

OKEHAMPTON UNITED CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

OKEHAMPTON UNITED CHARITY

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**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Administrative information

Name of Charity: Okehampton United Charity

Registration number: 202686

Key management personnel:

Treasurer: Mr C.J.Owen FCCA

Clerk: Mrs K Percival

Registered address: 15 Upper Crooked Meadow
Okehampton EX20 1WW

Board of Trustees:

Mr R Campbell	co-opted
Mr D Chapman	co-opted
Rev S Cook	ex-officio
Mrs M Cooper	nominated
Mr W Cornish	co-opted
Mr A Ewen	co-opted
Mr A Fisher	nominated
Mrs J Gibbons	co-opted
Mrs J Goffey	ex-officio
Dr M Ireland	nominated
Mrs C Marsh	co-opted
Mr P Vachon	ex-officio
Mr D Webber	nominated

Auditors: Simpkins Edwards LLP
Chartered Accountants
Michael House
Castle Street
Exeter EX4 3LQ

Bankers: Lloyds Bank PLC
Fore Street
Okehampton
Devon EX20 1HJ

Investment Managers: Raymond James Investment Services Limited
Stockdale Asset Management
St Ingunger
Llanivet
Cornwall PL30 5HS

Solicitors: Trowers & Hamlins LLP
The Senate
Southernhay Gardens
Exeter EX1 1UG

Land Agents: Kivells Chartered Surveyors
Liskeard PL14 4BE

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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.

Board of Trustees:

3 ex-officio Trustees: Mayor of Okehampton, immediate past Mayor of Okehampton and 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 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. Trustees are also provided with a copy of the Charity Commission guidance 'The Essential Trustee'. 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 are held each month. The Trustees have established three sub committees to advise the Board of Trustees on issues relating to; Grant policies and governance, Property and the Almshouse branch, and Finance (including investments). The charity's decisions are only made at the meetings of full Board of Trustees meetings.

Risk management

The charity has in place procedures and systems to minimise risks to the charity. A review of these risks was undertaken in 2016 and the next review is to be undertaken in early 2018.

Objects 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).

**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 the proportion that 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 2017**Grant awards**

During the year the charity distributed **£2,500** to Okehampton United Ecclesiastical Charity **£150,427** to Okehampton Educational Foundation and awarded grants of **£126,127** to 53 local organisations and individuals. Organisations included the Ockment Centre, Citizens Advice, 1st Okehampton Scouts and The Turning Tides Project. The Charity continued to support OCRA and Community Links with ongoing grants to provide recreation and counseling to the residents of Okehampton and Hamlets. The Charity facilitated a loan to Oke Rail CIC to allow a visit to London by train.

Full details of grants made are shown in note 5 to the financial statements.

The Trustees are satisfied that the 12 grants awarded to individuals who were suffering an immediate crisis met the required sum of £1,000 (total awarded £2,382) for the relief of persons resident in the area of benefit, who are in need, hardship or distress.

The Trustees are satisfied that all grants made in 2017 fulfill one or several of the charitable purposes set out in the Charities Act 2011. The Trustees are also satisfied that the grants provide benefits to residents of the Parishes of Okehampton and Okehampton Hamlets.

The Charity hosted a celebration evening in December 2017 which brought together many of the groups funded during the year for a social evening. The evening allowed groups and individuals supported by the Charity to meet the public and to network and showcase their organisations to each other.

**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 distribution and for the protection of the charity's capital.

The investment portfolio is managed with the long term aim of providing an annual total return (capital growth and income drawdown) of inflation (CPI) plus 5%. The Trustees consider that it is not in the best interests of the charity to impose specific investment limitations to take account of social, environmental or ethical considerations.

The investment portfolio was managed during the year by Stockdale Asset Management (part of Raymond James Investment Services Limited). The Trustees' Finance sub-committee met quarterly with the investment manager to review performance and carried out a substantial review of the Investment Strategy and policy in June. Following that review the Trustees confirmed the adoption of a total return approach (within the meaning of the Trustees (Capital and Income) Act 2013) rather than relying on dividend yield alone to generate income for grant making. The Trustees have the power to adopt this approach as the general funds of the charity are expendable. The Trustees adopted a guideline of 4.28% per annum of the value of the investment portfolio at 30th June 2017, as the amount available for administration expenditure and grant awards. From 1st August 2017 a monthly drawdown of £40,000 was made from the investment portfolio.

