

**OKEHAMPTON UNITED CHARITY  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Charity no: 202686**

# OKEHAMPTON UNITED CHARITY

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**TRUSTEES' ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Administrative information**

**Name of Charity:** Okehampton United Charity

**Registration number:** 202686

**Key management personnel:**

**Treasurer:** Mr C.J.Owen FCCA

**Clerk:** Mrs K Percival CIS (Affiliated)

**Registered address:** 15 Upper Crooked Meadow  
Okehampton EX20 1WW

**Board of Trustees:**

Mr R Campbell	co-opted
Mrs J Carpenter	ex-officio - appointed 30 <sup>th</sup> May 2018
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 - Chairperson
Mrs C Marsh	co-opted
Mr P Vachon	ex-officio - retired 25 <sup>th</sup> April 2018
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 & Hamblins LLP  
The Senate  
Southernhay Gardens  
Exeter EX1 1UG

**Land Agents:** Kivells Chartered Surveyors  
Liskeard PL14 4BE

**TRUSTEES' ANNUAL REPORT  
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**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 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 2018**

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**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 2018****Grants awarded**

During the year the charity distributed **£2,500** to Okehampton United Ecclesiastical Charity **£157,979** to Okehampton Educational Foundation and awarded grants of **£214,682** to 59 local organisations and individuals. The Charity facilitated a loan to Oke Rail CIC which was fully repaid during the year.

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

The trustees are satisfied that the 15 grants awarded to individuals who were suffering an immediate crisis met and exceeded the required sum of £1,000 (total awarded £2,893) 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 2018 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.

**TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**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.

The trustees use a total return approach (within the meaning of the Trustees (Capital and Income) Act 2013) rather than relying on 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% per annum of the value of the investment portfolio at 31<sup>st</sup> January 2018, as the amount to be drawn down for administration expenditure and grant awards for the year.

Income drawn-down from investments was **£391,000** including income tax recoverable from HMRC of £14,000. This was 3.38% of the capital value of the investment portfolio at 31<sup>st</sup> January 2018.

The market value of investments at the end of the year was **£10,635,243** which was a decrease in capital value of -8.1% over the year.

The overall total return; **-5.2%** was well below the trustees' long-term investment strategic objective aim of 7.1% (CPI (2.1%) plus 5%).

Investment transactions during the year made net realised losses of -£34,119 and there were net unrealised losses of -£607,247 at the end of the year. Dividends received during the year of £83,027 were re-invested.

The Investment managers Stockdale Asset Management charged fees of £52,848 incl VAT, for their services during the year. See note 2(h).

A full meeting of the Board of Trustees reviewed the 2018 investment performance in January 2019. The trustees have set the 2019 income drawdown at £450,000 for the year 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 **£ 989,250** at 31<sup>st</sup> December 2018 and is part of the Capital Fund. The property holdings are comprised of; Agricultural land valued at £572,250 which provided a rental income (including wayleaves) of £15,642, Amenity land valued at £177,000 and the Almshouse branch freeholds valued at £240,000.

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

**TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Financial activities**

The Almshouse branch income from the weekly contributions of the Almshouse residents was; £7,837 (2017: £8,078) and expenditure was £14,530 (2017: £3,193). The resulting deficit of -£6,693 was deducted from the Almshouse branch reserve.

The United Charity branch total income for the year was £409,002 (2017: £447,264). Income from investments was £391,000 (2017: £309,421). Property income was £ 17,303 (2017: £16,841) and bank interest £699 (2017: £546).

Total expenditure of the United Charity branch was £479,765 (2017: £399,081) of which Governance costs were £5,465 (2016: £4,770). Charitable activities expenditure was £375,161 (2017: £279,054) including the scheme income distributions made to Okehampton Educational Foundation £157,979 (2017: £150,427) and Okehampton United Ecclesiastical Charity £2,500 (2017: £2,500).

The cost of generating funds was **£ 52,848** (2017: £66,170) in respect of investment management fees. Other direct charitable expenditure **£46,291** (2017: £49,087) included the net cost of salaries and office expenses **£34,018** (2017; £31,397) and the maintenance cost of properties **£7,272** (2017; £10,979).

