

**OKEHAMPTON UNITED CHARITY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

# OKEHAMPTON UNITED CHARITY

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	Mr R Campbell Mr D Chapman Rev S Cook Mrs M Cooper Mr W Cornish Mr A Ewen Mr A Fisher Mrs J Gibbons Dr M Ireland Mrs C Marsh Mr D Webber Mrs J Yelland	(Appointed 29 May 2019)
<b>Treasurer</b>	Mr C J Owen FCCA	
<b>Clerk</b>	Mrs K Percival CG (Affiliated)	
<b>Charity number</b>	202686	
<b>Principal address</b>	15 Upper Crooked Meadow Okehampton Devon EX20 1WW	
<b>Auditor</b>	Simpkins Edwards LLP Michael House Castle Street Exeter Devon EX4 3LQ	
<b>Bankers</b>	Lloyds Bank PLC Fore Street Okehampton Devon EX20 1HJ	
<b>Solicitors</b>	Trowers & Hamlins LLP The Senate Southernhay Gardens Exeter Devon EX1 1UG	
<b>Land agents</b>	Kivells Chartered Surveyors Liskeard PL14 4BE	

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# OKEHAMPTON UNITED CHARITY

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# OKEHAMPTON UNITED CHARITY

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The trustees present their report and financial statements for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

#### Objectives and activities

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

#### Almshouse Branch

The provision of housing accommodation for persons who:

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

#### United Charity Branch

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

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

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

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

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

During the year the charity distributed **£2,500** to Okehampton United Ecclesiastical Charity, **£174,073** to Okehampton Educational Foundation and awarded grants of **£210,073** to local organisations and individuals.

Full details of grants made are shown in **note 7** to the financial statements.

The trustees are satisfied that the grants awarded to organisations and to individuals who were suffering an immediate crisis, met and exceeded the required sum of £1,000 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 2019 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.

# OKEHAMPTON UNITED CHARITY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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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 awards and for the protection of the charity's capital. The charity's endowment is expected to exist in perpetuity and the trustees' investment objective is to maintain the real value of the charity's assets whilst providing a long-term sustainable return to fund grant making.

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

In order to provide a consistent level of income for grant awards, the trustees use a total return approach (within the meaning of the Trustees (Capital and Income) Act 2013) rather than relying on 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 3.75% of the value of the investment portfolio, as the amount to be drawdown for administration expenditure and grant awards for the year.

The total income drawn-down from investments in 2019 was **£450,000** made up of dividends; £280,827, expendable endowment converted to income £169,173 and income tax recovered from HMRC of £429. The total income drawn-down was 4.2% of the capital value of the investment portfolio at 31st January 2019; £10,635,243.

The market value of investments at the end of the year was **£12,199,408** which gave an increase in capital value of 14.9% for the year. The resulting overall total return for the year was **18.9%** which compared favourably with the trustees' long-term investment strategic objective aim of CPI 1.3% plus 5% = 6.3%

On 10th March 2019 the trustees transferred the investment portfolio from the management of Stockdale Asset Management to a direct investment in the COIF Charity Investment Fund managed by CCLA. Stockdale Asset Management charged fees of £6,189 incl VAT, for their services for the period to 10th March 2019. The on-going investment management fees charged by CCLA are 0.60% and the fee is included in the market price of the units in the COIF Charity Investment Fund. During the year fee rebates received from CCLA of £5,844 were reinvested in units in the COIF Charity Investment Fund.

Investment transactions during the year made net realised gains of £600,138 and there were net unrealised gains of £1,272,058 at the end of the year. Dividends received during the year of £22,399 were re-invested.

#### Properties

The property owned by the charity (including Almshouses) is valued at **£989,250** at 31st December 2019 and is included as 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 £15,755 for the year, 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.

#### Capital commitments and land held as Custodian Trustee

The land at Higher Kempley is jointly owned with Okehampton United Ecclesiastical Charity and during the year the trustees have agreed to purchase Okehampton United Ecclesiastical Charity's share for £51,000 with completion in early 2020. In 2019 rental income received of £300 and administration expenditure of £300 was incurred on behalf of Okehampton United Ecclesiastical Charity.