The revised investment policy resulted in significant changes to the portfolio structure on 31st July 2017. The Trustees are satisfied that a diversification of investments in regulated collective investment funds (Unit Trusts & OEICs) spread over equities, fixed interest, property and alternatives and direct investment in equities, is the best method of achieving the investment objectives. Income from investments was **£429,877**, giving a yield of 3.99% on the opening capital value (1st January 2016).

The market value of investments at the end of the year was **£11,570,582** which was an increase in capital value of 7.37% over the year.

The overall total return of **11.1%** was above the Trustees' investment strategic objective aim of 8% (CPI (3%) plus 5%).

Investment transactions during the year made net realised gains of £ 537,144 and there were net unrealised gains of £404,224 at the end of the year. Dividends received after 1st August 2017 £79,544 were re-invested.

The Investment managers Stockdale Asset Management charged fees of £54,170 incl VAT, for their services during the year. See note 2(h).

A full meeting of Trustees reviewed the 2017 investment performance in January 2018. The Trustees have set the 2018 income drawdown at £40,000 per month and endorsed the long-term investment objective of an average annual return of inflation (CPI) plus 5% to provide a long term sustainable level of annual income and to protect the capital value of the portfolio from the effects of inflation.

Properties

The property owned by the charity (including Almshouses) is valued at **£ 927,099** at 31st December 2017 and is part of the Capital Fund. The property holdings are comprised of; Agricultural land valued at £549,099 which provided a rental income (including wayleaves) of £16,841, Amenity land valued at £178,000 and the Almshouse branch freeholds valued at £200,000.

In accordance with the Trustees' policies, the properties owned by the charity will be re-valued in April 2018 by the charity's land agent Kivells.

**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Financial activities

The Almshouse branch income from the weekly contributions of the Almshouse residents was; **£8,078** (2016: £7,155) and expenditure was **£3,193** (2016: £3,829). The resulting surplus of £4,885 was added to the Almshouse branch reserve.

The United Charity branch total income for the year was **£447,264** (2016: £409,609) and in addition investments to the value of **£27,163** (2016: £57,800) were sold to meet part of the investment management fees. Income from investments was **£309,421** (2016: £391,765). Property income was **£16,841** (2016: £16,554) and bank interest **£546** (2016: £1,290).

Expenditure was **£399,081** (2016: £599,434) of which Governance costs were **£4,770** (2016: £5,370). Charitable activities expenditure was **£279,054** (2016: £501,682) including the scheme income distributions made to Okehampton Educational Foundation **£150,427** (2016: £158,583) and Okehampton United Ecclesiastical Charity **£2,500** (2016: £2,500).

The cost of generating funds was **£66,170** (2016: £61,670) in respect of investment management fees. Other direct charitable expenditure **£53,857** (2016: £36,082) included the net cost of salaries and office expenses **£31,397** (2016: £23,278) and the maintenance cost of properties **£10,979** (2016: £4,830).

A net transfer of £120,456 was made from the Capital Fund to the Income Fund in respect of income withdrawal drawdown £200,000 (see investment note above) less dividends received which were re-invested (£79,544). As noted, Okehampton United Charities funds include expendable endowments which can be converted into income. For the purposes of the calculation of the distribution to Okehampton Educational Foundation the net endowment converted into income is treated as income received, with a concurrent reduction in the Capital fund, see note 12.

The net movement in funds for the year was **£68,368 outgoing** (2016: £186,559 outgoing) and at 31 December 2017 the Capital Fund of the charity was **£12,497,680** (2016: £11,703,930) and the Income Fund **£131,058** (2016: £57,713).

Reserves policy

The Trustees reviewed the Reserves Policy in June 2017 and consider that it is prudent to maintain a specific Income Fund reserve equivalent to six months administration costs; £25,000 and 15% of the annual value of grants awarded to organisations; £35,000. The Income Fund Reserve was £60,000 at 31st December 2017 for the United Charity branch. In addition the Trustees transferred £2,000 to a land maintenance reserve.

