

Financial Statements

For the year ended 31 December 2015

KESWICK CONVENTION TRUST

Company No: 3913741

Charity No: 1083584

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KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Reference Information

ADDRESS: Keswick Convention Centre
Skiddaw Street
Keswick
Cumbria CA12 4BY

REGISTERED CHARITY NUMBER: 1083584

COMPANY REGISTRATION NO: 3913741

WORKING NAME: Keswick Ministries

GOVERNING DOCUMENT: Memorandum and Articles of Association

DIRECTORS: Mr S Adam, Treasurer
Mrs R Baughen
Rev Dr S Brady
Mr D Burnside
Mr J Chatfield
Dr T Chester
Mr D Gascolgne
Mr S Hale
Mrs E McQuoid
Rev A Paine
Mr J Risbridger, Chairman
Mr D Ryan
Rev Dr M Sleeman

CHIEF EXECUTIVE
& MINISTER AT LARGE Mr J Lamb

COMPANY SECRETARY: Mr S Overend

AUDITORS: Mazars LLP
The Lexicon
Mount Street
Manchester
M2 5NT

SOLICITORS: Anthony Collins Solicitors LLP Ellis-Fermor Solicitors LLP
134 Edmund Street 2 Devonshire Avenue
Blrmingham Beeston, Nottingham
B3 2ES NG9 1DS

CHARITY OBJECTS: The Trust exists to promote Bible Teaching at an annual Convention in Keswick and on other occasions with the aim of encouraging holy and Biblical life styles.

BANKERS: HSBC plc, Market Square, Keswick, Cumbria, CA12 5BG

REPORT OF THE DIRECTORS

The Directors present their Annual Report and Financial Statements for the year ended 31 December 2015.

DIRECTORS AND OFFICERS

The following directors held office for the whole of the year to 31 December 2015 and to the date of this report unless otherwise stated:

Mr S Adam, Treasurer
Mrs R Baughen
Rev Dr S Brady
Mr D Burnside
Mr J Chatfield
Dr T Chester (appointed 8 June 2016)
Mr D Gascoigne
Mr S Hale
Mrs E McQuoid
Rev A Paine
Mr J Risbridger, Chairman
Mr D Ryan (retired 17 May 2016)
Rev Dr M Sleeman

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Keswick Convention Trust is both a company limited by guarantee, not having a share capital, and a registered charity; it was incorporated as a company on 1 September 2001 when the assets and liabilities of the Keswick Convention Trust were transferred to the company.

Under the Trust Deed directors are to be known as Trustees. The Council of Management consists of the Trustees and it now meets twice a year, including an overnight meeting, to manage the Trust. Trustees serve for a term of three years; are re-electable for a maximum of a further three terms; and may remain in office until age 70 years.

New Trustees are appointed in accordance with the Charity's Memorandum and Articles of Association. The Council regularly reviews the skills mix required to manage the Charity and plans succession based on the known retirement dates of Trustees.

New Trustees are required to follow an induction process which consists of being introduced to the operations of the Trust, normally attending one Council meeting before being formally appointed and, where appropriate, are offered formal training in their responsibilities.

A procedure for Trustee appraisal is in place and takes place during the final year of their three-year term of appointment.

The following have held senior management positions during 2015:

Jonathan Lamb was Chief Executive and Minister at Large, and Simon Overend was the Director of Operations and Company Secretary throughout the year. In support of The Derwent Project, and the vision to develop the ministry (see Achievements and Performance below) Jutta Devenish was appointed Director of Communications and Development on 1st September, and James Devenish was appointed Projects Director on 2nd November.

REPORT OF THE DIRECTORS (continued)

The charity operates from offices in its home town of Keswick, Cumbria. The Trustees provide governance and, effective in 2016, have restructured the organisation. The activities and operations are led by an executive leadership team consisting of Jonathan Lamb, Minister at Large, and the Business Director, James Devenish. The Trustees are currently recruiting for a Ministry Director who will lead the executive leadership team. The Business Director is responsible for the ongoing summer Convention and other activities, including finances, compliance, HR and the Derwent Project.

