

Kelly Trust (Creditor)

**Charity registration
number: 1116644**

**Unaudited
Financial Statements**

31 December 2016

Kelly Trust (Crediton)

Financial Statements

Year ended 31 December 2016

	Pages
Trustees' annual report	1 to 3
Independent examiner's report to the trustees	4
Statement of financial activities	5
Statement of financial position	6
Notes to the financial statements	7 to 13

Kelly Trust (Crediton)

Trustees' Annual Report

Year ended 31 December 2016

The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2016.

Reference and administrative details

Governing document	Will of John Alan Kelly dated 21 December 1994 (died 13 March 1995)	
Registered charity name	Kelly Trust (Crediton)	
Charity registration number	1116644	
Principal office	Boniface Centre Church Lane Crediton EX17 2AH	
The trustees	A A White C S Nicholl (Miss) H P Lawes (Mrs) W S Lee E J Heard J M Beskeen C M Clark J D Ward G J Mortimer E W Parr - resigned 12 July 2016 M F Thierens - resigned 11 April 2016 J King - appointed 11 October 2016 R Cheriton (Mrs) - appointed 11 October 2016	
Accountants	Thomas Westcott Chartered Accountants Queens House New Street Honiton EX14 1BJ	
Bankers	National Westminster Bank plc 133 High Street Crediton EX17 3DU	
Investment managers	Charles Stanley & Co Limited Broadwalk House Southernhay West Exeter EX1 1TS	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET
Solicitors	Gilbert Stephens LLP Manor House North Street Crediton EX17 2BR	

Kelly Trust (Crediton)

Trustees' Annual Report *(continued)*

Year ended 31 December 2016

Structure, governance and management

Charity's Background

The objects are detailed in the Will of the late John Alan Kelly who died on 13 March 1995. Following the subsequent death of the his widow the life tenant, the Crediton Church Corporation received a share of the estate in 2004 and 2005 comprising cash balances of £889,427 and a portfolio of shares valued at approximately £160,000. Subsequently it was decided to demerge the Kelly legacy into the Kelly Trust (Crediton) a separate charity and to transfer the assets to the new entity effective from 1 January 2007.

The Will states that we are obliged

1. to relieve hardship and distress for persons over the age of 55 in Crediton.
2. to relieve hardship and distress for persons of any age who are chronically sick or disabled in Crediton.
3. after 50 years from the date of Mr Kelly's death, to provide support for Holy Cross Church, Crediton, in addition to the foregoing.

The Will should be read for the precise wording.

Appointment of Trustees

The Trustees normally number twelve and are elected by existing members. In line with the Will, it is intended that the Trustees are the same as the Governors of the Crediton Church Corporation.

The Chairman is Mr A A White, elected annually.

Day to day administration of the Trust is delegated to a small number of Trustees, including the Chairman, who act with the Warden of the Church Governors and the Clerk. The delegated Trustees are appointed annually in December.

Changes to personnel

Mr Michael Thierens resigned as of 11th April 2016 and Mr William Parr as of 12th July 2016. Mrs Rosie Cheriton and Mr Jim King were both appointed on 11th October 2016. As at 31st December 2016 there was one vacancy still to be filled.

Objectives and activities

In line with the foregoing, the Trust makes grants etc. to individuals, other charities and societies within the area. The Trustees have tended to support other charities and societies who themselves give help to private individuals and families rather than deal directly with a large number of small requests.

Additionally the Trust owns four bungalows in Crediton. These are let to tenants falling within the objects of the Trust. In view of our charitable status, the rent charged to all tenants is discounted to some extent, and the properties are considered mixed motive investments as defined by the Charity Commission.

In planning our activities for the year we kept in mind the Charity Commission guidance on public benefit.

Kelly Trust (Crediton)

Trustees' Annual Report *(continued)*

Year ended 31 December 2016

Achievements and performance

In the year, the Trustees continued to make grants to groups and individuals. These totalled £7,601 as detailed in the accounts.

The properties continued to be maintained to a high standard. Number 10 Meadow Gardens, Crediton, had fallen vacant on 31 December 2015 and, after refurbishment, was let to Mr F Wright from July 2016. Mr Wright was widowed immediately prior to his moving in, hence there was a short delay before he took up tenancy.

Financial review

Apart from the four bungalows owned, our main source of income is from a holding in the COIF Investment Fund. This investment provides income to meet requests for financial help, but also should ensure some capital appreciation over the long term. This income is supplemented by net rents received from the let properties. The portfolio of shares received from Mr Kelly's estate has been retained under the supervision of our principal investment managers, Charles Stanley and Co Limited. Income has accumulated within this investment, which is considered our reserve of last resort. It has been considered necessary to build up a quite reasonable fund as a reserve. The Trustees are conscious that their commitments may well increase under item 3 of the Charity's objects, in future years.

