administration costs; £25,000 plus 15% of the annual value of grants awarded to organisations; £35,000. The Reserve of £60,000 is included in the Income Fund balance. In addition, a designated land maintenance reserve is maintained and the trustees transferred £4,000 to the reserve during the year. The balance was £10,000 at 31st December 2020. Full details included in note 19.

The Almshouse branch fund is maintained at a level to meet planned repairs to the Almshouses and was £32,086 at 31st December 2020.

The charity has in place procedures and systems to minimise risks to the charity. A review of the Risk Register is carried out regularly by the sub-committees and by the full Board of Trustees annually.

Plans for the future

The Grants sub-committee meet regularly to consider priorities for the awarding of grant funding and the trustees will continue to promote the objectives of the charity and encourage local organisations to make applications for grant support.

The trustees are confident that the level of demand for annual grants will return to the levels before the Covid-19 pandemic and have agreed a total income budget of £435,000 for 2021. This will be made up of the 2020 income fund carry forward balance of £34,520, (see note 19 below) the dividends from investments; £389,000 and net income from properties £13,000. In the circumstances of the Covid-19 pandemic, the trustees have been informed by CCLA that the forecast dividends for 2021 will be maintained at 2020 level.

OKEHAMPTON UNITED CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Structure, governance and management

Governing instrument:

The charity was originally constituted by a trust deed dated 21 February 1873. This was replaced by a new scheme on 23 October 2001.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland on 16 July 2014.

The trustees who served during the year and up to the date of signature of the financial statements were:

Mr R Campbell
Mr D Chapman
Rev S Cook
Mrs M Cooper
Mr W Cornish
Mr A Ewen
Mr A Fisher
Mrs J Gibbons
Dr M Ireland
Mrs C Marsh
Mr D Webber
Mrs J Yelland

The immediate past Mayor of Okehampton did not take up the trusteeship during the year.

Board of Trustees:

3 ex-officio Trustees: Mayor of Okehampton, immediate past Mayor of Okehampton and the Team Rector of Northmoor Churches, Okehampton

2 nominated Trustees by Okehampton Town Council

2 nominated Trustees by Okehampton Hamlets Parish Council

6 co-opted Trustees appointed by the Board of Trustees as each vacancy occurs

Trustees other than ex-officio, are appointed for a period of four years. On appointment the trustees are provided with a Trustee Manual which includes a brief history of the charity, copy minutes, a copy of the last set of accounts, a copy of the Scheme, details of the charity's land holdings and copies of policies and procedures. The trustees are also provided with a copy of the Charity Commission guidance 'The Essential Trustee'. The trustees are also offered the opportunity to attend suitable training. A Code of Conduct is signed by all trustees.

All trustees give of their time freely and no remuneration was paid to any Trustee in the year. Details of any related party transactions are disclosed in a note to the accounts. Trustees are required to disclose all relevant interests and register them with the Clerk and in accordance with the charity's policy withdraw from decisions where a conflict of interest arises.

Administration

During the year, the charity was administered by the Treasurer and Clerk who receive salaries and are reimbursed for expenses incurred in the performance of their duties. Meetings of the Board of Trustees were held each month (excluding December) and the meetings were held using video facilities from March to November 2020 to comply with social distancing guidance. The three sub-committees also met regularly using video facilities and advised the Board of Trustees on issues relating to; Grant policies and governance, Property and the Almshouse branch, and Finance and evaluation. The charity's decisions are only made at the meetings of full Board of Trustees meetings.

OKEHAMPTON UNITED CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees' report was approved by the Board of Trustees.

Mr D Chapman

Trustee

Dated: 28 April 2021

Mrs C Marsh

Trustee

Dated:28 April 2021

OKEHAMPTON UNITED CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OKEHAMPTON UNITED CHARITY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF OKEHAMPTON UNITED CHARITY

Opinion

We have audited the financial statements of Okehampton United Charity (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OKEHAMPTON UNITED CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF OKEHAMPTON UNITED CHARITY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Risks identified

Audit response

Unauthorised bank payments

Audit testing has confirmed that the management do not have the authority to make payments from the Charity's bank accounts

Fictitious grant applications

The grant application process has been tested to ensure that fictitious applications are identified and removed from the process.