Other committees have been formed to support the Council: these are the Children & Youth, Development, Finance & General Purposes, Resources, Programme, and Site (subsequently renamed Derwent), Committees. The committees are comprised of some Council members, together with staff and some volunteers who have relevant experience and expertise. The committees are supported by a number of Working Groups that report to them. All major decisions are subject to Council's agreement.

Keswick Ministries partners with different Christian organisations to help take forward its objectives, including the recording, broadcasting and publishing of the teaching given at the Keswick Convention.

Keswick Ministries has two trading subsidiaries to respectively manage the Rawnsley Centre car park and Crosthwaite campsite.

The Trustees regularly review the risks to which the charity is exposed, so that reasonable measures are taken to reduce and manage them and to provide insurance cover where this is possible. A risk review procedure is in place to identify the most significant risks and the Trustees check that appropriate remedial action has been taken. We are advised on Health and Safety issues by an external consultancy firm.

Trustees, staff and volunteers are instructed in the risk management policies that are appropriate to the work that they do. Expenditure is monitored and the financial situation is examined by the Hon. Treasurer on a monthly basis so as to manage financial risk. Local public relations issues are taken seriously and regular consultative meetings are held with representative bodies across the town.

The trustees receive a Risk Management report annually. The following have been identified as the main areas of risk:

Financial:

- **General:** The risk of not raising sufficient funds to cover annual running costs, which is mitigated by a very broad support base and adequate reserves.
- **Derwent Project:** A £5m fundraising project was launched at the 2015 Convention, with a requirement to repay a Christian trust £3m by September 2018. At the year-end we have visibility of £1.65m through current and promised giving.

Skills and Knowledge:

- The ministry relies on a broad range of skills and abilities to deliver its activities and, in particular, the annual Convention. The ministry is well served by its small staff team; by its Trustees who bring a broad mix of theological, business knowledge and experience; and by hundreds of volunteers. Policies, processes and procedures are maintained and reviewed.

Independence of Trustees:

- The breadth and independence of the ministry is a key strength, and is maintained by a process of regular review of needs and open discussion of those who might serve and complement the team.

REPORT OF THE DIRECTORS (continued)

Reputation:

- Areas of reputational risks include – ministry, morality, health and safety, child protection, company and charity compliance. We are well served by the Finance and General Purposes Committee, where we have finance, accounting and legal expertise, and by our professional advisors.

OBJECTIVES AND ACTIVITIES

The charity exists to promote Bible Teaching at an annual Convention in Keswick and on other occasions with the aim of encouraging holy and Biblical life styles.

In the pursuance of these objectives, the Trustees have -

- conducted the annual Convention for three weeks in the summer,
- held a Spring Bible Week in the Convention Centre,
- been engaged in development activities to promote similar events throughout the country and abroad,
- published a number of new books and study guides.

The aim of these events and activities is to bring about life transforming encounters with God's Word which issue in practical Christian living.

The Missionary Hospitality Fund supports the cost of attendance of missionaries at the annual Convention and also the costs of those attending other Keswick Ministries mission related activities.

Volunteers undertake a wide variety of practical tasks during the Convention (crèche, children, youth and young adults work, provision for people with learning disabilities, stewards, catering, finance and reception teams).

The Trust relies on volunteer workers to a very large extent. During the annual Convention some 600 adults were engaged in this way.

No charge is made to attend the Convention, with the costs covered by the generous giving of supporters both at the event and year round.

Additionally, the Trustees have sought to raise funds by letting property for local community activities at times when the premises are not needed for their charitable activities. They also permit the use of some of the charity's land in Keswick for public car parking which is operated by Allerdale Borough Council and ourselves.

The Directors permit a bookshop to operate during the Convention selling sympathetic Christian literature. This provides a source of rental income, and royalties are received from the sale of recordings and books.

The company owns the entire share capital of Keswick Convention Project Limited, a company that operates a campsite in the neighbourhood during the Convention and this made a surplus of £3,417 before tax and enables a donation to the Convention in the coming year. During the past year the company made a charitable gift of £3,605 to the Convention.

The company also owns the entire share capital of Keswick Convention Projects (Rawnsley) Limited, a trading company that operates car parking facilities at Rawnsley Centre and this broke even after paying rent to the Convention.