# OKEHAMPTON UNITED CHARITY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Financial activities

Total income of the charity in the year was £476,533, with total expenditure of £448,911. This was split between the Almshouse branch and the United Charity branch as follows.

The Almshouse branch income from the weekly contributions of the Almshouse residents was; **£8,374** (2018: £7,837) and expenditure was **£3,508** (2018: £14,350). The resulting surplus of £4,866 was added to the Almshouse branch reserve.

The United Charity branch total income for the year was **£468,158** (2018: £409,002). Income from investments was **£450,000** (2018: £391,000). Property income was **£17,400** (2018: £17,303) and bank interest **£759** (2018: £699).

Total expenditure of the United Charity branch was **£445,402** (2018: £479,765) of which governance costs were **£4,015** (2018: £5,465). Charitable activities expenditure was **£386,646** (2018: £375,161) including the scheme income distributions made to Okehampton Educational Foundation **£174,073** (2018: £157,979) and Okehampton United Ecclesiastical Charity **£2,500** (2018: £2,500).

The cost of generating funds was **£6,274** (2018: £52,848) in respect of investment management fees. Other direct charitable expenditure **£48,468** (2018: £46,291) included the net cost of salaries and office expenses **£33,431** (2018: £34,018) and the maintenance cost of properties **£13,058** (2018: £7,272).

A net transfer of £140,930 (2018: £293,973) was made from the Capital Fund to the Income Fund in respect of income withdrawal drawdown £169,173 (2018: £377,000) (see investment note above) less dividends and fee rebates received which were re-invested £28,243 (2018: £83,027). As noted, Okehampton United Charities funds are expendable endowments which can be converted into income. For the purposes of the calculation of the scheme income application 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 19.

The net movement in funds before gains and losses for the year was **£113,302** incoming (2018: £371,429 outgoing) and at 31 December 2019 the Capital Fund of the charity was **£13,349,498** (2018: £11,624,507) and the Income Fund **£91,318** (2018: £58,281) including the reserves.

#### 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 £60,000 at 31st December 2019. In addition, a land maintenance reserve is maintained and trustees transferred £2,000 to that reserve during the year. The land maintenance reserve was £6,000 at 31st December 2019.

The Almshouse branch fund is maintained at a level to meet planned repairs to the almshouses and was £28,714 at 31st December 2019.

The charity has in place procedures and systems to minimise risks to the charity. A review of these risks is regularly undertaken at sub-committee meetings and by the full Board of Trustees.

# ROKEHAMPTON UNITED CHARITY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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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 the organisations that are being awarded grants for running costs, need to have confidence regarding future funding and have consequently awarded grants in 2019 which will be paid to beneficiaries in 2020.

The trustees are confident that the current level of demand for annual grants will continue for the immediate future and have agreed to an overall investment income budget of £450,000 for 2020. This will be comprised of the 2019 income fund carry forward balance of £22,756, dividends from investments; £377,000 and drawdown from capital £48,000. In the circumstances of the coronavirus (COVID19) pandemic, the trustees have been informed by CCLA that the budget level of dividends for 2020 will be maintained.

### Structure, governance and management

#### Governing instrument:

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

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

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

Mr R Campbell

Mrs J Carpenter

(Retired 1 August 2019)

Mr D Chapman

Rev S Cook

Mrs M Cooper

Mr W Cornish

Mr A Ewen

Mr A Fisher

Mrs J Gibbons

Mrs J Goffey

(Retired 29 May 2019)

Dr M Ireland

Mrs C Marsh

Mr D Webber

Mrs J Yelland

(Appointed 29 May 2019)

# OKEHAMPTON UNITED CHARITY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **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.

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

**Mr A Fisher**

Trustee

Dated: 7 April 2020

**Mrs C Marsh**

Trustee

Dated: 7 April 2020



# **OKEHAMPTON UNITED CHARITY**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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

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

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

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

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

# OKEHAMPTON UNITED CHARITY

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF OKEHAMPTON UNITED CHARITY

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#### Opinion

We have audited the financial statements of Okehampton United Charity (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

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

#### Conclusions relating to going concern

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 we do not express any form of assurance conclusion thereon.

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.