At some juncture, the Trustees may need to consider using part of the accruing reserve to purchase a further property; this would then become a mixed motive investment in line with the existing let properties.

As at 31 December 2016, balances held were:

£222,122 COIF Investment Fund (income to current account)
£311,982 Share portfolio; reserve of last resort (income accumulated to capital).

We have liaised at regular intervals with Investment Managers, Charles Stanley and Co Limited and both CCLA and Charles Stanley provide regular reports and valuations.

There are various controls in place to protect the integrity of our bank and investment balances.

The Trustees have taken the precaution of purchasing Trustee Indemnity Insurance in respect of any personal liability.

The trustees' annual report was approved on 10/10/2017 and signed on behalf of the board of trustees by:



A A White
Chairman/Trustee

Kelly Trust (Crediton)

Independent Examiner's Report to the Trustees of Kelly Trust (Crediton)

Year ended 31 December 2016

I report on the financial statements for the year ended 31 December 2016, which comprise the statement of financial activities, statement of financial position and the related notes.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.


Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act, and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act
- have not been met, or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Matt Portman FCA
Independent Examiner
Thomas Westcott
Chartered Accountants
Queens House
New Street
Honiton
EX14 1BJ

Dated: 18/10/2017

Kelly Trust (Crediton)

Statement of Financial Activities

31 December 2016

		2016		2015
	Note	Unrestricted funds £	Total funds £	Total funds £
Income and endowments				
Investment income	4	35,249	35,249	34,761
Total income		<u>35,249</u>	<u>35,249</u>	<u>34,761</u>
Expenditure				
Expenditure on raising funds:				
Investment management costs	5	14,294	14,294	15,381
Expenditure on charitable activities		12,530	12,530	9,670
Total expenditure		<u>26,824</u>	<u>26,824</u>	<u>25,051</u>
Net gains on investments	9	(55,331)	(55,331)	(4,136)
Net income and net movement in funds		<u>63,756</u>	<u>63,756</u>	<u>13,846</u>
Reconciliation of funds				
Total funds brought forward		1,286,106	1,286,106	1,272,260
Total funds carried forward		<u>1,349,862</u>	<u>1,349,862</u>	<u>1,286,106</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes on pages 7 to 13 form part of these financial statements.

Kelly Trust (Creditor)

Statement of Financial Position

31 December 2016

		2016 £	2015 £
Fixed assets			
Investments	13	1,312,823	1,253,044
Current assets			
Debtors	14	7,850	8,350
Cash at bank and in hand		34,064	29,235
		41,914	37,585
Creditors: amounts falling due within one year	15	4,875	4,523
Net current assets		37,039	33,062
Total assets less current liabilities		1,349,862	1,286,106
Net assets		1,349,862	1,286,106
Funds of the charity			
Unrestricted funds		1,349,862	1,286,106
Total charity funds	16	1,349,862	1,286,106

These financial statements were approved by the board of trustees and authorised for issue on 10.10.2017, and are signed on behalf of the board by:


A A White
Chairman/Trustee

The notes on pages 7 to 13 form part of these financial statements.

Kelly Trust (Crediton)

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The charity is registered charity in England and Wales and is unincorporated. The address of the principal office is Boniface Centre, Church Lane, Crediton, Devon, EX17 2AH.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 18.

Disclosure exemptions

The charity has taken advantage of the exemption in FRS102 from the requirement to produce a cashflow statement because it is a small charity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Kelly Trust (Crediton)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Investments

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Kelly Trust (Crediton)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Investment property

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

4. Investment income

	Unrestricted Funds	Total Funds 2016	Unrestricted Funds	Total Funds 2015
	£	£	£	£
Income from investment properties	20,880	20,880	19,880	19,880
Income from listed investments	6,968	6,968	7,493	7,493
Bank interest receivable	12	12	15	15
Investment interest	7,389	7,389	7,373	7,373
	<u>35,249</u>	<u>35,249</u>	<u>34,761</u>	<u>34,761</u>

Income from investment properties

	Unrestricted Funds	Total Funds 2016	Unrestricted Funds	Total Funds 2015
	£	£	£	£
10 Meadow Gardens	3,120	3,120	4,200	4,200
19 Greenway	6,240	6,240	4,160	4,160
7 Waresfoot Drive	5,760	5,760	5,760	5,760
12 Waresfoot Drive	5,760	5,760	5,760	5,760
	<u>20,880</u>	<u>20,880</u>	<u>19,880</u>	<u>19,880</u>

Kelly Trust (Crediton)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

5. Investment management costs

	Unrestricted Funds	Total Funds 2016	Unrestricted Funds	Total Funds 2015
	£	£	£	£
Investment managers' fees	2,672	2,672	2,545	2,545
Repairs to properties and insurance	11,622	11,622	12,836	12,836
	<u>14,294</u>	<u>14,294</u>	<u>15,381</u>	<u>15,381</u>

