

Charity registration number 202686

OKEHAMPTON UNITED CHARITY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

OKEHAMPTON UNITED CHARITY

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr R Campbell Mr D Chapman (Chair) Rev S Cook Mrs M Cooper Mr A Fisher Mrs J Gibbons Dr M Ireland Mrs C Marsh Mrs J Yelland Mr P Davies Mrs J Morgan Dr P Murray Mr R Tolley
Treasurer	Mr C J Owen FCCA
Clerk	Mrs K Percival CG (Affiliated)
Charity number	202686
Principal address	PO Box 109 Okehampton Devon EX20 9BF
Auditor	Simpkins Edwards Audit LLP Michael House Castle Street Exeter Devon United Kingdom EX4 3LQ
Bankers	Lloyds Bank PLC Fore Street Okehampton Devon EX20 1HJ
Land agents	Kivells Chartered Surveyors Liskeard PL14 4BE

OKEHAMPTON UNITED CHARITY

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OKEHAMPTON UNITED CHARITY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

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

Objectives and activities

The objects of the charity are;

- 1. The Almshouse Branch;** for 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).
- 2. The United Charity Branch;** for providing charitable benefits through the making of grants out of its annual net income (and expendable endowment at the trustees' discretion) 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 charity's scheme rules for the application of income. This is generally achieved by responding to applications for grants from local organisations. The charity uses an application form to ensure that if applicants are not charities, the charitable purpose is clear. Organisations applying are also required to confirm that their members or beneficiaries are not unreasonably restricted and that they reside within the area of benefit. If organisations operate outside the area of benefit, grants are adjusted on a pro rata basis.

The annual net income of the charity is after the payment of administration costs including the repair and insurance of its properties and after the making the following grants in accordance with the scheme of the charity;

- a. to make a grant of £4,500 to the Okehampton United Ecclesiastical Charity (1077584) for the upkeep of St James Chapel
- b. to apply the sum of £1,000 for the relief of need and sickness in the area of benefit and
- c. to apply three sevenths of the remaining net income to the Trustees of the Okehampton Educational Foundation (306677) for the application of the general purposes of that charity (see note on the merger of this charity below)

Achievements and performance

Grant awards;

During the year the charity distributed grants totalling £322,705 (2021 £357,399).

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

The trustees are satisfied that the grants awarded to individuals who were suffering an immediate crisis, met and exceeded the scheme's requirement of distributing £1,000 for the relief of need and sickness.

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

The trustees are satisfied that all grants made in 2021 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 awarded provided benefits to residents of the Parishes of Okehampton and Okehampton Hamlets.

OKEHAMPTON UNITED CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Land management:

The purchase in 2021 of additional land for both agricultural and amenity use, has resulted in additional responsibilities for the management and administration of the charity. During 2022 the trustees appointed an assistant to the Clerk to provide support and enable the Clerk to spend the necessary time to manage the charity's estate. A significant amount of the charity's estate is of direct amenity benefit to the residents of Okehampton and Okehampton Hamlets by providing access to natural areas for personal recreation and facilities for allotments and community gardens.

Merger of Okehampton Educational Foundation

Following the strategic review carried out in 2021, the trustees agreed during 2022, to merge Okehampton Educational Foundation into the charity. The two charities have been managed by the same common trustees since 1922 and the original purpose of having a separate charity has ceased to be relevant. The trustees agreed that the Okehampton Educational Foundation scheme of 1975 should be incorporated into the charity and managed as a designated fund with the objective of mirroring the 1975 scheme.

The objects of the designated fund are; to use up to one third for providing special benefits not normally provided by the local education institutions and the remainder for promoting the education of beneficiaries (up to 25 years of age) through scholarships, bursaries, maintenance and travel allowances, the provision of facilities not normally provided by the local education institutions and the provision of facilities for studying music and other arts.

Financial review

Investments

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 investment assets whilst providing a long-term sustainable return to fund grant making.