Consolidated financial statements have not been prepared on the grounds that the results of the subsidiary undertakings would not be material to the group financial statements.

REPORT OF THE DIRECTORS (continued)

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

KEY PERFORMANCE INDICATORS:

Financial:

- We aim to cover annual running costs each year. The accounts reflect a healthy surplus with increased giving and good control of costs.
- A £5m fundraising project (The Derwent Project) was launched at the 2015 Convention. At the year-end we have visibility of £1.65m through current and promised giving, and every confidence of achieving our target.

Non-Financial:

- The annual three week Convention continues to be our main activity. Attendance continued to hold up, with full venues and good use of the live video relay of main meetings to our Rawnsley site. There has been lots of positive feedback on the quality of the ministry and the impact it has had on peoples' lives, including new commitments to Christ and offers to serve in the mission field. There were good sales of new Keswick Ministries titles, and other Christian resources.

THE KESWICK CONVENTION:

The 2015 Convention marked the 140th anniversary of the ministry and attracted large crowds, with over 12,000 people attending, of all ages, and from all parts of the world. The children's and youth programme successfully attracted and served large numbers, and the young adult tracks were also well received. BBC TV recorded Songs of Praise at the event; the recording featured prominently in a special broadcast about Christian events, and songs have been used in a number of subsequent broadcasts. BBC Radio 4 also recorded Sunday Worship at the event – this has now become a regular feature.

We continued to post mp3s of all teaching on the Keswick Ministries website, as well as making DVD and CD recordings available for sale through our partnership with Essential Christian.

We live streamed the Evening Celebrations via YouTube for the first time, a facility made possible by the provision of fibre broadband in Keswick.

We refreshed the provision of our programme for young adults with a well received 19-24s track.

The summer event engaged over 600 volunteers, who enabled the Convention to be delivered safely and effectively. Training was provided for those leading children's and youth work, and safe-guarding checks were carried out with due efficiency, and with no incidents of concern during the event.

Year round giving exceeded the previous year, in addition to giving to the Derwent Project. Additional income streams include the letting of our facilities to other agencies, plus some rents. The newly launched Derwent Project has got off to a very encouraging start with giving totalling £709k at the year end, and many hundreds of standing orders set up.

Substantial work has been done in making preparations for the 2016 event, and the building blocks for the 2017 and 2018 events have also been put in place.

REPORT OF THE DIRECTORS (continued)

THE DERWENT PROJECT

Perhaps the most significant event of the 2015 Convention was the launch of The Derwent Project.

At the outset the charity acquired the Pencil Factory Site in Keswick which, together with our existing Rawsley site, form our new integrated Derwent site.

The project has four key goals:

Goal 1:

To secure the future of the three-week summer Keswick Convention, running a larger three-week event on an integrated site.

Goal 2:

To expand the reach of Keswick Ministries by the provision of Christian teaching events at other times throughout the year.

Goal 3:

To be available to encourage and resource churches in the UK and beyond, particularly serving Cumbria and the North, including Scotland.

Goal 4:

To provide a suitable office location to support Keswick Ministries' continued growth, which in due time will release Skiddaw Street and support our fundraising efforts.

Social Corporate Responsibility Goal

To provide a meeting venue for the benefit of the town of Keswick and beyond.

These goals will be met by development of the integrated Derwent site, including the construction of a new conference centre with appropriate auditorium.

The project was launched with a presentation in each of the three weeks of Convention, supported by a brochure, DVD and questionnaire. We have been very encouraged by the overwhelmingly positive response to the project, and the appeal for financial support. (Because of The Derwent Project there were no appeals for external agencies in 2015. In 2014 offerings were taken for TEARfund totalling £41,817, with Keswick Ministries acting as agent; these transactions were excluded from the Financial Statements.)