A net transfer of £293,973 (2017: £120,456) was made from the Capital Fund to the Income Fund in respect of income withdrawal drawdown £377,000 (2017 : £200,000) (see investment note above) less dividends received which were re-invested £83,027 (2017 :£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 **£371,429 outgoing** (2017; £68,368 outgoing) and at 31 December 2018 the Capital Fund of the charity was **£11,624,507** (2017: £12,497,680) and the Income Fund **£58,281** (2017; £131,059).

**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 Income Fund Reserve was £58,281 at 31st December 2018. In addition, a land maintenance reserve is being maintained and trustees transferred £2,000 to that reserve during the year. The land maintenance reserve was £4,000 at 31st December 2018.

The Almshouse branch fund is maintained at a level to meet planned repairs to the almshouses and was £23,848 at 31st December 2018.

**TRUSTEES' ANNUAL REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**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 2019 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 2018 can be met in the future.

**Funds Held as Custodian Trustee**

The land at Higher Kempley 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 27 March 2019 and signed on their behalf by

M Ireland  
Trustee:

D Webber  
Trustee:

**INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Opinion**

We have audited the financial statements of Okehampton United Charity (the "Charity") for the year ended 31 December 2018 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 2018 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 (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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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](http://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: 27 March 2019

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2018**

<b><u>Incoming Resources</u></b>	Notes	<b>All Unrestricted funds</b>	
		<b>2018 £</b>	<b>2017 £</b>
<b>Almshouse branch; residents' contributions</b>	3	7,837	8,078
<b>Investment income</b>	9	14,000	309,421
<b>Property income</b>	3	17,303	16,841
<b>Bank interest</b>		699	546
<b>Expendable endowment converted to income</b>	9/12	377,000	120,456
<b>Total income</b>		<b>416,839</b>	<b>455,342</b>
<b><u>Resources expended</u></b>			
<b>Almshouse branch expenses</b>		14,530	3,193
<b>Cost of generating funds;</b> Investment management fees	2(i)	52,848	66,170
<b>Charitable activities;</b> Cost of grant making:			
Okehampton United Ecclesiastical Charity	4/5	2,500	2,500
Okehampton Educational Foundation	4/5	157,979	150,427
Grants to other organisations and individuals	5	214,682	126,127
		375,161	279,054
<b>Other charitable support expenses;</b> Treasurer & Clerk salary and office expenses	6	34,018	31,397
Maintenance of allotments		2,884	4,651
Maintenance of estate property		7,272	10,979
General insurance		2,117	2,060
Audit & Accountancy	7	5,465	4,770
<b>Total expenditure</b>		<b>494,295</b>	<b>402,274</b>
<b>Net (expenditure)/income before Capital Fund transactions, carried forward</b>		<b>(77,456)</b>	<b>53,068</b>

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)**  
**FOR THE YEAR ENDINGS 31 DECEMBER 2018**

		<b>All Unrestricted funds</b>	
		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
<b>Notes</b>			
	<b>Net (expenditure)/income before Capital Fund transactions brought forward</b>	(77,456)	53,068
	<b>Capital Fund transactions</b>		
	Net capital drawn down	(293,973)	(120,456)
	Restricted fund expenditure	-	(980)
		-----	-----
	<b>Net movement in funds before gains and losses</b>	(371,429)	(68,368)
	<b>Net gains/(losses) on investments and property</b>		
	Unrealised: Investments	(607,247)	404,224
	Property	62,151	-
	Realised: Investments	(34,119)	537,144
		-----	-----
	<b>Net movement in funds</b>	<b>(950,644)</b>	<b>873,000</b>
	Total funds brought forward 1 <sup>st</sup> January	12,661,280	11,788,280
		-----	-----
	<b>Total funds carried forward 31<sup>st</sup> December</b>	<b>11,710,636</b>	<b>12,661,280</b>
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**BALANCE SHEET  
AS AT 31 DECEMBER 2018**