The Almshouse branch fund is maintained at a level to meet planned repairs to the almshouses and was £30,541 at 31st December 2017.

**TRUSTEES' ANNUAL REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 recognise that organisations need to have confidence regarding future funding and have consequently committed grants to be paid from future years income. In so doing the Trustees have assessed the future investment portfolio drawdown income for 2018 which has been set at £480,000 before costs. The Trustees are confident that the current level of annual grants can be maintained for the immediate future and are satisfied that the commitments made in 2017 can be met in the future.

Funds Held as Custodian Trustee

The land at Higher Kempsey is jointly owned with Okehampton United Ecclesiastical Charity. Rental income of £300 and administration expenditure of £300 was incurred during the year on behalf of Okehampton United Ecclesiastical Charity.

Trustees' responsibilities in relation to the financial statements

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 & 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 period. 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 judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper 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 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.

The trustees are responsible for the maintenance and integrity of the financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees report was approved by the trustees on 28th March 2018 and signed on their behalf by

M Ireland
Trustee:

D Webber
Trustee:

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Opinion

We have audited the financial statements of Okehampton United Charity (the "Charity") for the year ended 31 December 2017 which comprise the Statement of Financial Activities, Balance Sheet and 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).

This report is made solely to the Charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. 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 auditor's 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's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2017 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, 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 they 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 liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Simpkins Edwards LLP
Statutory Auditor
Michael House
Castle Street
Exeter EX4 3LQ

Date: 28 March 2018

Simpkins Edwards LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2017**

<u>Incoming Resources</u>	Notes	All Unrestricted funds	
		2017 £	2016 £
Almshouse branch; residents' contributions	3	8,078	7,155
Investment income	9	309,421	391,765
Property income	3	16,841	16,554
Bank interest		546	1,290
Expendable endowment converted to income	12	120,456	-
Total income		455,342	416,764
<u>Resources expended</u>			
Almshouse branch expenses		3,193	3,289
Cost of generating funds; Investment management fees	2(h)	66,170	61,670
Charitable activities; Cost of grant making:			
Okehampton United Ecclesiastical Charity	4/5	2,500	2,500
Okehampton Educational Foundation	4/5	150,427	158,583
Grants to other organisations and individuals	5	<u>126,127</u>	<u>340,599</u>
		279,054	501,682
Other charitable support expenses; Treasurer & Clerk salary and office expenses	6	31,397	23,278
Maintenance of allotments		4,651	1,819
Maintenance of estate property		10,979	3,011
General insurance		2,060	1,999
Depreciation		-	605
Governance costs; Audit & Accountancy	7	4,770	5,370
Total expenditure		402,274	602,723
Net income/(expenditure)/ before Capital Fund transactions, carried forward		53,068	(185,959)

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
FOR THE YEAR ENDINGS 31 DECEMBER 2017

		All Unrestricted funds	
		2017	2016
		£	£
Notes			
Net income/(expenditure) before			
Capital Fund transactions brought forward		53,068	(185,959)
Capital Fund transactions			
	Net capital drawn down 12	(120,456)	
	Restricted Fund expenditure	(980)	(600)
		-----	-----
Net movement in funds before gains and losses		(68,368)	(186,559)
Net gains/(losses) on investments and property			
	Unrealised: Investments 9	404,224	535,271
	Property 8	-	(43,704)
	Realised: Investments 9	537,144	(28,379)
		-----	-----
Net movement in funds		873,000	276,629
	Total funds brought forward 1 st January 12	11,788,280	11,511,651
		-----	-----
	Total funds carried forward 31st December 12	12,661,280	11,788,280
		-----	-----

**BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Notes	£	2017 £	£	2016 £
Fixed assets					
Property	8		927,099		927,099
Investments	9		11,570,582		10,776,832
			12,497,681		11,703,931
Current assets					
Debtors	10		5,055		2,092
Cash at bank and in hand					
Current account		1,000		1,000	
Lloyds Bank business instant access		183,325		333,941	
Lloyds 32 day notice Treasury account		100,124		-	
			284,449	334,941	334,941
			289,504		337,033
Creditors:					
Amount due within one year	11		(125,905)		(197,574)
			163,599		139,459
Net current assets					
Creditors ; amount due after one year	11		-		(55,110)
			12,661,280		11,788,280
Net assets					
Represented by:					
Unrestricted Funds:					
Income Fund	12		71,059		7,713
Income Fund reserve			60,000		50,000
Land maintenance reserve			2,000		-
Almshouse branch fund	12		30,541		25,656
Sports Pitches fund	12		-		980
Capital fund	12		12,497,680		11,703,931
			12,661,280		11,788,280