To enable the charity to fulfil its charitable objectives and in order to provide a consistent level of income for grant awards, the trustees have adopted a total return approach (within the meaning of the Trustees (Capital and Income) Act 2013) rather than having to rely on the dividend yield alone to provide the income for grant making. The trustees have the power to adopt this approach as the general funds of the charity are expendable. The trustees used a guideline of 3.5% of the value of the investment portfolio, as the sustainable amount to be drawn down as income. During 2022 the trustees did not need to make any capital drawdown in excess of the dividend yielded by the investments.

The income from the investment dividends in 2022 was £393,737 (2021: £388,769) which gave a yield of 3.1% (2021: 2.8%) on the market value of the investment portfolio at the end of the year.

The market value of investments at the end of the year was £12,625,638 which gave a decrease in capital value of 12.3% over the year. The resulting overall total return for the year was -9.2%.

The trustees recognise that 2022 was a poor year for investment returns and the trustees' investment strategy is a long term one and performance is realistically measured over five-year periods.

The investment portfolio is invested with the long-term aim of providing an annual total return (capital growth and income) of inflation (CPI) plus 5%. For the last five years (2018-2022) the annual average of CPI has been 3.93% and the total return of the investment portfolio has seen an annual average of 6.9% over the same period.

The trustees have resolved that the investments of the charity are to be invested ethically reflecting what are likely to be the broad values and concerns of the beneficiaries of the charity. The COIF Charities Ethical Investment Fund is the primary investment fund used by the trustees.

CCLA, the managers of the fund have indicated that the dividend yield for 2023 will be at the same level as 2022. The on-going investment management fees charged by CCLA are 0.60% and the fee is included in the market price of the fund units. During the year fee rebates received from CCLA of £13,702 were reinvested.

OKEHAMPTON UNITED CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Properties

The properties owned by the charity (including Almshouses) are valued at £1,866,000 at 31st December 2022 and is included as part of the Capital Fund expendable endowment. The property holdings, are comprised of; Agricultural land valued at £1,096,000 which provided a rental income (including wayleaves) of £21,300 for the year, Amenity land valued at £490,000 and the Almshouse branch properties, valued at £280,000.

In accordance with the trustees' policies, the properties owned by the charity were re-valued at 12th February 2021 by the charity's land agent Kivells, The property purchased in December 2021 is included at cost £701,000.

Financial activities

The total income of the charity in the year was £506,763 including the merged income fund £80,191 from Okehampton Educational Foundation, with total expenditure of £404,224. This was split between the Almshouse branch and the United Charity branch as follows.

The Almshouse branch

Income from the weekly contributions of the Almshouse residents was; £9,650 (2021: £9,242) and expenditure was £2,870 (2021: £5,931). The resulting surplus of £6,780 was added to the Almshouse branch reserve.

The United Charity branch

The total income for the year was £497,113 (2021: £535,327). Income from investments was £395,522 (2021: £388,811), and property income was £21,300 (2021: £18,936). Income of £80,191 (2021: £37,578) was from the merged income fund of Okehampton Educational Foundation.

Donations received for the year was £100 (2021: £90,002).

Charitable activities expenditure of the United Charity branch was £404,224 (2021: £437,269) of which governance costs were £5,330 (2021: £5,490).

Full details of the charitable activities expenditure is included in notes 6 & 7.

The net movement in funds for the year excluding any investment revaluation losses, was an increase of £102,539 (2021; £107,300).

At 31 December 2022 the Capital Fund of the charity was £14,491,640 (2021: £16,266,828) and the Income Fund £244,303 (2021; £141,764) including the Almshouse Branch reserve fund.

Reserves policy

The United Charity branch maintains an Income Fund reserve for the purposes of providing for working capital to balance the difference in timing profile between the quarterly income received from investments and the routine administration and grant expenditure payable each month. The total return on investment approach that has been adopted by the trustees, negates to some extent the need to hold a general reserve, however the trustees consider that it is prudent to maintain a general Income Fund cash reserve of £45,000 for working capital purposes. In addition, the trustees have established a Land Maintenance reserve fund of £25,000 to cover for unforeseen costs of maintenance of the amenity land and woodland properties. The Income Fund reserves of £70,000 are included in the Income Fund balances. Full details included in note 17.