	Notes	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Property	8		989,250		927,099
Investments	9		10,635,243		11,570,582
			<u>11,624,493</u>		<u>12,497,681</u>
<b>Current assets</b>					
Debtors	10		9,625		5,055
Cash at bank and in hand					
Trustees Current account		93,282		1,000	
Lloyds Bank business instant access		-		183,325	
Lloyds 32 day notice Treasury account		100,776		100,124	
			<u>194,058</u>	<u>284,449</u>	
			203,683		289,504
Creditors:					
Amount due within one year	11		(109,040)		(125,905)
			<u>94,643</u>		<u>163,599</u>
<b>Net current assets</b>					
<b>Creditors</b> ; amount due after one year	11		(8,500)		-
			<u>11,710,636</u>		<u>12,661,280</u>
<b>Net assets</b>					
<b>Represented by:</b>					
<b>Unrestricted Funds:</b>					
Income Fund	12		(1,705)		71,058
Income Fund reserve			60,000		60,000
Land maintenance reserve			4,000		2,000
Almshouse branch fund	12		23,848		30,541
Capital fund	12		11,624,493		12,497,681
			<u>11,710,636</u>		<u>12,661,280</u>

Approved by the Board of Trustees on 27 March 2019 and signed on their behalf by

M Ireland  
Trustee:

D Webber  
Trustee:

The accompanying accounting policies and notes on pages 12 - 24 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1. Basis of preparation**

(a) The 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

**(b) 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 are 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.

The Trustees confirm there are no material uncertainties about the Charity's ability to continue.

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 £.

**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 under the charity's scheme**

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.

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 2018**

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**(c) 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 of freehold property is based on an open market value undertaken by Kivells, Chartered Surveyors in February 2018. 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

**(d) Liability recognition**

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

**(e) 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.

**(f) Investment income**

Dividends and interest which are not re-invested 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.

**(g) Expendable endowment converted to income**

The trustees have adopted a Total Return approach towards the generation of income for the charity. Dividends and interest received are re-invested within the investment portfolio and an agreed sum (currently 3.5% per annum) of the investment portfolio drawn down during the year.

**(h) Investment management fees**

Investment management fees are charged by the investment managers on a quarterly basis. The investment management fees were paid as administration expenditure from the Income Fund.

In the year ended 31 December 2018 the charity was charged in total £52,848 (2017; £66,170) for investment management fees.

**(i) Other support expenses**

Items included are costs which are incurred directly in administering, maintaining and insuring the charitable activities and assets of the charity. The cost of preparation and audit of the statutory financial statements.

**(j) 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, critical accounting estimates and judgements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDING 31 DECEMBER 2018**

(k) **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.

(m) **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.

(n) **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 recognized in the period in which the estimate is revised where the revision affects only that period, or the period of the revision and future periods where the revision affects both current and future periods.

**3. Summary of income receivable from property**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Almshouse branch residents' weekly contributions	7,837	8,078
Land at Higher Kempley (jointly owned)	600	600
Other agricultural rents	4,568	4,268
Allotment rents	1,661	1,999
Mobile phone mast	7,750	7,256
Wind Turbine & wayleaves	2,724	2,718
Rents (excluding Almshouse residents' weekly contributions)	17,303	16,841

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDING 31 DECEMBER 2018**

Represented by:

	<b>2018</b> £	<b>2017</b> £
Okehampton United Charity	17,003	16,541
Okehampton United Ecclesiastical Charity	300	300
	<hr/>	<hr/>
	17,303	16,841
	<hr/>	<hr/>