# OKEHAMPTON UNITED CHARITY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF OKEHAMPTON UNITED CHARITY

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#### **Matters on which we are required to report by exception**

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

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

#### **Responsibilities of trustees**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

#### **Other matter**

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2016.

# OKEHAMPTON UNITED CHARITY

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

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### Use of our report

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

**John Coombs MA FCA (Senior Statutory Auditor)**  
for and on behalf of **Simpkins Edwards LLP**

7 April 2020

**Chartered Accountants**  
**Statutory Auditor**

Michael House  
Castle Street  
Exeter  
Devon  
EX4 3LQ

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

# OKEHAMPTON UNITED CHARITY

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Unrestricted funds 2019 £	Endowment funds 2019 £	Total 2019 £	Total 2018 £
<b><u>Income and endowments from:</u></b>					
Investments	3	307,360	-	307,360	39,839
Other income - capital drawdown	19	169,173	-	169,173	377,000
<b>Total income</b>		<b>476,533</b>	<b>-</b>	<b>476,533</b>	<b>416,839</b>
<b><u>Expenditure on:</u></b>					
Raising funds	5	6,274	-	6,274	52,848
Charitable activities	6	442,637	-	442,637	441,447
<b>Total resources expended</b>		<b>448,911</b>	<b>-</b>	<b>448,911</b>	<b>494,295</b>
Net capital draw down	19	(140,924)	-	(140,924)	(293,973)
Net gains/(losses) on investments	13	-	1,872,196	1,872,196	(579,215)
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(113,302)</b>	<b>1,872,196</b>	<b>1,758,894</b>	<b>(950,644)</b>
Gross transfers between funds	19	147,205	(147,205)	-	-
<b>Net movement in funds</b>		<b>33,903</b>	<b>1,724,991</b>	<b>1,758,894</b>	<b>(950,644)</b>
Fund balances at 1 January 2019		86,129	11,624,507	11,710,636	12,661,280
<b>Fund balances at 31 December 2019</b>		<b>120,032</b>	<b>13,349,498</b>	<b>13,469,530</b>	<b>11,710,636</b>

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

All income and expenditure derive from continuing activities.

# OKEHAMPTON UNITED CHARITY

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Investment properties	11		989,250		989,250
Investments	12		12,199,408		10,635,243
			<u>13,188,658</u>		<u>11,624,493</u>
<b>Current assets</b>					
Debtors	14	2,750		9,625	
Cash at bank and in hand		428,676		194,058	
		<u>431,426</u>		<u>203,683</u>	
<b>Creditors: amounts falling due within one year</b>	15	(142,054)		(109,040)	
Net current assets			<u>289,372</u>		<u>94,643</u>
<b>Total assets less current liabilities</b>			<u>13,478,030</u>		<u>11,719,136</u>
<b>Creditors: amounts falling due after more than one year</b>	16		(8,500)		(8,500)
<b>Net assets</b>			<u><u>13,469,530</u></u>		<u><u>11,710,636</u></u>
<b>Capital funds</b>					
<u>Endowment funds - general</u>					
General endowment funds		13,349,498		11,624,507	
		<u>13,349,498</u>		<u>11,624,507</u>	
Expendable endowment		<u>13,349,498</u>		<u>11,624,507</u>	
			<u>13,349,498</u>		<u>11,624,507</u>
<b>Income funds</b>					
<u>Unrestricted funds</u>					
Designated funds - Almshouse branch	17	28,714		23,848	
General unrestricted funds	18	91,318		62,281	
		<u>120,032</u>		<u>86,129</u>	
			<u><u>13,469,530</u></u>		<u><u>11,710,636</u></u>

The financial statements were approved by the Trustees on 7 April 2020

Mr A Fisher  
Trustee

Mrs C Marsh  
Trustee

# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Charity information

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

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

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

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

#### 1.2 Going concern

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

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

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

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

#### 1.4 Incoming resources

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

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

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

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

# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

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

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

The residue is to be split as follows:-

- 3/7ths to Okehampton Educational Foundation
- 4/7ths for the benefit of the inhabitants of the area of benefit as the Trustees may decide

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

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

#### 1.6 Investment properties

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

The valuation on investment 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 investment property is not materially different from this valuation.