Approved by the Board of Trustees on 28 March 2018 and signed on their behalf by

M Ireland
Trustee:

D Webber
Trustee:

The accompanying accounting policies and notes on pages 12 - 23 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. Basis of preparation**(a) Basis of accounting**

The financial statements have been prepared on the basis of the historic cost convention at cost or transaction value, except property and investments which shown at fair value in accordance with:

- Statement of Recommended Practice: Accounting and Reporting by Charities (FRS 102); and Update Bulletin 1 (which includes the exemption to prepare a cashflow statement);
- And with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102);
- And with the Charities Act 2011.
- And with Accounting Standards (UK Generally Accepted Practice) as applied from 1 January 2015

The charity constitutes a public benefit entity as defined by FRS 102.

There are no material uncertainties affecting going concern.

2. Accounting policies**(a) Fund accounting**

The United Charity branch fund is a general unrestricted fund, split between income and capital funds which the charity may use for its own purposes at its discretion subject to the scheme rules.

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

(b) Application of income

Subject to the payment of expenses, the income of the United Charity branch is applied in the following ways and in the following 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.

4/7ths for the benefit of the inhabitants of the area of benefit as the Trustees may decide.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2017**

(d) Assets and liabilities

These are included in the Balance Sheet at the following values:-

- Freehold property at fair value, based on an open market valuation. The valuation on freehold property is based on an open market value undertaken by Kivells, Chartered Surveyors in November 2013. The trustees believe that the current fair value of freehold property is not materially different from this valuation.
- Property improvements at cost less depreciation calculated at 10% of cost per annum.
- Investments; at fair value based on market value
- Current assets at the lower of cost and net realisable value
- Liabilities at their settlement value

(e) Liability recognition

Generally, liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure.

(f) Rents 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.

(g) Investment income

Dividends, interest and drawdown income are credited to the Statement of Financial Activities according to the date upon which they fall due for payment. Any associated tax refund, is credited when the interest falls due for payment. Unit Trust equalisation receipts are treated as investment income in the period received.

(h) Investment management fees

Investment management fees are charged by the investment managers on a quarterly basis. Investment management fees £27,163 were met from the sale of investments and the Capital Fund debited accordingly for the period 1st January 2017 to 30th June 2017 and the value of the investment portfolio at the end of the year is net of these sales. From 1st July 2017 the investment management fees were paid as administration expenditure from the Income Fund.

In the year ended 31 December 2017 the charity was charged in total £54,170 (2016; £61,670) for investment management fees and £12,000 for investment consultants fees.

(i) Governance costs

Governance costs include the cost of preparation and audit of the statutory financial statements.

(j) Other direct charitable expenditure

Items included are costs which are incurred directly in administering, maintaining and insuring the charitable activities and assets of the charity.

(k) Grants payable

Grants 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2017

(l) **Realised and unrealised gains and losses on fixed assets.**

A realised or unrealised gain or loss arising on an asset will form part of the fund in which the asset involved is held.

Realised gains and losses

Realised gains and losses arising on the disposal of fixed assets are included in the statement of financial activities within the 'Other Gains/Losses' section.

Unrealised gains and losses

Unrealised gains and losses arising on the revaluation of fixed assets are included in the 'Other Gains /Losses' section of the statement of financial activities.

(l) **VAT**

The charity is not registered for value added tax. In these financial statements, where applicable, expenditure is shown inclusive of VAT.