OKEHAMPTON UNITED CHARITY

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF OKEHAMPTON UNITED CHARITY

Risks identified

Audit response

Unauthorised decisions by management

The minutes of trustee meetings have been reviewed in order to ensure that no action of the Charity has been undertaken without the trustees making that decision

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Simpkins Edwards LLP

28 April 2021

**Chartered Accountants
Statutory Auditor**

Michael House
Castle Street
Exeter
Devon
EX4 3LQ

Simpkins Edwards LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

OKEHAMPTON UNITED CHARITY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | Unrestricted funds 2020 £ | Endowment funds 2020 £ | Total 2020 £ | Total 2019 £ |
|--|-------|---------------------------------|------------------------------|--------------------|--------------------|
| <u>Income and endowments from:</u> | | | | | |
| Donations and legacies | 3 | 30 | - | 30 | - |
| Investments | 4 | 403,402 | - | 403,402 | 307,360 |
| Other income - capital drawdown | 19 | - | - | - | 169,173 |
| Total income | | 403,432 | - | 403,432 | 476,533 |
| <u>Expenditure on:</u> | | | | | |
| Raising funds | 6 | - | - | - | 6,274 |
| Charitable activities | 7 | 359,668 | - | 359,668 | 442,637 |
| Total resources expended | | 359,668 | - | 359,668 | 448,911 |
| Net capital draw down | 19 | - | - | - | (140,924) |
| Net gains/(losses) on investments | 14 | - | 926,910 | 926,910 | 1,872,196 |
| Net incoming resources before transfers | | 43,764 | 926,910 | 970,674 | 1,758,894 |
| Gross transfers between funds | 19 | 670 | (670) | - | - |
| Net movement in funds | | 44,434 | 926,240 | 970,674 | 1,758,894 |
| Fund balances at 1 January 2020 | | 120,032 | 13,349,498 | 13,469,530 | 11,710,636 |
| Fund balances at 31 December 2020 | | 164,466 | 14,275,738 | 14,440,204 | 13,469,530 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

OKEHAMPTON UNITED CHARITY

BALANCE SHEET

AS AT 31 DECEMBER 2020

| | Notes | 2020 | | 2019 | |
|--|-------|------------|------------|------------|------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Investment properties | 12 | | 1,165,000 | | 989,250 |
| Investments | 13 | | 13,110,736 | | 12,199,408 |
| | | | 14,275,736 | | 13,188,658 |
| Current assets | | | | | |
| Debtors | 15 | 2,845 | | 2,750 | |
| Cash at bank and in hand | | 259,646 | | 428,676 | |
| | | | 262,491 | | 431,426 |
| Creditors: amounts falling due within one year | 16 | (98,023) | | (142,054) | |
| Net current assets | | | 164,468 | | 289,372 |
| Total assets less current liabilities | | | 14,440,204 | | 13,478,030 |
| Creditors: amounts falling due after more than one year | 17 | | - | | (8,500) |
| Net assets | | | 14,440,204 | | 13,469,530 |
| Capital funds | | | | | |
| <u>Endowment funds - general</u> | | | | | |
| General endowment funds | | 14,275,738 | | 13,349,498 | |
| | | | 14,275,738 | | 13,349,498 |
| Expendable endowment | | 14,275,738 | | 13,349,498 | |
| | | | 14,275,738 | | 13,349,498 |
| Income funds | | | | | |
| <u>Unrestricted funds</u> | | | | | |
| Designated funds: | | | | | |
| Almshouse branch | | 32,086 | | 28,714 | |
| Covid hardship | | 27,860 | | - | |
| | | | 59,946 | | 28,714 |
| General unrestricted funds | 18 | 104,520 | | 91,318 | |
| | | | 164,466 | | 120,032 |
| | | | 14,440,204 | | 13,469,530 |

OKEHAMPTON UNITED CHARITY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the Trustees on 28 April 2021

Mr D Chapman
Trustee

Mrs C Marsh
Trustee

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Okehampton United Charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is 15 Upper Crooked Meadow, Okehampton EX20 1WW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

The unrestricted income funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

The Almshouse Branch Fund is a designated fund to be used for the purposes of the Almshouse branch.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Rental income from property, almshouse contributions and wayleaves is accrued in accordance with the period to which it relates and is recognised as such in the Statement of Financial Activities.

Dividends and interest which are not reinvested are credited to the Statement of Financial Activities according to the date upon which they fall due for payment. Any associated tax refunds are credited when the relevant source income is due to be received.