The Almshouse branch fund is maintained at a level to meet planned repairs to the Almshouses and was £42,177 at 31st December 2022.

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

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OKEHAMPTON UNITED CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Plans for the future

The trustees foresee that the level of demand for grants will continue to increase and have forecast an income budget of £400,000 for 2023. This is made up of dividends from investments £396,000 and net income from properties £4,000. The trustees' Grants sub-committee continues to meet regularly to consider priorities and policies 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 grants to support charitable activities for the beneficiaries.

Following the merger of Okehampton Educational Foundation into the charity, the trustees are planning to convert the charity into a Charitable Incorporated Organisation.

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

Mr R Campbell	Co-opted	
Mr D Chapman (Chair of the Board of Trustees)	Co-opted	Chair
Rev S Cook	Ex-officio	
Mrs M Cooper	Nominated	OHPCC
Mr P Davies	Nominated	OHPCC
Mr A Fisher	Nominated	OTC
Mrs J Gibbons	Co-opted	
Dr M Ireland	Nominated	OTC
Mrs C Marsh	Co-opted	
Mrs J Morgan	Co-opted	
Dr P Murray	Co-opted	
Mr R Tolley	Ex-officio	
Mrs J Yelland	Ex-officio	

Board of Trustees:

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

2 nominated Trustees by Okehampton Town Council

2 nominated Trustees by Okehampton Hamlets Parish Council

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

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

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

OKEHAMPTON UNITED CHARITY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Management and Administration

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

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

Mr D Chapman (Chair)

Trustee

Dated: 29 March 2023

Mrs C Marsh

Trustee

Dated:29 March 2023

OKEHAMPTON UNITED CHARITY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

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

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

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

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

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

OKEHAMPTON UNITED CHARITY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF OKEHAMPTON UNITED CHARITY

Opinion

We have audited the financial statements of Okehampton United Charity (the 'charity') for the year ended 31 December 2022 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 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

OKEHAMPTON UNITED CHARITY

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Risks identified

Audit response

Unauthorised bank payments

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

Fictitious grant applications

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

OKEHAMPTON UNITED CHARITY

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

Risks identified

Audit response

Unauthorised decisions by management

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

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Simpkins Edwards Audit LLP

29 March 2023

**Chartered Accountants
Statutory Auditor**

Michael House
Castle Street
Exeter
Devon
United Kingdom
EX4 3LQ

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

OKEHAMPTON UNITED CHARITY

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

		Unrestricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	Total 2021 £
	Notes				
Income from:					
Donations and legacies	3	100	-	100	90,002
Investments	4	426,472	-	426,472	416,989
Material other income		80,191	-	80,191	37,578
Total income		<u>506,763</u>	<u>-</u>	<u>506,763</u>	<u>544,569</u>
Expenditure on:					
Charitable activities	6	404,224	-	404,224	437,269
Net gains/(losses) on investments	13	-	(1,775,188)	(1,775,188)	1,861,088
Gross transfers between funds	18	-	-	-	-
Net movement in funds		102,539	(1,775,188)	(1,672,649)	1,968,388
Fund balances at 1 January 2022		<u>141,764</u>	<u>16,266,828</u>	<u>16,408,592</u>	<u>14,440,204</u>
Fund balances at 31 December 2022		<u><u>244,303</u></u>	<u><u>14,491,640</u></u>	<u><u>14,735,943</u></u>	<u><u>16,408,592</u></u>