OTHER ACTIVITIES:

Keswick Ministries sustained its commitments in publishing, through the release of a Study Guide to coincide with the 2015 Convention theme, written by London Institute of Contemporary Christianity's Mark Greene and Antony Billington. In addition, two new titles in the Keswick Foundation series were produced, entitled Discipleship Matters, by Peter Maiden, and Mission Matters by Tim Chester. Jonathan Lamb and Ian Randall produced Knowing God Better – The vision of the Keswick Movement, also available with a supporting teaching DVD. We were also pleased to partner with Care and John Wyatt in publishing Finishing Line – a study guide, leaders guide and DVD on end of life issues.

The staff also sustained and extended their work with other related events in the UK and around the world, and the CEO visited several UK 'Keswick' events. Plans are underway for strengthening the network in the UK and further afield. This will remain an informal arrangement, with each UK 'Keswick' event and other international 'Keswicks' remaining autonomous and financially independent of Keswick Ministries.

REPORT OF THE DIRECTORS (continued)

Representatives of international Keswicks have been invited to join us in the third week of the 2016 Convention as a means of strengthening ties and building fellowship and mutual support. Representatives of UK Keswicks have been invited to a UK Consultation in the autumn of 2016.

During the autumn our newly appointed Director of Communications and Development has done a significant amount of work in establishing systems and processes to build on our existing communications, and develop a fund raising strategy.

The Rawnsley buildings continue to be made available to other agencies during the year, as well as being a host venue for King's church. The deployment of the Skiddaw Street centre for visiting church and youth groups, as well as the management of the Rawnsley building, remains a significant staff responsibility throughout the year.

On 5th December the town of Keswick, along with many other areas on the north of the country, suffered the worst floods in living memory. The newly acquired old Pencil Factory Site and the Rawnsley site were badly flooded. Working with the local community, we were able to make space available at Skiddaw Street from which a food bank was operated by local volunteers for two weeks. Since the flooding we have been working closely with the relevant agencies, including the Environment Agency, and with our insurers and loss adjuster. The Rawnsley building is fully insured, and we are taking the opportunity to look to our future needs in carrying out the necessary restoration work.

The Council and staff remain committed to sustain the clear focus of the organisation around its primary charitable objectives, whilst also seeking to put in place the foundations for future growth.

FINANCIAL REVIEW

The income of Keswick Ministries comes mainly from voluntary donations made by those who support and attend the Convention, and its financial viability is dependent on this. Once again we are grateful to God for the financial provision in the year under review and to the many thousands who have given generously, in another year of economic difficulty in the UK.

The financial results are set out in the Statement of Financial Activities on page 11.

Total incoming resources amounted to £2,052,152, compared to a previous year's total of £1,148,264.

A £5m fundraising project (The Derwent Project) was launched in July 2015 to enable the purchase of the old Derwent Pencil Factory site, which is immediately adjacent to our Rawnsley site. We are pleased to report that, not only has this effort been well supported but that general giving has also increased. The number of people attending the Convention continues to grow and the intention is to accommodate the Convention on one integrated site, and to build a conference facility, which can be used for a variety of ministries throughout the year. In the year £709,059 was given to the project (see Note 14).

Legacies of £93,244 (2014 - £50,587) were received during the year.

Total resources expended in the year amounted to £1,342,827, compared to £1,114,060 in the previous year. Much of this increase is accounted for by the appointment of new staff during the year to support The Derwent Project, fundraising and the Convention administration. An analysis of the costs is shown in the Notes to the Financial Statements on pages 16 and 17.

REPORT OF THE DIRECTORS (continued)

The Restricted Funds at the year-end, amounting to £599,909 (2014 - £31,071), relate mainly to the Derwent Project. Of the total, £18,228 relates to the Missionary Hospitality Fund, which enables the support of missionaries who benefit from attending the Convention. This fund made possible the attendance of 61 adults and 35 children and young people this year, at a cost of £19,700.

The excess of unrestricted incoming resources over outgoings was £140,487 (2014 - £31,698).

Once again the Trustees are thankful for the continuing high numbers attending the annual Convention and for their generosity in both prayer and giving, together with their time given voluntarily, which enabled the year's ministry costs to be borne out of the income for the year.

The Trustees' financial objectives are threefold:

- To raise sufficient funds to meet the cost of the Trust's current activities and to develop new activities.
- To pay a Christian Trust (The Lind Trust) who are helping us in our acquisition of the Pencil Factory site. The requirement is to pay £3m by September, 2018, of which we have visibility of £1.65m through current giving to the project, Standing Order income already set up and legacies which have been notified to us.
- To raise sufficient additional money to prepare the new site and to build a Conference facility.