**4. Reconciliation of charitable distributions:**

	<b>United Charity</b> £	<b>Ecclesiastical Charity</b> £	<b>Total</b> £
<b>Income</b>			
Income Fund brought forward	<u>69,000</u>	-	<u>69,000</u>
Income from drawdown from investments	391,000	-	391,000
Property income	17,003	300	17,303
Almshouse branch residents' contributions	7,837	-	7,837
Bank interest	699	-	699
	<hr/>	<hr/>	<hr/>
	416,539	300	416,839
	<hr/>	<hr/>	<hr/>
	<b>United Charity</b> £	<b>Ecclesiastical Charity</b> £	<b>Total</b> £
<b>Expenditure</b>			
Investment management fees	52,848	-	52,848
Almshouse branch expenses	14,530	-	14,530
Administration expenses (incl salaries)	33,718	300	34,018
Maintenance of allotments	2,884	-	2,884
Maintenance of estate property	7,272	-	7,272
General insurance	2,117	-	2,117
Audit and Accountancy	5,465	-	5,465
	<hr/>	<hr/>	<hr/>
	118,834	300	119,134
	<hr/>	<hr/>	<hr/>
<b>Net income for the year</b>	<b>366,705</b>	<b>-</b>	<b>366,705</b>
	<hr/>	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDING 31 DECEMBER 2018**

**4. Reconciliation of charitable distributions under the registered scheme (continued)**

<b>Scheme application of income:</b>		<b>£</b>
Net income brought forward		366,705
Okehampton United Ecclesiastical Charity		(2,500)
Poor relief		<u>(1,000)</u>
		363,205
Less: Net income of Almshouses branch	(7,837)	
Add: Investment management fees paid from Capital Fund	<u>14,530</u>	
		6,693
Net income remaining applied to:		<u>369,898</u>
3/7ths Okehampton Educational Foundation		<u>157,979</u>
4/7ths available for grants as the trustees decide		<u>211,919</u>

**5. Distributions for the year ended 31 December 2018**

**Summary of actual distributions made during the year:**

	<b>£</b>	<b>£</b>
Net income for the year brought forward (as above)		366,705
<b>Distributions</b>		
Okehampton United Ecclesiastical Charity	2,500	
Okehampton Educational Foundation allocation	157,979	
Other organisations and individuals (including £1,000 Poor Relief)	<u>214,682</u>	
		<u>375,161</u>
Balance transferred from Income Fund		<u>(8,456)</u>

**Okehampton United Ecclesiastical Charity**

	<b>£</b>
Balance brought forward	-
Grant Award for 2018	2,500
Paid during year	<u>(2,500)</u>
Balance outstanding at 31 December 2018	<u>NIL</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDING 31 DECEMBER 2018**

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**5. Distributions for the year ended 31 December 2018 (continued)**

**Okehampton Educational Foundation**

Balance brought forward	39,694
Allocation for year ended 31 December 2018	157,979
	197,673
Paid during year	(159,997)
Less proportion of Treasurer & Clerk salaries and expenses recoverable from Okehampton Educational Foundation;	(8,000)
	29,676
Balance outstanding at 31 December 2018 ( see note 11)	29,676

**Grants to organisations and individuals**

The number of grants awarded to organisations and individuals during the year was: 59 (2017: 53)

<b>Organisation</b>	<b>Purpose</b>	<b>£</b>
Okehampton College	wind turbine rent waiver	2,000
Okehampton PADS	project costs	3,460
Wren Music; lantern event (2 years)	event costs	18,500
Friend of Okehampton Library	project costs	2,200
Okehampton Men in Sheds	project costs	7,673
ACOT	running costs	6,500
Ockment Centre	project costs; windows	15,000
Tor Support Services	service running costs	9,859
Devon Youth Service	running costs; youth centre	4,750
Play reading group	project costs	300
Multi -cultural Okehampton	project costs	820
Okehampton Community Archive	project costs	650
Okement Rivers improvement group	project costs	999
Open Arms Battle of the Bands	event costs	500

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDING 31 DECEMBER 2018**

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**5. Distributions for the year ended 31 December 2018 (continued)**