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 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Investment properties	11		1,866,000		1,866,000
Investments	12		12,625,638		14,400,826
			<u>14,491,638</u>		<u>16,266,826</u>
Current assets					
Debtors	14	3,773		8,035	
Cash at bank and in hand		382,289		244,155	
		<u>386,062</u>		<u>252,190</u>	
Creditors: amounts falling due within one year	15	<u>(141,757)</u>		<u>(110,424)</u>	
Net current assets			<u>244,305</u>		<u>141,766</u>
Total assets less current liabilities			<u><u>14,735,943</u></u>		<u><u>16,408,592</u></u>
Capital funds					
<u>Endowment funds - general</u>					
General endowment funds		14,491,640		16,266,828	
		<u>14,491,640</u>		<u>16,266,828</u>	
Expendable endowment		<u>14,491,640</u>		<u>16,266,828</u>	
			14,491,640		16,266,828
Income funds					
<u>Unrestricted funds</u>					
<u>Designated funds:</u>					
Almshouse branch		42,177		35,397	
Education Foundation Fund		59,203		29,921	
Age Concern legacy fund		6,284		9,342	
		<u>107,664</u>		<u>74,660</u>	
General unrestricted funds	16	136,639		67,104	
			<u>244,303</u>		<u>141,764</u>
			<u><u>14,735,943</u></u>		<u><u>16,408,592</u></u>

OKEHAMPTON UNITED CHARITY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the Trustees on 29 March 2023

Mr D Chapman (Chair)
Trustee

Mrs C Marsh
Trustee

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

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 PO Box 109, Okehampton, Devon, EX20 9BF.

1.1 Accounting convention

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

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

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

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

1.2 Going concern

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

1.3 Charitable funds

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

The Age Concern legacy fund is a designated fund to be used for grant funding projects for older persons

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

The Education Foundation fund (legacy fund from the Okehampton Educational Foundation merger) is a designated fund.(see note 1.5)

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.

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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

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 £4,500 (£2,500 2021) 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:-

- 4/7ths for the benefit of the inhabitants of the area of benefit as the trustees may decide
- 3/7ths to Okehampton Educational Foundation for the use of that charity (The charity was merged into Okehampton United Charity during the year as a designated fund for educational purposes) The objects of the designated fund are; to use up to one third for providing special benefits not normally provided by the local education institutions and the remainder for promoting the education of beneficiaries (up to 25 years of age) through scholarships, bursaries, maintenance and travel allowances, the provision of facilities not normally provided by the local education institutions and the provision of facilities for studying music and other arts

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

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

1.6 Investment properties

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

The valuation on investment property is based on an open market value undertaken by Kivells, Chartered Surveyors on 12 February 2021 and an open market valuation at the time of the properties purchased in December 2021.

1.7 Fixed asset investments

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

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

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.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.10 Charity Merger

During the year to 31 December 2022, Okehampton United Charity (Charity Registration No. 202686) and Okehampton Educational Foundation (Charity Registration No. 306677) merged to become one Charity, Okehampton United Charity.

The Trustees of Okehampton United Charity and Okehampton Educational Foundation agreed to merge the two charities on 29 June 2022 and the Charity Commission confirmed that the financial records of the two charities will be merged from 1 January 2022.

The merged assets have been treated as a designated fund 'Educational Foundation Fund' and operated using the old scheme rules of the Okehampton Educational Foundation. The Okehampton United Charity Scheme has been amended to incorporate the old scheme rules of Okehampton Educational Foundation. This has been agreed with the Charity Commission and no further accounts were required to be filed for Okehampton Educational Foundation.

The comparatives balances have been updated to reflect the new structure.

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Donations and gifts	100	90,002

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Investments

	Unrestricted funds	Total
	2022	2021
	£	£
Property income	21,300	18,936
Income from listed investments	393,737	388,769
Almshouse branch: residents' weekly contributions	9,650	9,242
Interest receivable	1,785	42
	<u>426,472</u>	<u>416,989</u>

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Reconciliation of scheme income and distributions