The pay of the senior staff is set so as to be fair in the light of prevailing rates in other Christian charities, and the locality, and to ensure that the right calibre of people can be recruited to key roles. The Trustees review salaries annually and usually make a cost of living increase to all staff.

DONATIONS AND LEGACIES

The activities of the charity are financed almost entirely by voluntary gifts throughout the year, offerings taken at the Convention and legacies. We gratefully acknowledge the many unrecorded gifts of time and expertise given by so many during the course of the year, without which our operating costs would increase greatly.

RESERVES POLICY

In addition to the Designated Reserves set out in Note 15, the directors have agreed a General Reserves policy designed to meet the required level of working capital given the cyclical nature of cash flow; General Reserves of £250,000 to £400,000 are considered appropriate. As such the General Reserves of £311,161 are considered adequate. Any excess above this figure is likely to be designated for The Derwent Project.

TANGIBLE FIXED ASSETS

The assets and related depreciation, including rates of depreciation are set out in note 8.

PUBLIC BENEFIT

The Trustees have considered the public benefit guidance issued by the Charity Commission together with the supplemental guidance on the application of the public benefit test to charities whose aims include advancing religion. The Trustees are aware of their legal duty to have regard to the public benefit guidance and to report on this charity's compliance with the public benefit obligation.

The physical and spiritual refreshment gained by those who attend the Convention provides a direct public benefit by the deepening of the spiritual life of the individuals and, through the individuals, their church communities and, through those church communities, the wider communities in which the churches are set.

REPORT OF THE DIRECTORS (continued)

These benefits are directly related to the aims of the charity and the Trustees are conscious of the need, so far as they are able, to balance the delivery of the benefits against any possible detriment or harm.

Since the main Convention event is open to the public and no charge is made for attendance at the overwhelming majority of the programme, there is the widest possible reach from the charity's activities. Because there is no fee, those in poverty are not excluded from the opportunity to benefit as they can attend the meetings at no charge. The Trustees are conscious of the need to ensure that any private benefits are only incidental.

The work of the charity through the year in offering assistance and guidance to similar Conventions and meetings elsewhere has the effect of spreading the public benefit even wider.

INVESTMENT POLICY

The directors have powers to invest surplus funds in investments, securities and properties as they think fit, subject to the provisions of any relevant legislation. Property investment is for the dual purpose of active use by the charity and appropriate letting for periods not required for direct charitable purposes. During the year the Trustees have considered the investment policies, especially in the light of the low interest rates being paid. Given the active consideration that is being given to the timing of some of the major costs noted in this report, surplus funds are invested in a mix of Term and Instant Access bank deposits. Social, environmental and ethical considerations are considered in selecting the banks at an appropriate level of risk.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors also confirm that as far as they are aware there is no relevant audit information of which the charity's auditors are unaware and they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Directors

J. Risbridger (Chairman)

Date



3rd August, 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KESWICK CONVENTION TRUST

We have audited the financial statements of Keswick Convention Trust for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Janine Fox (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
The Lexicon, Mount Street, Manchester, M2 5NT

Date 11 August 2016

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE**Statement of Financial Activities (Including Income and expenditure account)
For the year ended 31 December 2015**

	Note	Unrestricted funds £	Restricted funds £	Total funds £	2014 Total funds (note 23) £
Income and endowments from:					
Donations and legacies	3	1,005,250	715,916	1,721,166	913,204
Charitable activities		76,294	-	76,294	84,418
Other trading activities		49,777	-	49,777	40,929
Investments		139,748	-	139,748	96,121
Rents and licence income		41,778	-	41,778	990
Other		23,389	-	23,389	12,602
Total		1,336,236	715,916	2,052,152	1,148,264
Expenditure on:					
Raising funds	5	89,142	66,822	155,964	58,170
Charitable activities	4, 5	1,106,607	80,256	1,186,863	1,055,890
Total		1,195,749	147,078	1,342,827	1,114,060
Net Income		140,487	568,838	709,325	34,204
Transfers between funds		-	-	-	-
Net movement in funds (Note 15)		140,487	568,838	709,325	34,204
Reconciliation of funds:					
Total funds brought forward		2,364,859	31,071	2,395,930	2,361,726
Total funds carried forward		2,505,346	599,909	3,105,255	2,395,930

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

All incoming resources and resources expended derive from continuing activities.