#### 1.7 Fixed asset investments

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

#### 1.8 Financial instruments

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

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

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

#### **Basic financial assets**

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



# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

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

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

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

#### **Derecognition of financial liabilities**

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

### 1.9 Employee benefits

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

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

### 2 Critical accounting estimates and judgements

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

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

### 3 Investments

	Unrestricted funds	Total
	2019	2018
	£	£
Property income	17,400	17,303
Income from listed investments	280,397	-
Tax repayments on dividends and interest	430	14,000
Almshouse branch: residents' weekly contributions	8,374	7,837
Interest receivable	759	699
	<u>307,360</u>	<u>39,839</u>

# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

### 4 Reconciliation of scheme income and distributions

	United Charity £	Ecclesiastical Charity £	Total £
<b>Incoming resources</b>	476,233	300	476,533
<b>Administration and property expenditure:</b>			
Investment management fees	6,274	-	6,274
Administration expenses (including salaries)	33,131	300	33,431
Maintenance of allotments	8,875	-	8,875
Maintenance of estate property	4,163	-	4,163
General insurances	1,999	-	1,999
Audit and accountancy	4,015	-	4,015
	<u>58,457</u>	<u>300</u>	<u>58,757</u>
<b>Net scheme income for the year</b>	<u>417,776</u>	<u>-</u>	<u>417,776</u>
<b>Application of net scheme income:</b>			<b>£</b>
Net scheme income			417,776
Less: net income of Almshouse branch			(4,866)
			<u>412,910</u>
Okehampton United Ecclesiastical Charity grant			2,500
For relief or persons resident in the area of benefit who are in need, hardship or distress			1,000
3/7ths Okehampton Educational Foundation			175,461
4/7ths available for grants as the trustees decide			233,949
			<u>412,910</u>
<b>Summary of actual charitable distributions made during the year:</b>			<b>£</b>
Net scheme income for the year (as above)			412,910
<b>Distributions</b>			
Okehampton United Ecclesiastical Charity			2,500
Okehampton Educational Foundation allocation			174,073
Other organisations and individuals (including £1,000 for need, hardship or distress)			210,073
			<u>386,646</u>
<b>Balance carried forward in the United Charity branch income fund</b>			<b><u>26,264</u></b>

# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 5 Raising funds

	<b>Unrestricted funds</b>	Total
	<b>2019</b>	2018
	<b>£</b>	<b>£</b>
Investment management	6,274	52,848
	<u>6,274</u>	<u>52,848</u>
	<u><u>6,274</u></u>	<u><u>52,848</u></u>

### 6 Charitable activities

	<b>Charitable Expenditure</b>	<b>Charitable Expenditure</b>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Staff costs	33,431	34,018
Grant to Okehampton United Ecclesiastical Charity	2,500	2,500
Grant to Okehampton Educational Foundation	174,073	157,979
Almshouse branch expenses	3,508	14,530
Maintenance of allotments	8,875	2,884
Maintenance of estate property	4,163	7,272
General insurance	1,999	2,117
Audit fees	4,015	5,465
	<u>232,564</u>	<u>226,765</u>
Grants awarded to organisations and individuals (see note 7)	210,073	214,682
	<u>442,637</u>	<u>441,447</u>
	<u><u>442,637</u></u>	<u><u>441,447</u></u>

# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 7 Grants awarded to organisations and individuals

	<b>Charitable Expenditure</b>
	<b>2019</b>
	<b>£</b>
<b>Grants to institutions (28 grants):</b>	
Okehampton College	2,000
Okehampton Gym Club	15,000
Junior Life Skills	260
Okehampton Community Dance	1,032
Okehampton Choral Society	2,300
North Dartmoor Search & Rescue	1,000
All Saint's Church PCC	1,100
Tor Support Services	9,323
Force Cancer Charity	21,000
1st Okehampton Rainbows	600
1st Okehampton Scouts	1,638
Okehampton Tennis Club	682
Okehampton & District Community Transport	20,000
Okehampton Allotment Holders Association	3,000
DYS Space	2,450
One Okehampton Craft Club	300
Wren Lantern Project	9,000
Two Moors Festival	3,250
Citizens Advice Bureau	28,000
New Life Church	970
Work Club; Ockment Centre	7,657
Veterans Breakfast Club	500
Okehampton Library	853
OCRA	32,000
Community Links	34,750
West Devon Arts Workshop	6,173
Joe Rice	600
Dartmoor Railway Supporters Association	700
Individuals- sporting achievement	3,150
Individuals- adult education	1,350
Individuals- crisis/hardship	620
	<hr/>
	211,258
2018 Grants returned (411, 475 & 479)	(1,185)
	<hr/>
	210,073
	<hr/> <hr/>

39 grants were awarded to institutions in 2018 totalling £208,639. A further 20 grants were awarded to individuals in 2018 totalling £6,043.

# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:	<b>2019</b>	<b>2018</b>
	£	£
Audit of the annual accounts	2,008	2,732
Other accountancy services	2,007	2,733
<b>Total audit fees</b>	<u>4,015</u>	<u>5,465</u>

### 9 Trustees

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

### 10 Employees

#### Number of employees

The average monthly number of employees during the year was:

<b>2019</b>	<b>2018</b>
Number	Number
<u>2</u>	<u>2</u>

#### Employment costs

	<b>2019</b>	<b>2018</b>
	£	£
Wages and salaries	34,681	34,760
Pensions costs	1,885	1,794
Office, mileage and miscellaneous costs	7,690	8,464
Recovered from Okehampton Educational Foundation	(8,000)	(8,000)
Recovered from Simmons Homes & Holditch and other charities for clerking services	<u>(2,825)</u>	<u>(3,000)</u>
	<u>33,431</u>	<u>34,018</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 (2018- nil).

Reimbursed expenses of £Nil (2018: £227) were paid to one trustee.

# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 11 Investment property

2019

£

#### Fair value

At 1 January 2019 and 31 December 2019

989,250

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Investment properties comprises almshouses, agricultural properties and amenity land. The fair value of the investment property has been arrived at on the basis of a valuation carried out in February 2018 by Kivells Chartered Surveyors (regulated by RICS), who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

No depreciation is provided on these properties.

#### Property holdings market values

##### Almshouses

No 1 Brocks Cottage	£120,000
No 2 Brocks Cottage	£120,000

##### Agricultural properties

Land at Darkey Lane	£120,750
Land at Higher Kempley	£51,000 (part owned by Okehampton United Ecclesiastical)
Land at Ball Hill/Fatherford Road	£419,500

##### Amenity land

Ball Hill Wood/Quarry	£70,000
Community Garden, Fatherford Road	£10,000

##### Allotments

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

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

# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 12 Fixed asset investments

	<b>Listed investments £</b>
<b>Cost or valuation</b>	
At 1 January 2019	10,635,243
Additions	10,962,753
Unrealised profits/(losses) on investments	1,272,058
Realised profits/(losses) on investments	600,138
Disposals	(11,270,784)
	<hr/>
At 31 December 2019	12,199,408
	<hr/>
<b>Carrying amount</b>	
At 31 December 2019	12,199,408
	<hr/> <hr/>
At 31 December 2018	10,635,243
	<hr/> <hr/>

The Charity sold all investments held with Raymond James in February 2019. Disposals totalled £11,270,784 with realised gains in respect of these equalling £600,138. The Charity reinvested £10,962,753 with CCLA during the year.

At 31 December 2019, the whole of the Investment Portfolio was invested in income units of the COIF Charities Investment Fund managed by CCLA.

The charity has invested in a unitised fund where fees are taken from capital, the fund is priced on a daily basis and valued weekly. CCLA charge management fees at 0.6% per annum and the Trustees have opted to include these in the accounts on a net basis which is in line with Charity SORP guidance.

The number of income units held in the COIF Investment Fund at 31 December 2019 was 722,260.22 units and were valued at the mid-market price of 1,692.87p at 31 December 2019.

