

**Kelly Trust (Creditor)**

**Charity registration  
number: 1116644**

**Unaudited  
Financial Statements**

**31 December 2017**

**Kelly Trust (Creditor)**

**Financial Statements**

**Year ended 31 December 2017**

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## Kelly Trust (Credton)

### Trustees' Annual Report

Year ended 31 December 2017

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The trustees present their report and the unaudited financial statements of the charity for the year ended 31 December 2017.

#### Reference and administrative details

**Governing document** Will of John Alan Kelly dated 21 December 1994  
(died 13 March 1995)

**Registered charity name** Kelly Trust (Credton)

**Charity registration number** 1116644

**Principal office** The Clerk to the Trustees  
Kelly Trust (Credton)  
Parish Office  
Boniface Centre  
Church Lane  
Credton  
EX17 2AH

**The trustees** A A White  
H P Lawes (Mrs) - resigned 12 December 2017  
J M Beskeen  
C M Clark  
C S Nicholl (Miss)  
J D Ward  
W S Lee  
G J Mortimer  
E J Heard  
R Cheriton (Mrs)  
J King  
D Brassington - appointed 10 October 2017  
W J Crooke – appointed 10 April 2018

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

**Bankers** National Westminster Bank Plc  
133 High Street  
Credton  
EX17 3DU

<b>Investment managers</b>	Charles Stanley & Co Limited Broadwalk House Southernhay West Exeter EX1 1TS	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET
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**Solicitors** Gilbert Stephens LLP  
Manor House  
North Street  
Credton  
EX17 2BR

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## **Kelly Trust (Crediton)**

### **Trustees' Annual Report** *(continued)*

**Year ended 31 December 2017**

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#### **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 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 and district.
2. to relieve hardship and distress for persons of any age who are chronically sick or disabled in Crediton and district.
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 current 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**

Mrs Helen Lawes resigned as of 12 December 2017 and Mr David Brassington was appointed as a Trustee on 10 October 2017. As at 31 December 2017, there was one vacancy to fill.

##### **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 2017

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#### Achievements and performance

In the year, the Trustees continued to make grants to groups and individuals. These totalled £8,227 as detailed in the accounts.

The properties continued to be maintained to a high standard. Number 19 Greenway became vacant on 31 December 2017 and following some re-decoration will be re-let in 2018.

#### 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. The Trustees are conscious that their commitments may well increase under item 3 of the Charity's objects, in future years.

The funds of the Charity have increased in the last few years due to an underspend of income and the good progress of our investments (although there may well be some fall-off in these in the short to medium term). The underspend might well be accounted for, in part at least, by the introduction and expansion of various state benefits since the writing of the will (eg Pension Credit, Housing Benefit and Council Tax Support), resulting in reduced demand. We could purchase one or two additional letting properties but demand from potential tenants seems weak at the moment.

The Trustees are fully aware of these considerations and may approach the Charity Commission in 2018 to see if the Commission will allow some flexibility in our interpretation of the Charity's objectives.

As at 31 December 2017, balances held were:

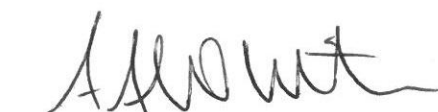
£262,773 COIF Investment Fund (income to current account)  
£335,425 Share portfolio; reserve of last resort (income accumulated to capital).

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 23 October 2018 and signed on behalf of the board of trustees by:



A A White  
Chairman/Trustee

## **Kelly Trust (Creditor)**

### **Independent Examiner's Report to the Trustees of Kelly Trust (Creditor)**

**Year ended 31 December 2017**

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I report to the trustees on my examination of the financial statements of Kelly Trust (Creditor) ('the charity') for the year ended 31 December 2017.

#### **Responsibilities and basis of report**

As the trustees of the charity you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').