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Balance Sheet
As at 31 December 2015

Company number: 3913741

	Note	Total funds 2015 £	Total funds 2014 £
Fixed assets:			
Tangible assets	8	564,185	582,903
Investments	9	1,974,900	1,633,924
<i>Total fixed assets</i>		2,539,085	2,216,827
Current assets:			
Debtors	10	183,245	52,770
Cash at bank and in hand		494,815	233,555
<i>Total current assets</i>		678,060	286,325
Liabilities:			
Creditors: Amounts falling due within one year	12	111,890	107,222
<i>Net current assets</i>		566,170	179,103
<i>Total assets less current liabilities</i>		3,105,255	2,395,930
Total net assets or liabilities		3,105,255	2,395,930
The funds of the charity:			
Restricted income funds	14, 15, 16	599,909	31,071
Unrestricted funds - Designated	15, 16	2,194,185	1,712,903
Unrestricted funds - General	15, 16	311,161	651,956
<i>Total charity funds</i>		3,105,255	2,395,930

These financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

Approved by the directors on 3rd August, 2016
and signed on their behalf by

J. Risbridger (Chairman)



KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

**Statement of Cashflows
For the year ended 31 December 2015**

	Note	2015 £	2014 £
Cash used in operating activities	21	566,670	56,202
Cash flows from investing activities:			
Dividends, interest and rents from investments		139,748	96,121
Purchase of tangible fixed asset		(4,182)	-
Purchase of investment property		(400,000)	-
Cash provided by (used in) investing activities		(264,434)	96,121
Cash flows from financing activities:			
Repayment of borrowing / payment of deposit for property		(100,000)	-
Cash used in financing activities		(100,000)	-
Increase in cash and cash equivalents in the year		202,236	152,323
Cash and cash equivalents at the beginning of the year		1,114,759	962,436
Total cash and cash equivalents at the end of the year	11	1,316,995	1,114,759

**Notes to the Financial Statements
For the year ended 31 December 2015**

1. Accounting policies

a. Accounting convention

The charity is a public benefit entity and the accounts are prepared under the historical cost convention in accordance with FRS 102, the Companies Act 2006 and Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 102).

b. Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and Charities SORP FRS 102 the restatement of comparative items is required. Some adjustments have been made to opening fund balances so as to facilitate like for like comparatives (see note 22).

c. Consolidation

The charity's two subsidiaries are not consolidated on the grounds of immateriality.

d. Going concern

The company's business activities, its performance and position are set out in the Directors' report on pages 2 to 9.

The company's forecasts and projections show that the company should be able to operate within the working capital facilities available to it.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

e. Incoming Resources

Donations and Legacies consist of gifts, offerings, legacies and related Gift Aid claims.

Incoming resources, which are made for a specific purpose, are accounted for within a restricted fund.

Income is recognised in the year in which the company is entitled to receipt and the amount can be measured reliably. It is allocated to activities on an actual basis. In accordance with this policy, legacies are included when it is probable that it will be received.

f. Resources expended

Includes all expenditure directly relating to the objects of the charity, included on an accruals basis, inclusive of any VAT, which cannot be recovered, and on the following basis:

Wherever possible, costs are allocated to activities on an actual basis. Costs shared between activities are apportioned between these activities. Support costs which are not attributable to a specific activity have been apportioned between the activities being supported.