Analysis of investments in the COIF Investment Fund as at 31 December 2019:

• Overseas Equities	58.36%
• UK Equities	12.50%
• Infrastructure & Operating Assets	11.10%
• Contractual, Private Equity & Other	6.27%
• Cash	6.32%
• Property	5.06%
• Fixed Interest	0.39%

# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 Net gains/(losses) on investments

	<b>Endowment funds general 2019 £</b>	<b>Total 2018 £</b>
Revaluation of investments	1,872,196	(641,366)
Revaluation of investment properties	-	62,151
	<u>1,872,196</u>	<u>(579,215)</u>

### 14 Debtors

	<b>2019 £</b>	<b>2018 £</b>
<b>Amounts falling due within one year:</b>		
Other debtors	625	8,030
Prepayments and accrued income	2,125	1,595
	<u>2,750</u>	<u>9,625</u>

### 15 Creditors: amounts falling due within one year

	<b>2019 £</b>	<b>2018 £</b>
Other taxation and social security	1,339	1,414
Other creditors	129,735	96,221
Accruals and deferred income	10,980	11,405
	<u>142,054</u>	<u>109,040</u>

### 16 Creditors: amounts falling due after more than one year

	<b>2019 £</b>	<b>2018 £</b>
Other creditors	8,500	8,500



# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 17 Designated funds

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

	Movement in funds			
	Balance at 1 January 2019	Incoming resources	Resources expended	Balance at 31 December 2019
	£	£	£	£
Almshouse branch fund	23,848	8,374	(3,508)	28,714
	<u>23,848</u>	<u>8,374</u>	<u>(3,508)</u>	<u>28,714</u>

#### 18 General funds

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

	Movement in funds				Balance at 31 December 2019
	Balance at 1 January 2019	Incoming resources	Resources expended	Transfers	
	£	£	£	£	£
Income reserve fund	60,000	-	-	-	60,000
Land maintenance reserve	4,000	2,000	-	-	6,000
General free reserves	(1,705)	466,159	(586,341)	147,205	25,318
	<u>62,295</u>	<u>468,159</u>	<u>(586,341)</u>	<u>147,205</u>	<u>91,318</u>

# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 19 Analysis of net assets between funds

	Capital Fund £	Almshouse Branch £	Income Fund £	Almshouse Branch £	Total £
<b>Fixed assets</b>					
Property and equipment	749,250	240,000	-	-	989,250
Investments	12,199,408	-	-	-	12,199,408
	<u>12,948,658</u>	<u>240,000</u>	<u>-</u>	<u>-</u>	<u>13,188,658</u>
<b>Current assets</b>					
Debtors	-	-	2,750	-	2,750
Bank current account	160,840	-	166,301	-	327,141
Bank deposit accounts	-	-	72,821	28,714	101,535
	<u>160,840</u>	<u>-</u>	<u>241,872</u>	<u>28,714</u>	<u>431,426</u>
<b>Liabilities</b>					
Creditors	-	-	(150,554)	-	(150,554)
<b>Current assets less liabilities</b>	<b>160,840</b>	<b>-</b>	<b>91,318</b>	<b>28,714</b>	<b>280,872</b>
<b>Net assets</b>	<b>13,109,498</b>	<b>240,000</b>	<b>91,318</b>	<b>28,714</b>	<b>13,469,530</b>
<b>Funds</b>					
<b>Balance at 1 January 2019</b>	11,384,507	240,000	62,281	23,848	11,710,636
Net movement in resources	-	-	22,763	4,866	27,629
Income withdrawal drawdown	(169,173)	-	-	-	(169,173)
Dividends received reinvested	22,399	-	-	-	22,399
Fee rebates reinvested	5,844	-	-	-	5,844
Unrealised profit on revaluation of investments	1,272,057	-	-	-	1,272,057
Realised profit on disposal of investments	600,138	-	-	-	600,138
Transfer for investment management fees	(6,274)	-	6,274	-	-
<b>Balance at 31 December 2019</b>	<b>13,109,498</b>	<b>240,000</b>	<b>91,318</b>	<b>28,714</b>	<b>13,469,530</b>

£140,930 was drawn from the Charity's expendable endowment in order to assist in the funding of the charity's activities and consisted of £169,173 drawn from the capital fund less £22,399 dividends reinvested and £5,844 fees reinvested. For the purposes of calculating the allocation of net income to Okehampton Educational Foundation, the £169,173 has been treated as income of the charity as allowed under the Charities SORP.

# OKEHAMPTON UNITED CHARITY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **20 Related party transactions**

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

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

The charity is also linked to Simmons Homes Charity (registration no 201676) and Charities of Holditch and Others (registration 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 7 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).