The trustees have adopted a total return approach towards the income required for the activities of the charity and draw down from capital is allowed up to a maximum income sum including dividends of 3.5% per annum of the investment portfolio value. The maximum income limit is reviewed annually.

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Resources expended

Subject to the payment of expenses, the income of the United Charity branch is applied in compliance of the registered scheme in the following ways and in the order of priority:-

- A distribution of £2,500 to Okehampton United Ecclesiastical Charity and a distribution of £1,000 for the relief of need and sickness in the area of benefit.

The residue is to be split as follows:-

- 3/7ths to Okehampton Educational Foundation for the use of that charity
- 4/7ths for the benefit of the inhabitants of the area of benefit as the trustees may decide

Within expenditure on charitable activities are other support expenses. These are costs which are incurred directly in administering, maintaining and insuring the charitable activities and assets of the charity. This also includes the cost of preparation and audit of the statutory financial statements.

Grants awarded are recognised in the financial statements when a commitment has been made, and there are no conditions to be met relating to the grant which remain in the control of the charity. Grants with performance conditions are only recognised in the financial statements once the recipient of the grant has provided the specified service or output, critical accounting estimates and judgements.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in net income/(expenditure) for the year.

The valuation on investment property is based on an open market value undertaken by Kivells, Chartered Surveyors on 12 February 2021.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are included net.

1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

| | Unrestricted funds | Total |
|---------------------|-----------------------|-------|
| | 2020 | 2019 |
| | £ | £ |
| Donations and gifts | 30 | - |

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Investments

| | Unrestricted funds | Total |
|---|-------------------------------|----------------|
| | 2020 | 2019 |
| | £ | £ |
| Property income | 17,740 | 17,400 |
| Income from listed investments | 376,369 | 280,397 |
| Tax repayments on dividends and interest | - | 430 |
| Almshouse branch: residents' weekly contributions | 9,063 | 8,374 |
| Interest receivable | 230 | 759 |
| | <u>403,402</u> | <u>307,360</u> |

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Reconciliation of scheme income and distributions

| | United Charity £ | Ecclesiastical Charity £ | Total £ |
|---|------------------------|--------------------------------|-----------------------|
| Incoming resources (excluding Almshouse branch) | 394,069 | 300 | 394,369 |
| Administration and property expenditure: | | | |
| Investment management fees | - | - | - |
| Administration expenses (including salaries) | 35,560 | 300 | 35,860 |
| Maintenance of allotments | (5,289) | - | (5,289) |
| Maintenance of estate property | 4,261 | - | 4,261 |
| General insurances | 2,132 | - | 2,132 |
| Audit and accountancy | 4,440 | - | 4,440 |
| Sundry | - | - | - |
| | <u>41,104</u> | <u>300</u> | <u>41,404</u> |
| Net scheme income for the year | <u>352,965</u> | <u>-</u> | <u>352,965</u> |
| Application of net scheme income: | | | £ |
| Net scheme income | | | <u>352,965</u> |
| Okehampton United Ecclesiastical Charity grant | | | 2,500 |
| For relief or persons resident in the area of benefit who are in need, hardship or distress | | | 1,000 |
| 3/7ths Okehampton Educational Foundation | | | 149,771 |
| 4/7ths available for grants as the trustees decide | | | 199,694 |
| | | | <u>352,965</u> |
| Summary of actual charitable distributions made during the year: | | | £ |
| Net scheme income for the year (as above) | | | <u>352,965</u> |
| Distributions | | | |
| Okehampton United Ecclesiastical Charity | | | 2,500 |
| Okehampton Educational Foundation allocation | | | 149,747 |
| Other organisations and individuals (including £1,000 for need, hardship or distress) | | | 160,326 |
| | | | <u>312,573</u> |
| Balance carried forward in the United Charity branch income fund | | | 40,392 |

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Raising funds

| | Unrestricted funds | Total |
|-----------------------|-------------------------------|--------------|
| | 2020 | 2019 |
| | £ | £ |
| Investment management | - | 6,274 |
| | <u>-</u> | <u>6,274</u> |
| | <u>-</u> | <u>6,274</u> |