**Notes to the Financial Statements
For the year ended 31 December 2015**

Continued

g. Financial instruments

The trust only has financial assets and liabilities of a kind that qualify as basic financial instruments.

h. Debtors

Includes amounts invoiced but not yet paid, together with payments in advance, less provisions for any doubtful debts.

i. Cash at bank and in hand

Equates to instant access bank balance and cash floats.

j. Creditors and provisions for liabilities

Includes purchases invoiced but not yet paid.

k. Fixed assets

Fixed assets are shown at original cost or, if donated, at their value on the date of the gift less accumulated depreciation. Depreciation is calculated to write off the cost less estimated residual value of fixed assets over their estimated useful life. Land is not depreciated and buildings are depreciated at a rate of 2% on a straight line basis; equipment and furniture are depreciated on a reducing balance basis at a rate of 30%.

The minimum capitalisation level is £1,000.

l. Fund accounting

The directors have retained the designated sums forming part of the charity's unrestricted funds to be used for particular purposes in the future as outlined in Note 15.

m. Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value or at fair value as determined by the Trustees as shown in note 9.

n. Operating leases (lessor)

Rentals paid under operating leases are recognised in income on a straight line basis over the period of the lease.

**Notes to the Financial Statements
For the year ended 31 December 2015**

Continued

2. Judgements in applying accounting policies and key sources of estimation uncertainty

Investment Properties

The Rawsley site has been valued on the basis of the net income derived from car parking, tenants and occasional lettings. An informed view has been taken as to an appropriate rate of return, with income forecast over a 20 year period, informed by historic trends, known plans and any other pertinent external factors.

The Pencil Museum has been valued at the purchase price which is considered fair in relation to the value of the whole site.

3. Donations and Legacies

	2015 £	2014 £
Legacies	93,244	50,587
Unrestricted donations	912,006	839,459
Restricted donations	715,916	23,158
	1,721,166	913,204

4. Analysis of expenditure on charitable activities

Activity	Activities undertaken directly £	Grant funding of activities £	Support Costs £	Total £
<u>Restricted Funds</u>				
Missionary Hospitality Fund	19,700	-	-	19,700
Derwent Project	39,870	-	20,686	60,556
<u>Unrestricted Funds</u>				
Annual Convention	709,466	8,000	227,817	945,283
Training & Teaching	2,582	-	-	2,582
KM Resources	16,145	-	-	16,145
Other	137,372	-	5,225	142,597
Total	925,135	8,000	253,728	1,186,863

Annual Convention costs include the year round costs of the Skiddaw Street Convention Centre and staff offices, and of the Rawsley building.

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

**Notes to the Financial Statements
For the year ended 31 December 2015**

Continued

5. Analysis of costs

	Unrestricted Funds						Restricted funds			Total £
	Raising Funds	Annual Convention	Training & Teaching	KM Resources	Other	Total Unrestricted	Raising Funds	Charitable Activities	Total Restricted	
Support cost	£	£	£	£	£	£	£	£	£	£
Governance	-	10,754	-	-	1,700	12,454	-	-	-	12,454
Finance	-	2,240	-	-	-	2,240	-	-	-	2,240
Information Technology	23,079	11,273	-	-	-	34,352	-	-	-	34,352
Human Resources	63,393	201,071	-	-	3,525	267,989	-	-	-	267,989
Professional Fees	-	2,479	-	-	-	2,479	-	20,686	20,686	23,165
	86,472	227,817	-	-	5,225	319,514	-	20,686	20,686	340,200
Direct Costs										
Grant Funding of activities	-	8,000	-	-	-	8,000	-	-	-	8,000
Other charitable	2,670	709,466	2,582	16,145	137,372	868,235	66,822	59,570	126,392	994,627
	2,670	717,466	2,582	16,145	137,372	876,235	66,822	59,570	126,392	1,002,627
Total	89,142	945,283	2,582	16,145	142,597	1,195,749	66,822	80,256	147,078	1,342,827

6. Auditors' Remuneration

The company incurred the following charges from the auditors:

	2015 £	2014 £
Audit fee	7,350	6,800
Consultancy	750	-
Tax advice	12,750	-
	20,850	6,800

**Notes to the Financial Statements
For the year ended 31 December 2015**

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7. Staff costs, related parties and volunteers

	2015	2014
	£	£
Wages and salaries	233,677	176,433
Social Security costs	18,812	12,682
Pension contributions	15,500	2,895
	267,989	192,010

The Trust operates a defined contribution pension scheme.

No employee earned £60,000 per annum or more.