	United Charity £	
Incoming resources (excluding Almshouse branch)	416,922	
Administration and property expenditure:		
Administration expenses (including salaries)	42,638	
Maintenance of allotments	2,097	
Maintenance of estate property	25,818	
General insurances	2,766	
Audit and accountancy	5,330	
	<u>78,649</u>	
Net scheme income for the year	338,273	
Application of net scheme income:		£
Net scheme income		<u>338,273</u>
Okehampton United Ecclesiastical Charity grant		4,500
For relief of persons resident in the area of benefit who are in need, hardship or distress		1,000
3/7ths Education Foundation Fund		142,617
4/7ths available for grants as the trustees decide		<u>190,156</u>
		<u>338,273</u>
Summary of actual charitable distributions made during the year:		£
Net scheme income for the year (as above)		<u>338,273</u>
Distributions		
Okehampton United Ecclesiastical Charity		4,500
Educational Foundation Fund allocation		142,617
Other organisations and individuals (including £1,000 for need, hardship or distress)		<u>121,621</u>
		<u>268,738</u>
Balance carried forward in the United Charity branch income fund		69,535

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Staff costs	42,638	37,808
Almshouse branch expenses	2,870	5,931
Maintenance of allotments	2,097	1,396
Maintenance of estate property	25,818	27,016
General insurance	2,766	2,229
Audit fees	5,330	4,590
Accountancy fees	-	900
	<hr/>	<hr/>
	81,519	79,870
Grants awarded to organisations and individuals (see note 7)	318,205	354,899
Grant to Okehampton United Ecclesiastical Charity	4,500	2,500
	<hr/>	<hr/>
	404,224	437,269
	<hr/> <hr/>	<hr/> <hr/>

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

7 Grants awarded to organisations and individuals

	Charitable Expenditure 2022 £
General Income Fund	
Okehampton College wind turbine rent waiver	2,647
Okay Music Day	2,000
Okehampton Community Dance Project	1,000
Okehampton Community Recreation Association (OCRA)	17,334
Okehampton Town Council Jubilee Celebrations	3,000
Community Links: Family Support Programme	29,900
Tor Support Services	21,171
Get Changed Theatre Company	400
La Leche League	679
Ockment Centre: Work Club	8,065
All Together Okehampton	4,645
New Life Church	4,462
Read Easy	250
Green Week	950
Ockment Centre	855
2 adult education bursaries	1,500
The Wave Project	1,830
Immersion in the Community	2,900
Okehampton Community Kitchen	556
Family Food Project	9,700
Mary Budding Trust	150
One Okehampton Craft Club	288
6 Individual Sporting Achievement Awards	3,000
18 Individual - Crisis & Hardship	4,339
Friday Services	3,058
73 Individual student bursaries	42,300
Community Links Music Hub	12,000
Rotary Adventure 7	8,060
1st Okehampton Scouts	9,671
Okehampton College - projects	105,856
Okehampton Primary School - 3 projects	9,936
St James' Primary School - 3 Projects	5,703
	<hr/>
	318,205
	<hr/> <hr/>

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Auditor's remuneration

The analysis of auditor's remuneration is as follows:	2022	2021
	£	£
Audit of the annual accounts	2,665	2,295
Other accountancy services	2,665	2,295
Total audit fees	5,330	4,590

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:

	2022	2021
	Number	Number
	3	2

Employment costs

	2022	2021
	£	£
Wages and salaries	44,576	37,576
Pensions costs (defined contribution scheme)	2,404	2,100
Office, mileage and miscellaneous costs	11,658	9,132
Allocation charge to amenity use property costs (note 5)	(12,000)	(7,000)
Allocation charge to almshouse branch costs (note 5)	(1,000)	(1,000)
Recovered from Simmons Homes Charity for clerking services	(3,000)	(3,000)
	42,638	37,808

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 (2021- nil).

A proportion of the salary costs of the Clerk are allocated and charged to the cost of amenity use properties and the Almshouse branch costs. The allocation is made on a time related pro rata basis.