(j) **Basic Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value except property and investments which are shown at their fair (market) value

3. Summary of income receivable from property

	2017	2016
	£	£
Almshouse branch residents' weekly contributions	8,078	7,155
	<hr/>	<hr/>
Land at Higher Kempley (jointly owned)	600	600
Other agricultural rents	4,268	3,710
Allotment rents	1,999	2,059
Mobile phone mast	7,256	7,009
Wind Turbine & wayleaves	2,718	3,176
	<hr/>	<hr/>
Rents (excluding Almshouse residents' weekly contributions)	16,841	16,554
	<hr/>	<hr/>
Represented by:		
Okehampton United Charity	16,541	16,254
Okehampton United Ecclesiastical Charity	300	300
	<hr/>	<hr/>
	16,841	16,554
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2017

4. Reconciliation of charitable distributions

	United Charity £	Ecclesiastical Charity £	Total £
Income			
Investment income	429,876	-	429,876
Property income	16,541	300	16,841
Almshouse branch residents' contributions	8,078	-	8,078
Bank interest	547	-	547
	<hr/>	<hr/>	<hr/>
	455,042	300	455,342
	<hr/>	<hr/>	<hr/>
	United Charity £	Ecclesiastical Charity £	Total £
Expenditure			
Investment management fees	66,170	-	66,170
Almshouse branch expenses	3,193	-	3,193
Administration expenses (incl salaries)	31,097	300	31,397
Maintenance of allotments	4,651	-	4,651
Maintenance of estate property	10,979	-	10,979
General insurance	2,060	-	2,060
Audit and Accountancy	4,770	-	4,770
	<hr/>	<hr/>	<hr/>
	122,920	300	123,220
	<hr/>	<hr/>	<hr/>
Net income for the year	332,122	-	332,122
	<hr/>	<hr/>	<hr/>
Scheme application of income:			£
Net income brought forward			332,122
Okehampton United Ecclesiastical Charity			(2,500)
Poor relief			<u>(1,000)</u>
			328,622
Less: Net income of Almshouses branch			(4,885)
Add: Investment management fees paid from Capital Fund			27,163
Net income remaining applied to:			<hr/> 350,900
3/7ths Okehampton Educational Foundation			150,427
4/7ths available for grants as the trustees decide			<u>200,473</u>
			350,900

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2017

5. Distributions for the year ended 31 December 2017

Summary of actual distributions made during the year:

	£	£
Net income for the year brought forward (as above)		332,122
Distributions		
Okehampton United Ecclesiastical Charity	2500	
Okehampton Educational Foundation allocation	150,427	
Other organisations and individuals (including £1,000 Poor Relief)	126,127	
	<u> </u>	279,054
Balance transferred to Income Fund		<u>53,068</u>

Okehampton United Ecclesiastical Charity

	£
Balance brought forward	-
Grant Award for 2017	2,500
Paid during year	(2,500)
	<u> </u>
Balance outstanding at 31 December 2017	<u>NIL</u>

Okehampton Educational Foundation

Balance brought forward	30,635
Allocation for year ended 31 December 2017	150,427
	<u> </u>
	181,062
Paid during year	(133,818)
Less proportion of Treasurer & Clerk salaries and expenses recoverable from Okehampton Educational Foundation;	(8,000)
Add receipt of an OEF bursary returned;	450
	<u> </u>
Balance outstanding at 31 December 2017	<u>39,694</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2017

5. Distributions for the year ended 31 December 2017 (continued)

Grants to organisations and individuals

The number of grants awarded to organisations, groups and individuals during the year was: 53 (2016: 51)