7 Charitable activities

| | Charitable Expenditure | Charitable Expenditure |
|--|-----------------------------------|-----------------------------------|
| | 2020 | 2019 |
| | £ | £ |
| Staff costs | 35,860 | 33,431 |
| Grant to Okehampton United Ecclesiastical Charity | 2,500 | 2,500 |
| Grant to Okehampton Educational Foundation | 149,747 | 174,073 |
| Almshouse branch expenses | 5,691 | 3,508 |
| Maintenance of allotments | (5,289) | 8,875 |
| Maintenance of estate property | 4,261 | 4,163 |
| General insurance | 2,132 | 1,999 |
| Audit fees | 4,440 | 4,015 |
| | <u>199,342</u> | <u>232,564</u> |
| Grants awarded to organisations and individuals (see note 8) | 160,326 | 210,073 |
| | <u>359,668</u> | <u>442,637</u> |

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Grants awarded to organisations and individuals

| | Charitable Expenditure |
|-------------------------------------|-------------------------------|
| | 2020 |
| | £ |
| Grants to institutions: | |
| Okehampton College | 2,000 |
| Devon Young Carers | 18,043 |
| Mary Budding Trust | 291 |
| Force Cancer Charity | 21,500 |
| Harvest Workers Co-op | 7,820 |
| Okehampton Community Dance Project | 1,190 |
| Devon Development Education | 500 |
| Tor Support Services | 10,095 |
| Okehampton Pads | 3,500 |
| Okehampton & District Carnival | 2,000 |
| Covid-19 hardship fund | 12,140 |
| Community Links | 3,500 |
| Park Run | 950 |
| Okehampton Community Garden | 525 |
| Covid-19 sewing team | 500 |
| Okehampton Community Archive | 2,000 |
| Free4Life | 3,400 |
| Okehampton Craft Club | 285 |
| Citizens Advice Bureau | 30,000 |
| Connect Mid-Devon | 12,147 |
| Virtual Christingle | 500 |
| Okehampton Parochial Church Council | 17,500 |
| Devon Youth Service | 4,081 |
| House of Rachel | 2,500 |
| 2019 grant adjustment | (250) |
| Individuals- sporting achievement | 900 |
| Individuals- adult education | 2,100 |
| Individuals- crisis/hardship | 609 |
| | <hr/> |
| | 160,326 |
| | <hr/> <hr/> |

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Auditor's remuneration

| | | |
|---|--------------|--------------|
| The analysis of auditor's remuneration is as follows: | 2020 | 2019 |
| | £ | £ |
| Audit of the annual accounts | 2,220 | 2,008 |
| Other accountancy services | 2,220 | 2,007 |
| Total audit fees | <u>4,440</u> | <u>4,015</u> |

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

Number of employees

The average monthly number of employees during the year was:

| | |
|---------------|---------------|
| 2020 | 2019 |
| Number | Number |
| 2 | 2 |

Employment costs

| | | |
|---|---------------|---------------|
| | 2020 | 2019 |
| | £ | £ |
| Wages and salaries | 37,170 | 34,681 |
| Pensions costs | 2,046 | 1,885 |
| Office, mileage and miscellaneous costs | 7,144 | 7,690 |
| Recovered from Okehampton Educational Foundation | (8,000) | (8,000) |
| Recovered from Simmons Homes & Holditch and other charities for clerking services | (2,500) | (2,825) |
| | <u>35,860</u> | <u>33,431</u> |

The key management personnel of the charity are the trustees who receive no remuneration, together with the charity's two employees: a treasurer and a clerk who are paid a salary and are reimbursed for business expenses. No employee earned more than £60,000 per annum (2019- nil).

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Investment property

| | 2020 £ |
|--|-------------|
| Fair value | |
| At 1 January 2020 | 989,250 |
| Additions through external acquisition | 51,000 |
| Net gains or losses through fair value adjustments | 124,750 |
| | <hr/> |
| At 31 December 2020 | 1,165,000 |
| | <hr/> <hr/> |

Investment properties comprises two Almshouses, agricultural properties and amenity land. The fair value of the investment property has been arrived at on the basis of a valuation dated 12 February 2021 carried out by Kivells Chartered Surveyors (regulated by RICS), who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

No depreciation is provided on these properties.