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Investment property

2022

£

Fair value

At 1 January 2022 and 31 December 2022

1,866,000

The properties are comprised of; two Almshouses, 83 acres of agricultural property, 44.5 acres of amenity use property and three allotment sites totalling 6.5 acres. The fair value of the property has been arrived at on the basis of a valuation dated 12 February 2021 carried out by Kivells Chartered Surveyors (regulated by RICS), who are not connected with the charity. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

In December 2021 additional property was purchased by tender for £701,000. Kivells Chartered Surveyors provided the trustees with a valuation of that property at the time. (agricultural £385,000 and amenity use property £316,000).

No depreciation is provided on the properties.

Property holdings market values

Almshouses

No 1 Brocks Cottage	£140,000
No 2 Brocks Cottage	<u>£140,000</u>
	£280,000

Agricultural properties

Land at Darkey Lane	£135,000
Land at Higher Kempley	£118,000
Land at Ball Hill/Fatherford Road	£458,000
Land at Kempley's Barn	<u>£385,000</u>
	£1,096,000

Amenity land

Ball Hill Wood/Quarry	£84,000
Community Garden, Fatherford Road	£12,000
Tramlines & Ball Hill Fields	<u>£316,000</u>
	£412,000

Allotments

North Street	£15,000
Castle Road	£26,000
Fatherford Road	<u>£37,000</u>
	£78,000

With the exception of the land purchased in 2021, the historic costs for the properties are unknown.

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	14,400,826
Additions	13,702
Unrealised profits/(losses) on investments	(1,788,890)
At 31 December 2022	<u>12,625,638</u>
Carrying amount	
At 31 December 2022	<u>12,625,638</u>
At 31 December 2021	<u><u>14,400,826</u></u>

The charity has invested in a unitised fund where fees are taken from capital, the fund is priced on a daily basis and valued weekly. CCLA charge management fees at 0.6% per annum and the Trustees have opted to include these in the accounts on a net basis which is in line with Charity SORP guidance. Fee rebates of £13,702 were received in respect of the value of the portfolio in excess of £10 million. The rebates were automatically re-invested in units of the COIF Charities Ethical Investment Fund.

At 31 December 2022 the whole of the investment portfolio was invested in income units of the COIF Charities Ethical Investment Fund managed by CCLA. The number of income units held in the COIF Ethical Investment Fund at 31 December 2022 was 4,613,453.44 units and were valued at the bid price of 273.67p.

Analysis of investment categories of the COIF Ethical Investment Fund as at 31 December 2022:

- 59.65% Overseas Equities
- 9.75% UK Equities
- 7.75% Infrastructure & Operating Assets
- 4.86% Fixed Interest
- 4.49% Contractual, Private Equity & Other
- 10.07% Cash
- 3.43% Property

13 Net gains/(losses) on investments

	Endowment funds general 2022 £	Total 2021 £
Revaluation of investments	<u>(1,775,188)</u>	<u>1,861,088</u>

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

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	903	5,750
Prepayments and accrued income	2,870	2,285
	<u>3,773</u>	<u>8,035</u>

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Other taxation and social security	-	1,563
Other creditors	139,507	94,055
Accruals and deferred income	2,250	14,806
	<u>141,757</u>	<u>110,424</u>

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Designated funds

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

	Movement in funds				Movement in funds				Balance at 31 December 2022 £
	Balance at 1 January 2021 £	Incoming resources £	Resources expended £	Transfers £	Balance at 1 January 2022 £	Incoming resources £	Resources expended £	Transfers £	
Almshouse branch fund	32,086	9,242	(5,931)	-	35,397	9,650	(2,870)	-	42,177
Education Foundation fund	-	37,587	(7,666)	-	29,921	80,191	(193,526)	142,617	59,203
Age Concern legacy fund	-	10,000	(658)	-	9,342	-	(3,058)	-	6,284
Covid hardship fund	27,860	-	(13,500)	(14,360)	-	-	-	-	-
	<u>59,946</u>	<u>56,829</u>	<u>(27,755)</u>	<u>(14,360)</u>	<u>74,660</u>	<u>89,841</u>	<u>(199,454)</u>	<u>142,617</u>	<u>107,664</u>