Organisations & individuals	Purpose	£
Relief of need (12 individuals)	<i>Crisis hardship</i>	2,382
Okehampton College	<i>rent waiver</i>	2,000
Mr C. Stevens	<i>Arts achievement</i>	450
Turning Tides	<i>project costs</i>	13,560
Okehampton Festival of food & music	<i>event running costs</i>	115
Community Exercise Support group	<i>training costs</i>	1,111
Tavistock & District Asperger support	<i>event running costs</i>	180
Time for Life	<i>running costs</i>	975
Okehampton Men in Sheds	<i>project costs</i>	2,899
Citizens Advice Bureau	<i>running costs</i>	25,000
Individual (5 individuals)	<i>sports achievement</i>	2,550
Relate	<i>running costs</i>	6,040
Okehampton Model Flying Club	<i>project costs</i>	1,400
Okehampton Excelsior Silver Band	<i>concert costs</i>	50
Meldon Fields Residents Group	<i>project costs</i>	105
Patient Participation Group	<i>equipment</i>	510
Mental Health Peer Support Group	<i>running costs</i>	1,200
Harvest Workers Co-operative	<i>running costs</i>	3,900
Okehampton Chamber of Trade	<i>project costs</i>	7,813
Non violent communications	<i>training costs</i>	900
Chicks	<i>project costs</i>	500
Living Free	<i>running costs</i>	3,400
Kent House	<i>project costs</i>	744
Lyric House	<i>project costs</i>	2,204
DYS Space	<i>project costs</i>	300
WDCVS	<i>project costs</i>	7,480
West Devon Art Workshop	<i>project costs</i>	4,000
Ockment Centre Work Club	<i>running costs</i>	7,696
Two Moors Festival	<i>workshop project</i>	3,200
Okehampton Carnival	<i>signage barriers</i>	4,398
Individuals (2 individuals)	<i>post 25 education</i>	1,500
Good neighbours	<i>running costs</i>	675
Young Devon	<i>running costs</i>	11,000
Simmons Bowls	<i>project costs</i>	2,000
1st Okehampton Scouts	<i>project costs</i>	2,500
Dartmoor Resonance Music Festival	<i>running costs</i>	900
Mary Budding Trust	<i>3 indiv grants</i>	490
		126,127
TOTAL		126,127

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2017

6. Staff costs, trustees' remuneration and expenses, and key management personal

	2017	2016
	£	£
Wages and salaries	34,568	26,566
Pension costs	1,619	1,358
	<u>36,187</u>	<u>27,924</u>
Office, mileage and miscellaneous costs	6,660	5,922
	<u>42,847</u>	<u>33,846</u>
Less: i) recovered from Okehampton Educational Foundation	(8,000)	(7,500)
ii) recovered from Okehampton Town Council & Hamlets Parish Council for allotments management	(450)	(900)
iii) recovered from Simmons Homes & Holditch and others charities for clerking services	(3,000)	(2,168)
	<u>31,397</u>	<u>23,278</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 (2016 - Nil).

Reimbursed expenses of £54 (2016: £70) were paid to one trustee.

7. Auditor's remuneration

	2017	2016
	£	£
In respect of:		
Accountancy services	2,385	2,985
Audit	2,385	2,385
	<u>4,770</u>	<u>5,370</u>

8. Properties

	£
Property summary;	
Value at 1 January 2017	927,099
Value at 31 December 2017	927,099

Property holdings	Historic Cost	Market Value
	£	£
Almshouses		
No 1 Brocks Cottage	unknown	100,000
No 2 Brocks Cottage	unknown	100,000
Agricultural properties;		
Land at Darkey Lane	unknown	82,800
Land at Higher Kempely (part owned by Okehampton United Ecclesiastical Charity)	unknown	43,704
Ball Meadow	unknown	65,475
Land at Ball Hill/Fatherford Road	unknown	357,120
Amenity land;		
Ball Hill Wood/Quarry	unknown	67,000
Community Garden, Fatherford Road	unknown	33,000
Allotments;		
North Street	unknown	15,000
Castle Road	unknown	26,000
Fatherford Road	unknown	37,000
		<u>927,099</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2017

8. Property (continued)

The charity's property holdings are included in the financial statements (at fair value), as estimated by the trustees, based on a valuation dated November 2013, provided by Kivells Chartered Surveyors (regulated by RICS).

No depreciation is provided on these investment properties.

Office equipment

Purchases of office equipment during the year are included in the Treasurer's and Clerk's expenses in the expenditure section.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2017

9. Summary of investments

Investment income	2017	2016
	£	£
Dividends received	301,546	391,765
Tax repayments on dividends and interest	7,875	-
Total investment income	309,421	391,765

Investments portfolio reconciliation:

	2017	2016
	£	£
Market value as at 1 January 2017	10,776,832	10,327,740
Additions during year	10,467,915	3,995,413
Disposals during the year	(10,601,166)	(4,071,494)
(Decrease)/Increase in cash held in investment account	(14,367)	18,281
Unrealised profits/(losses) on investments	404,224	535,271
Realised net profits/(losses) on investments	537,144	(28,379)
Market value as at 31 December 2017	11,570,582	10,776,832