6. Expenditure on charitable activities

	Unrestricted Funds	Total Funds 2016	Unrestricted Funds	Total Funds 2015
	£	£	£	£
Grants	7,601	7,601	5,150	5,150
Governance costs	4,929	4,929	4,520	4,520
	<u>12,530</u>	<u>12,530</u>	<u>9,670</u>	<u>9,670</u>

7. Analysis of grants

	2016 £	2015 £
Grants to institutions		
Grant - Age Concern Crediton	5,000	5,000
Grant - Crediton Fellowship	200	—
Grant - M. S. Society	500	—
	<u>5,700</u>	<u>5,000</u>
Grants to individuals		
Grant - M Williams	—	150
Grant - Mrs Hilary Ward	1,500	—
Grant - I Leyman	401	—
	<u>1,901</u>	<u>150</u>
Total grants	<u>7,601</u>	<u>5,150</u>

Kelly Trust (Crediton)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

8. Other expenditure

Analysis of governance costs

	Unrestricted Funds	Total Funds 2016	Unrestricted Funds	Total Funds 2015
	£	£	£	£
Clerk to the Trustees	1,250	1,250	1,250	1,250
Insurance	629	629	609	609
Meeting room and the facilities	500	500	500	500
Independent examination	1,185	1,185	996	996
Accountancy	1,185	1,185	996	996
Bank charges	96	96	114	114
Sundry expenses	84	84	55	55
	<u>4,929</u>	<u>4,929</u>	<u>4,520</u>	<u>4,520</u>

9. Net gains on investments

	Unrestricted Funds	Total Funds 2016	Unrestricted Funds	Total Funds 2015
	£	£	£	£
Gains/(losses) on listed investments	<u>55,331</u>	<u>55,331</u>	<u>4,136</u>	<u>4,136</u>

10. Independent examination fees

	2016 £	2015 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,185</u>	<u>996</u>

11. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2016 £	2015 £
Wages and salaries	<u>1,250</u>	<u>1,250</u>

The average head count of employees during the year was 1 (2015: 1).

No employee received employee benefits of more than £60,000 during the year (2015: Nil).

12. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the Trustees.

Kelly Trust (Crediton)

Notes to the Financial Statements (continued)

Year ended 31 December 2016

13. Investments

	Cash or cash equivalents £	Listed investments £	Investment properties £	Other investments £	Total £
Cost or valuation					
At 1 January 2016	7,914	201,594	770,000	273,536	1,253,044
Additions	83,575	—	—	80,249	163,824
Disposals	(82,770)	—	—	(73,491)	(156,261)
Other movements	—	20,528	—	31,688	52,216
At 31 December 2016	<u>8,719</u>	<u>222,122</u>	<u>770,000</u>	<u>311,982</u>	<u>1,312,823</u>
Carrying amount					
At 31 December 2016	<u>8,719</u>	<u>222,122</u>	<u>770,000</u>	<u>311,982</u>	<u>1,312,823</u>
At 31 December 2015	<u>7,914</u>	<u>201,594</u>	<u>770,000</u>	<u>273,536</u>	<u>1,253,044</u>
All investments shown above are held at valuation.					
	£	£	£	£	£
Historical cost as at 31 December 2016	<u>8,914</u>	<u>200,317</u>	<u>778,505</u>	<u>240,567</u>	<u>1,228,303</u>

Individual investments, which comprise more than 5% of the total market value of fixed asset investments, are as follows:

	£
CCLA investments	<u>222,122</u>

Investment properties

	2016 £	2015 £
10 Meadow Gardens	185,000	185,000
19 Greenway	185,000	185,000
7 Waresfoot Drive	190,000	190,000
12 Waresfoot Drive	210,000	210,000
	<u>770,000</u>	<u>770,000</u>

The properties were valued professionally in December 2014 by Devon Sales and Lettings giving a valuation of £770,000.

All fixed asset investments are held within the United Kingdom.

Kelly Trust (Crediton)

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

14. Debtors

	2016	2015
	£	£
Other debtors	<u>7,850</u>	<u>8,350</u>

15. Creditors: amounts falling due within one year

	2016	2015
	£	£
Other creditors	<u>4,875</u>	<u>4,523</u>

16. Analysis of charitable funds

Unrestricted funds

	At 1 January 2016	Income	Expenditure	Gains and losses	At 31 December 2016
	£	£	£	£	£
General funds	<u>1,286,106</u>	<u>35,249</u>	<u>(26,824)</u>	<u>55,331</u>	<u>1,349,862</u>

17. Analysis of net assets between funds

	Unrestricted Funds	Total Funds
	£	£
Investments	1,312,823	1,312,823
Current assets	41,914	41,914
Creditors less than 1 year	<u>(4,875)</u>	<u>(4,875)</u>
Net assets	<u>1,349,862</u>	<u>1,349,862</u>

18. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The charity transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in the retained funds or income or expenditure for the year.