Property holdings market values

Almshouses

| | |
|---------------------|----------|
| No 1 Brocks Cottage | £140,000 |
| No 2 Brocks Cottage | £140,000 |

Agricultural properties

| | |
|-----------------------------------|----------|
| Land at Darkey Lane | £135,000 |
| Land at Higher Kempley | £118,000 |
| Land at Ball Hill/Fatherford Road | £458,000 |

Amenity land

| | |
|-----------------------------------|---------|
| Ball Hill Wood/Quarry | £84,000 |
| Community Garden, Fatherford Road | £12,000 |

Allotments

| | |
|-----------------|---------|
| North Street | £15,000 |
| Castle Road | £26,000 |
| Fatherford Road | £37,000 |

The historic costs for the above-named properties are unknown.

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Fixed asset investments

| | Listed investments £ |
|--------------------------|-------------------------------------|
| Cost or valuation | |
| At 1 January 2020 | 12,199,408 |
| Additions | 121,130 |
| Valuation changes | 790,198 |
| | <hr/> |
| At 31 December 2020 | 13,110,736 |
| | <hr/> |
| Carrying amount | |
| At 31 December 2020 | 13,110,736 |
| | <hr/> <hr/> |
| At 31 December 2019 | 12,199,408 |
| | <hr/> <hr/> |

The charity has invested in a unitised fund where fees are taken from capital, the fund is priced on a daily basis and valued weekly. CCLA charge management fees at 0.6% per annum and the Trustees have opted to include these in the accounts on a net basis which is in line with Charity SORP guidance. Fee rebates of £11,962 were received in respect of the value of the portfolio in excess of £10 million. The rebates were automatically re-invested in units of the COIF Charities Investment Fund.

At 31 December 2020, the whole of the Investment Portfolio was invested in income units of the COIF Charities Investment Fund managed by CCLA. The number of income units held in the COIF Investment Fund at 31 December 2020 was 729,358.88 units and were valued at the bid price of 1,797.57p at 31 December 2020.

Analysis of investment categories of the COIF Investment Fund as at 31 December 2020:

- 68.68% Overseas Equities
- 9.02% UK Equities
- 9.04% Infrastructure & Operating Assets
- 4.92% Contractual, Private Equity & Other
- 4.05% Cash
- 3.91% Property
- 0.38% Fixed Interest

ROKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Net gains/(losses) on investments

| | Endowment funds general 2020 £ | Total 2019 £ |
|--------------------------------------|--|--------------------|
| Revaluation of investments | 802,160 | 1,872,196 |
| Revaluation of investment properties | 124,750 | - |
| | <u>926,910</u> | <u>1,872,196</u> |

The above net gain also includes the fee rebates referred to in note 13 above.

15 Debtors

| | 2020 £ | 2019 £ |
|---|--------------|--------------|
| Amounts falling due within one year: | | |
| Other debtors | 625 | 625 |
| Prepayments and accrued income | 2,220 | 2,125 |
| | <u>2,845</u> | <u>2,750</u> |

16 Creditors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|------------------------------------|---------------|----------------|
| Other taxation and social security | - | 1,339 |
| Other creditors | 91,591 | 129,735 |
| Accruals and deferred income | 6,432 | 10,980 |
| | <u>98,023</u> | <u>142,054</u> |

17 Creditors: amounts falling due after more than one year

| | 2020 £ | 2019 £ |
|-----------------|-----------|--------------|
| Other creditors | - | 8,500 |
| | <u>-</u> | <u>8,500</u> |

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

| | Movement in funds | | | Movement in funds | | | Balance at 31 December 2020 | |
|-----------------------|------------------------------|-----------------------|-----------------------|------------------------------|-----------------------|-----------------------|-----------------------------------|---------------|
| | Balance at 1 January 2019 | Incoming resources | Resources expended | Balance at 1 January 2020 | Incoming resources | Resources expended | | Transfers |
| | £ | £ | £ | £ | £ | £ | £ | |
| Almshouse branch fund | 23,848 | 8,374 | (3,508) | 28,714 | 9,063 | (5,691) | - | 32,086 |
| Covid hardship fund | - | - | - | - | - | (12,140) | 40,000 | 27,860 |
| | <u>23,848</u> | <u>8,374</u> | <u>(3,508)</u> | <u>28,714</u> | <u>9,063</u> | <u>(17,831)</u> | <u>40,000</u> | <u>59,946</u> |