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 General funds

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

	Movement in funds				
	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Balance at 31 December 2022
	£	£	£	£	£
General free reserves	(2,896)	416,923	(204,770)	(142,617)	66,640
Land maintenance reserve	25,000	-	-	-	25,000
Income reserve fund	45,000	-	-	-	45,000
	<u>67,104</u>	<u>416,923</u>	<u>(204,770)</u>	<u>(142,617)</u>	<u>136,640</u>

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Analysis of net assets between funds

	Capital Fund £	Almshouse Branch £	Income Fund £	Almshouse Branch £	Designate d Funds £	Total £
Fixed assets						
Property and equipment	1,586,000	280,000	-	-	-	1,866,000
Investments	12,625,638	-	-	-	-	12,625,638
	<u>14,211,638</u>	<u>280,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,491,638</u>
Current assets						
Debtors	-	-	3,773	-	-	3,773
Bank current account	-	-	13,541	-	118,748	132,289
Deposit Fund	-	-	207,823	42,177	-	250,000
	<u>-</u>	<u>-</u>	<u>225,137</u>	<u>42,177</u>	<u>118,748</u>	<u>386,062</u>
Liabilities						
Creditors	-	-	(23,009)	-	(118,748)	(141,757)
Current assets less liabilities	<u>-</u>	<u>-</u>	<u>202,128</u>	<u>42,177</u>	<u>-</u>	<u>244,305</u>
Net assets	<u>14,211,638</u>	<u>280,000</u>	<u>202,128</u>	<u>42,177</u>	<u>-</u>	<u>14,735,943</u>
Funds						
Balance at 1 January 2021	15,986,828	280,000	67,104	35,397	39,263	16,408,592
Net movement in resources	-	-	212,152	6,780	(116,393)	102,539
Transfer between funds	-	-	(142,617)	-	142,617	-
Net sales and purchases and gains realised	-	-	-	-	-	-
Unrealised profit on revaluation of investments	(1,775,188)	-	-	-	-	(1,775,188)
Property purchase	-	-	-	-	-	-
Balance at 31 December 2021	<u>14,211,640</u>	<u>280,000</u>	<u>136,639</u>	<u>42,177</u>	<u>65,487</u>	<u>14,735,943</u>

OKEHAMPTON UNITED CHARITY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Related party transactions

The charity is linked historically to Okehampton United Ecclesiastical Charity (registration no 1077584) to which an annual grant is paid for the upkeep of St James Chapel in Okehampton.

The charity is also linked to Simmons Homes Charity (registration no 201676) with some common trustees. Okehampton United Charity provides day to day management of the charity via the clerk, for which a proportion of 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. Grant awards to these related parties are summarised in note 6 to the Financial Statements. In these circumstances, trustees facing a conflict of interest abstain from the decision to award a grant.

20 Charity Merger

During the year to 31 December 2022, Okehampton United Charity (Charity Registration No. 202686) and Okehampton Educational Foundation (Charity Registration No. 306677) merged to become one Charity, Okehampton United Charity.

The Trustees of Okehampton United Charity and Okehampton Educational Foundation agreed to merge the two charities on 29 June 2022 and that the financial records of the two charities will be merged from 1 January 2022.

The merged assets have been treated as a designated fund 'Educational Foundation Fund' and operated using the old scheme rules of the Okehampton Educational Foundation. The Okehampton United Charity Scheme has been amended to incorporate the old scheme rules of Okehampton Educational Foundation. This has been agreed with the Charity Commission and no further accounts were required to be filed for Okehampton Educational Foundation.

On 16 June 2022, £92,261.51 was transferred from Okehampton Educational Foundation to Okehampton United Charity.

The comparatives have been updated to reflect the new structure. There have been no amendments to the endowment fund and the unrestricted funds have recognised an additional balance of £29,921 in the year ended 31 December 2021.

There have been no adjustments required in order to align accounting policies.