<b>Organisation</b>	<b>Purpose</b>	<b>£</b>
Okehampton Running Club	training costs	735
All Saints' Church	project costs; sanctuary	932
Fairplace Church	project costs; food hygiene	540
Mary Budding Trust	assistance young people	902
Team Chaos	project costs	6,000
Citizens Advice Bureau	service running costs	26,000
Meldon Viaduct Company	project costs	5,000
Okehampton Well-being singers	project costs	350
Living Free	running costs	3,400
West Devon Art workshop	running costs	4,322
Work Club; Ockment Centre	running costs	7,785
Relate	running costs	6,000
Rock & Roll Circus & Cabaret	event running costs	6,168
St Johns Ambulance	equipment costs	860
Community Links	running costs; family support	25,250
West Bank	running costs; young carers	13,959
Age Concern	running costs	23,475
Okehampton Chamber of Trade	project costs; xmas lights	2,000
Okehampton Excelsior Silver Band	project costs	500
Baby massage & yoga	running costs	1,250
3 individuals	sporting achievement	1,650
2 individuals	adult education	1,500
15 individuals	crisis/hardship	<u>2,893</u>
<b>TOTAL</b>		<u><b>214,682</b></u>

**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	<b>2018</b>	<b>2017</b>
	£	£
Wages and salaries	34,760	34,568
Pension costs	1,794	1,619
	<hr/>	<hr/>
	36,554	36,187
Office, mileage and miscellaneous costs	8,237	6,606
Trustees expenses	227	54
	<hr/>	<hr/>
	45,018	42,867
Less: i) recovered from Okehampton Educational Foundation	(8,000)	(8,000)
ii) recovered from Okehampton Town Council & Hamlets Parish Council for allotments management	-	(450)
iii) recovered from Simmons Homes & Holditch and others charities for clerking services	(3,000)	(3,000)
	<hr/>	<hr/>
	34,018	31,397
	<hr/>	<hr/>
Number of employees	<u>2</u>	<u>2</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 (2017 - Nil).

Reimbursed expenses of £ 227 (2017: £54) were paid to one trustee.

**7. Auditor's remuneration**

	<b>2018</b>	<b>2017</b>
	£	£
In respect of:		
Accountancy services	2,733	2,385
Audit	2,732	2,385
	<hr/>	<hr/>
	5,465	4,770
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDING 31 DECEMBER 2018**

**8. Properties**

<b>Property summary;</b>	<b>£</b>
Value at 1 January 2018	927,099
Revaluation of property	<u>62,151</u>
Value at 31 December 2018	<u>989,250</u>

<b>Property holdings</b>	<b>Historic Cost</b>	<b>Market Value</b>
	<b>£</b>	<b>£</b>
<b>Almshouses</b>		
No 1 Brocks Cottage	unknown	120,000
No 2 Brocks Cottage	unknown	120,000
<b>Agricultural properties;</b>		
Land at Darkey Lane	unknown	120,750
Land at Higher Kempley - (part owned by Okehampton United Ecclesiastical Charity)	unknown	51,000
Land at Ball Hill/Fatherford Road	unknown	419,500
<b>Amenity land;</b>		
Ball Hill Wood/Quarry	unknown	70,000
Community Garden, Fatherford Road	unknown	10,000
Allotments;		
North Street	unknown	15,000
Castle Road	unknown	26,000
Fatherford Road	unknown	37,000
		<hr/>
		989,250
		<hr/>

The charity's property holdings are included in the financial statements (at fair value), as estimated by the trustees, based on a valuation dated February 2018, provided by Kivells Chartered Surveyors (regulated by RICS).

No depreciation is provided on these 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 2018**

**9. Summary of investments**

	<b>2018</b>	<b>2017</b>
	£	£
<b>Investment income</b>		
Dividends received	-	301,546
Tax repayments on dividends and interest	14,000	7,875
Total investment income	<u>14,000</u>	<u>309,421</u>

The income from investments fell from £301,546 to £14,000 reflecting the change in investment strategy to a total return approach. Dividends of £83,027 were received during the year which were reinvested to enable a capital draw down from expendable endowment of £377,000 (2017: £120,456) during the year.