Analysis of investments;

Equity funds	66.8%
Fixed Interest	9.6%
Property funds	13.6%
Equity shares	18.0%

Details of significant investments holdings (greater than 5% of portfolio at 31st December 2017)

		£	%
UK Equity	Blackrock I Shares UK equity index	1,159,306	10.0
	Fidelity Index UK P	1,203,151	10.4
	HSBC FTSE all C	1,202,386	10.4
	Vanguard UK FTSE UK all share index	1,206,201	10.4
International	HSBC European Index C	914,561	7.9
Fixed Interest	L&G all stocks gilt index trust	1,115,084	9.6
Property	Henderson UK Property PAIF	787,914	6.8
	Threadneedle UK Property AIF inst	786,734	6.8

All investments are included at their fair value. Investment in Unit Trust and OEIC Investment funds are all traded in quoted public markets, primarily the London Stock Exchange, and valued at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Investment asset sales and purchases are recognised at the date of trade at cost (that is their transaction value) or brought forward fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2017

10. Debtors

	2017 £	2016 £
Insurance prepayments	1,402	1,342
Others	750	750
Income tax repayment	2,903	-
	5,055	2,092

11. Creditors**Note**

		2017 £	2016 £
Due within one year;			
Rent received in advance		6,490	5,840
Audit & Accountancy		4,770	4,770
Payroll Income tax and National Insurance		-	1,160
Okehampton Educational Foundation	5	39,694	30,635
Grants to Organisations and Individuals	5	74,951	155,169
		125,905	197,574
Due within after year;			
Grants to Organisations and Individuals		-	55,110

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2017

12. Analysis of net assets between funds

	<u>Capital Fund</u> £	<u>Almshouse Branch</u> £	<u>Income Fund</u> £	<u>Almshouse Branch</u> £	<u>Total</u> £
Fixed Assets					
Property and equipment	727,099	200,000	-	-	927,099
Investments	11,570,582	-	-	-	11,570,582
	12,297,681	200,000	-	-	12,497,681
Current Assets					
Debtors	-	-	5,055	-	5,055
Bank current account	-	-	1,000	-	1,000
Bank deposit accounts	-	-	252,908	30,541	283,449
	-	-	258,963	30,541	289,504
Liabilities					
Creditors	-	-	125,905	-	125,905
Net Current Assets less liabilities	-	-	133,058	30,541	163,599
Net Assets	12,297,681	200,000	133,058	30,541	12,661,280
Funds					
Balance at 1 January 2017	11,504,911	200,000	57,713	25,656	11,788,280
Net movement in Resources	(980)	-	48,183	4,885	52,088
Income withdrawal drawdown	(200,000)	-	-	-	(200,000)
Dividends received reinvested	79,544	-	-	-	79,544
Unrealised profit on revaluation of investments	404,224	-	-	-	404,224
Realised profit on disposal of investments	537,144	-	-	-	537,144
Transfer from Capital Fund	(27,162)	-	27,162	-	-
- Investment mngt fees					
Balance at 31 December 2017	12,297,681	200,000	133,058	30,541	12,661,280

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDING 31 DECEMBER 2017**

12. Analysis of net assets between funds (continued)

£120,455 was drawn from the Charity's expendable endowment in order to assist in the funding of the charity's activities and consisted of £200,000 drawn from the capital fund less £79,544 dividends reinvested. For the purposes of calculating the allocation of net income to Okehampton Educational Foundation, the £120,456 has been treated as income of the charity as allowed under the Charities SORP.

13. Related parties

The charity is directly linked with Okehampton Educational Foundation (reg no 306677), and has the same trustees. Transactions with the Okehampton Educational Foundation are summarised in note 5 to the financial statements. Okehampton United Charity also provided day to day management of Okehampton Educational Foundation via the treasurer and clerk, for which a proportion of their wages costs were recharged to the Foundation.

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

The charity is also linked to Simmons Homes Charity (reg no 201676) and Charities of Holditch and Others (reg no 201880) via common trustees. Okehampton United Charity provides day to day management of these charities via the treasurer and clerk, for which a proportion of their wages 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). Administrative support was also provided to OCRA by the treasurer and clerk, at the direction of the Trustees.