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 General funds

These are general funds which are included within the total unrestricted funds balance and are material to the charity's activities made up as follows:

| | Movement in funds | | | | |
|--------------------------|------------------------------|-----------------------|-----------------------|------------|-----------------------------------|
| | Balance at 1 January 2020 | Incoming resources | Resources expended | Transfers | Balance at 31 December 2020 |
| | £ | £ | £ | £ | £ |
| Income reserve fund | 60,000 | - | - | - | 60,000 |
| Land maintenance reserve | 6,000 | 4,000 | - | - | 10,000 |
| General free reserves | 25,318 | 350,369 | (341,837) | 670 | 34,520 |
| | <u>91,318</u> | <u>354,369</u> | <u>(341,837)</u> | <u>670</u> | <u>104,520</u> |

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Analysis of net assets between funds

| | Capital Fund £ | Almshouse Branch £ | Income Fund £ | Almshouse Branch £ | Covid Hardship £ | Total £ |
|---|--------------------------|--------------------------|-----------------------|--------------------------|------------------------|--------------------------|
| Fixed assets | | | | | | |
| Property and equipment | 885,000 | 280,000 | - | - | - | 1,165,000 |
| Investments | 13,110,736 | - | - | - | - | 13,110,736 |
| | <u>13,995,736</u> | <u>280,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>14,275,736</u> |
| Current assets | | | | | | |
| Debtors | - | - | 2,845 | - | - | 2,845 |
| Bank current account | - | - | 157,881 | - | - | 157,881 |
| Bank deposit accounts | - | - | 41,819 | 32,086 | 27,860 | 101,765 |
| | <u>-</u> | <u>-</u> | <u>202,545</u> | <u>32,086</u> | <u>27,860</u> | <u>262,491</u> |
| Liabilities | | | | | | |
| Creditors | - | - | (98,023) | - | - | (98,023) |
| | <u>-</u> | <u>-</u> | <u>(98,023)</u> | <u>-</u> | <u>-</u> | <u>(98,023)</u> |
| Current assets less liabilities | <u>-</u> | <u>-</u> | <u>104,522</u> | <u>32,086</u> | <u>27,860</u> | <u>164,468</u> |
| Net assets | <u>13,995,736</u> | <u>280,000</u> | <u>104,522</u> | <u>32,086</u> | <u>27,860</u> | <u>14,440,204</u> |
| Funds | | | | | | |
| Balance at 1 January 2020 | 13,109,498 | 240,000 | 91,318 | 28,714 | - | 13,469,530 |
| Net movement in resources | - | - | 12,532 | 3,372 | 27,860 | 43,764 |
| Fee rebates reinvested | 11,962 | - | - | - | - | 11,962 |
| Unrealised profit on revaluation of investments | 790,198 | - | - | - | - | 790,198 |
| Unrealised profit on revaluation of properties | 84,750 | 40,000 | - | - | - | 124,750 |
| Transfer for property purchase legal fees | (670) | - | 670 | - | - | - |
| | <u>13,995,738</u> | <u>280,000</u> | <u>104,520</u> | <u>32,086</u> | <u>27,860</u> | <u>14,440,204</u> |
| Balance at 31 December 2020 | <u>13,995,738</u> | <u>280,000</u> | <u>104,520</u> | <u>32,086</u> | <u>27,860</u> | <u>14,440,204</u> |

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Related party transactions

The charity is directly linked with Okehampton Educational Foundation (registration no 306677) and has the same trustees. Okehampton United Charity also provided day to day management of Okehampton Educational Foundation via the Treasurer and Clerk, for which a proportion of their salary costs were recharged to the Foundation.

The charity is linked to Okehampton United Ecclesiastical Charity (registration no 1077584) with which a property asset was jointly held until December 2020 and to which an annual grant is also paid.

The charity is also linked to Simmons Homes Charity (registration no 201676) with some common trustees. Okehampton United Charity provides day to day management of the charity via the clerk, for which a proportion of her salary costs are recharged.

Okehampton Town Council and Okehampton Hamlets Parish Council each have the powers to nominate two trustees of the charity.

Additionally, certain trustees are also trustees and members of organisations that receive grants and distributions from the charity. Awards to these related parties are summarised in note 5 to the financial statements. In these circumstances, trustees facing a conflict of interest abstain from the decision to award a grant. In particular, two trustees of the charity are also trustees of the Okehampton Community Recreation Association (OCRA).