**Investments portfolio reconciliation:**

	<b>2018</b>	<b>2017</b>
	£	£
Market value as at 1 January 2018	11,570,582	10,776,832
Additions during year	471,477	10,467,915
Disposals during the year	(763,108)	(10,601,166)
(Decrease)/Increase in cash held in investment account	(2,342)	(14,367)
Unrealised profits/(losses) on investments	(607,247)	404,224
Realised net profits/(losses) on investments	(34,119)	537,144
Market value as at 31 December 2018	<u>10,635,243</u>	<u>11,570,582</u>

**Analysis of investments;**

Equity funds	57.5%
Fixed Interest	9.4%
Property funds	14.3%
Equity shares	18.8%

**Details of significant investment holdings (greater than 5% of portfolio at 31<sup>st</sup> December 2018)**

		£	%
UK Equity	Blackrock I Shares UK equity index	1,054,761	9.9
	Fidelity Index UK P	1,056,751	9.9
	HSBC FTSE all C	1,056,033	9.9
	Vanguard UK FTSE UK all share index	1,054,258	9.9
International	HSBC European Index C	826,655	7.8
	Blackrock I shares North American index	600,263	5.6
Fixed Interest	L&G all stocks gilt index trust	995,132	9.4
Property	Henderson UK Property PAIF	784,060	7.4
	Threadneedle UK Property AIF	735,778	6.9

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 with the exception of Threadneedle UK Property AIF which is valued at the offer 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 2018**

**10. Debtors**

	2018 £	2017 £
Insurance prepayments	1,595	1,402
Others	2,030	750
Income tax repayment	6,000	2,903
	<u>9,625</u>	<u>5,055</u>

**11. Creditors**

	Note	2018 £	2017 £
Due within one year;			
Allotment key deposits		800	-
Rent received in advance		6,540	6,490
Audit & Accountancy		4,865	4,770
Payroll Income tax and National Insurance		1,415	-
Okehampton Educational Foundation	5	29,676	39,694
Grants to Organisations and Individuals	5	65,744	74,951
		<u>109,040</u>	<u>125,905</u>
Due after one year;			
Grants to Organisations and Individuals	5	8,500	-

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDING 31 DECEMBER 2018**

**12. Analysis of net assets between funds**

	<b>Capital Fund £</b>	<b>Almshouse Branch £</b>	<b>Income Fund £</b>	<b>Almshouse Branch £</b>	<b>Total £</b>
<b>Fixed Assets</b>					
Property and equipment	749,250	240,000	-	-	989,250
Investments	10,635,243	-	-	-	10,635,243
	<b>11,384,493</b>	<b>240,000</b>	<b>-</b>	<b>-</b>	<b>11,624,493</b>
<b>Current Assets</b>					
Debtors	-	-	9,625	-	9,625
Bank current account	-	-	93,282	-	93,282
Bank deposit accounts	-	-	76,928	23,848	100,776
	-	-	179,835	23,848	203,683
<b>Liabilities</b>					
Creditors (see note 11)	-	-	117,540	-	117,540
<b>Net Current Assets less liabilities</b>	<b>-</b>	<b>-</b>	<b>62,295</b>	<b>23,848</b>	<b>86,143</b>
<b>Net Assets</b>	<b>11,384,493</b>	<b>240,000</b>	<b>62,295</b>	<b>23,848</b>	<b>11,710,636</b>
<b>Funds</b>					
<b>Balance at 1 January 2018</b>	12,297,681	200,000	133,058	30,541	12,661,280
Net movement in Resources	-	-	(70,763)	(6,693)	(77,456)
Income withdrawal drawdown	(377,000)	-	-	-	(377,000)
Dividends received reinvested	83,027	-	-	-	83,027
Unrealised loss on revaluation of investments	(607,247)	-	-	-	(607,247)
Unrealised profit on revaluation of properties	22,151	40,000	-	-	62,151
Realised loss on disposal of investments	(34,119)	-	-	-	(34,119)
<b>Balance at 31 December 2018</b>	<b>11,384,493</b>	<b>240,000</b>	<b>62,295</b>	<b>23,848</b>	<b>11,710,636</b>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDING 31 DECEMBER 2018**

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**12. Analysis of net assets between funds (continued)**

£293,973 was drawn from the Charity's expendable endowment in order to assist in the funding of the charity's activities and consisted of £377,000 drawn from the capital fund less £83,027 dividends reinvested. For the purposes of calculating the allocation of net income to Okehampton Educational Foundation, the £293,973 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 salary 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) with some common trustees. Okehampton United Charity provides day to day management of these charities 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).