I report in respect of my examination of the charity's financial statements carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

#### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report 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  
Devon  
EX14 1BJ

Dated: 24/10/2018

# Kelly Trust (Creditor)

## Statement of Financial Activities

Year ended 31 December 2017

		2017	2016
		Unrestricted funds	Total funds
	Note	£	£
<b>Income and endowments</b>			
Donations and legacies	4	2,977	2,977
Investment income	5	40,013	40,013
<b>Total income</b>		<u>42,990</u>	<u>35,249</u>
<b>Expenditure</b>			
Expenditure on raising funds:			
Investment management costs	6	4,339	4,339
Expenditure on charitable activities	7	11,847	11,847
<b>Total expenditure</b>		<u>16,186</u>	<u>26,824</u>
Net gains on investments	10	41,481	41,481
<b>Net income and net movement in funds</b>		<u>68,285</u>	<u>63,756</u>
<b>Reconciliation of funds</b>			
Total funds brought forward		1,349,862	1,286,106
<b>Total funds carried forward</b>		<u>1,418,147</u>	<u>1,349,862</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 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	14	1,379,080	1,312,823
<b>Current assets</b>			
Debtors	15	7,350	7,850
Cash at bank and in hand		36,741	34,064
		<u>44,091</u>	<u>41,914</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>5,024</u>	<u>4,875</u>
<b>Net current assets</b>		<u>39,067</u>	<u>37,039</u>
<b>Total assets less current liabilities</b>		<u>1,418,147</u>	<u>1,349,862</u>
<b>Net assets</b>		<u>1,418,147</u>	<u>1,349,862</u>
<b>Funds of the charity</b>			
Unrestricted funds		<u>1,418,147</u>	<u>1,349,862</u>
<b>Total charity funds</b>	17	<u>1,418,147</u>	<u>1,349,862</u>

v3 These financial statements were approved by the board of trustees and authorised for issue on 3 October 2018, 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 2017**

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#### **1. General information**

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Boniface Centre, Church Lane, Crediton, 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.

##### **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 2017**

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#### **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 (Creditor)

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

#### 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. Donations and legacies

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
<b>Donations</b>				
Co-op	477	477	—	—
Benjamin Wood Cleeve	2,500	2,500	—	—
	<u>2,977</u>	<u>2,977</u>	<u>—</u>	<u>—</u>

#### 5. Investment income

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Income from investment properties	24,000	24,000	20,880	20,880
Income from listed investments	7,660	7,660	6,968	6,968
Bank interest receivable	4	4	12	12
Investment interest	8,349	8,349	7,389	7,389
	<u>40,013</u>	<u>40,013</u>	<u>35,249</u>	<u>35,249</u>

## Kelly Trust (Crediton)

### Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

#### 5. Investment income *(continued)*

##### Income from investment properties

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
10 Meadow Gardens	6,240	6,240	3,120	3,120
19 Greenway	6,240	6,240	6,240	6,240
7 Waresfoot Drive	5,760	5,760	5,760	5,760
12 Waresfoot Drive	5,760	5,760	5,760	5,760
	<u>24,000</u>	<u>24,000</u>	<u>20,880</u>	<u>20,880</u>

#### 6. Investment management costs

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Investment managers' fees	2,981	2,981	2,672	2,672
Repairs to properties and insurance	1,358	1,358	11,622	11,622
	<u>4,339</u>	<u>4,339</u>	<u>14,294</u>	<u>14,294</u>

#### 7. Expenditure on charitable activities

	Unrestricted Funds	Total Funds 2017	Unrestricted Funds	Total Funds 2016
	£	£	£	£
Grants	8,227	8,227	7,601	7,601
Governance costs	3,620	3,620	4,929	4,929
	<u>11,847</u>	<u>11,847</u>	<u>12,530</u>	<u>12,530</u>

# Kelly Trust (Creditor)

## Notes to the Financial Statements (continued)

Year ended 31 December 2017

### 8. Analysis of grants

	2017 £	2016 £
<b>Grants to institutions</b>		
Grant - Age Concern Creditor	5,477	5,000
Grant - Creditor Fellowship	—	200
Grant - M. S. Society	—	500
	<u>5,477</u>	<u>5,700</u>
<b>Grants to individuals</b>		
Grant - Mrs Hilary Ward	—	1,500
Grant - I Leyman	—	401
Grant - D Fox	500	—
Grant - A Still	250	—
Grant - T Connell	1,000	—
Grant - J Robbins	1,000	—
	<u>2,750</u>	<u>1,901</u>
<b>Total grants</b>	<u>8,227</u>	<u>7,601</u>

### 9. Other expenditure

#### Analysis of governance costs

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Clerk to the Trustees	1,250	1,250	1,250	1,250
Insurance	643	643	629	629
Meeting room and the facilities	500	500	500	500
Independent examination	1,131	1,131	1,185	1,185
Accountancy	1,131	1,131	1,185	1,185
Bank charges	(1,216)	(1,216)	96	96
Sundry expenses	181	181	84	84
	<u>3,620</u>	<u>3,620</u>	<u>4,929</u>	<u>4,929</u>

### 10. Net gains on investments

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Gains/(losses) on listed investments	<u>41,481</u>	<u>41,481</u>	<u>55,331</u>	<u>55,331</u>

### 11. Independent examination fees

	2017 £	2016 £
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>1,131</u>	<u>1,185</u>

# Kelly Trust (Creditor)

## Notes to the Financial Statements (continued)

Year ended 31 December 2017

### 12. Staff costs

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

	2017	2016
	£	£
Wages and salaries	<u>1,250</u>	<u>1,250</u>

The average head count of employees during the year was 1 (2016: 1).

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

### 13. Trustee remuneration and expenses

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

### 14. Investments

	Cash or cash equivalents £	Listed investments £	Investment properties £	Other investments £	Total £
<b>Cost or valuation</b>					
At 1 January 2017	8,719	222,122	770,000	311,982	1,312,823
Additions	100,380	20,000	—	95,332	215,712
Disposals	(98,217)	—	—	(90,488)	(188,705)
Other movements	—	20,651	—	18,599	39,250
<b>At 31 December 2017</b>	<u>10,882</u>	<u>262,773</u>	<u>770,000</u>	<u>335,425</u>	<u>1,379,080</u>
<b>Carrying amount</b>					
<b>At 31 December 2017</b>	<u>10,882</u>	<u>262,773</u>	<u>770,000</u>	<u>335,425</u>	<u>1,379,080</u>
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>

All investments shown above are held at valuation.

	£	£	£	£	£
Historical cost as at 31 December 2017	<u>10,882</u>	<u>220,317</u>	<u>778,505</u>	<u>263,143</u>	<u>1,272,847</u>

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

	£
CCLA investments	<u>262,773</u>

# Kelly Trust (Creditor)

## Notes to the Financial Statements (continued)

Year ended 31 December 2017

### 14. Investments (continued)

#### Investment properties

	2017 £	2016 £
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.

### 15. Debtors

	2017 £	2016 £
Other debtors	<u>7,350</u>	<u>7,850</u>

### 16. Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	2,274	2,220
Other creditors	2,750	2,655
	<u>5,024</u>	<u>4,875</u>

### 17. Analysis of charitable funds

#### Unrestricted funds

	At 1 January 2017 £	Income £	Expenditure £	Gains and losses £	At 31 December 2017 £
General funds	<u>1,349,862</u>	<u>42,990</u>	<u>(16,186)</u>	<u>41,481</u>	<u>1,418,147</u>

### 18. Analysis of net assets between funds

	Unrestricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Investments	1,379,080	1,379,080	1,312,823
Current assets	44,091	44,091	41,914
Creditors less than 1 year	(5,024)	(5,024)	(4,875)
Net assets	<u>1,418,147</u>	<u>1,418,147</u>	<u>1,349,862</u>