The average number of full time equivalent employees was 9 (2014 - 8) and the average headcount was 12 (2014 – 10).

Trustees and Chief Executive Remuneration

	2015	2014
	£	£
Trustees	17,660	8,883
Chief Executive Officer	51,939	28,583
Total of Trustees & CEO Remuneration	69,599	37,466

The above remuneration is considered to be the remuneration of the key management personnel.

Expenses of £4,662 (2014 – £5,153) were reimbursed to 10 (2014 – 11) directors for travel and meeting expenses in the year.

Mr D Ryan, a trustee director, received remuneration of £7,360 (2014 – £7,216), under an employment contract, in respect of accountancy services.

Mrs E McQuoid, a trustee director, received remuneration of £10,000 (2014 – £1,667 having been appointed on 1 November 2014), under an employment contract, in respect of Commissioning Editor services. A contribution of £300 (2014 - £nil) was also made to the charity defined contribution pension scheme.

Authority for the trustee director's employment is contained within the constitution of the charity.

Mr S Hale, a trustee director, is a partner in Ellis-Fermor LLP, solicitors, which received £14,400 (2014 – nil), in respect of professional legal services during the year.

No trustee director received any remuneration in respect of their services as a Trustee of the charity.

The charity is extremely grateful to over 600 volunteers who assist during the three weeks of the Convention and at other times throughout the year. The volunteers undertake a wide variety of practical tasks in the areas of administration, children, youth, and young adults, crèche, stewarding, catering, finance, reception and provision for people with learning disabilities.

During 2015 Jonathan Lamb was CEO, and led the organisation.

**Notes to the Financial Statements
For the year ended 31 December 2015**

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8. Fixed assets

	Freehold land & buildings Centre £	Equipment & Furniture £	Total £
COST			
At 1 January 2015	977,427	121,078	1,098,505
Additions	-	4,182	4,182
At 31 December 2015	<u>977,427</u>	<u>125,260</u>	<u>1,102,687</u>
DEPRECIATION			
At 1 January 2015	401,508	114,094	515,602
Charge for the year	19,550	3,350	22,900
At 31 December 2015	<u>421,058</u>	<u>117,444</u>	<u>538,502</u>
NET BOOK VALUE			
At 31 December 2015	<u>556,369</u>	<u>7,816</u>	<u>564,185</u>
At 31 December 2014	<u>575,919</u>	<u>6,984</u>	<u>582,903</u>
Rate of depreciation	2% straight line	30% reducing balance	

9. Investments

Basis of valuation	Investment Property Fair Value £	Quoted Investments Valuation £	Unquoted Investments Cost £	Investments deposits Cost £	Total £
Cost or Valuation at 1 January 2015	750,000	2,715	5	881,204	1,633,924
Additions at cost	400,000	-	-	5,976	405,976
Disposals at cost or valuation	-	-	-	(65,000)	(65,000)
Gains (Losses) on valuation	-	-	-	-	-
Cost or Valuation at 31 December 2015	<u>1,150,000</u>	<u>2,715</u>	<u>5</u>	<u>822,180</u>	<u>1,974,900</u>

**Notes to the Financial Statements
For the year ended 31 December 2015**

Continued

The fair value of the investment property has been calculated using the cash flows of rental income as a yield on the investment. No formal valuation has been obtained from a qualified independent valuer. There are no restrictions on the ability to realise proceeds on disposal of the properties or on the remittance of income.

Subsidiary Companies

	2015	2014
	£	£
Wholly owned subsidiary:		
Keswick Convention Projects Limited	3	3
Keswick Convention Projects (Rawnsley) Limited	2	2
	<u>5</u>	<u>5</u>

Keswick Convention Projects Limited, a company engaged in carrying out projects in connection with the Keswick Convention, and Keswick Convention Projects (Rawnsley) Limited, a company engaged in carrying out trading activities in support of the Keswick Convention, are both wholly owned trading subsidiaries, and incorporated in England. All shares held are ordinary £1 shares.

The aggregate share capital and reserves of Keswick Convention Projects (Rawnsley) Limited is £6 and its turnover for the year was £104,978 resulting in neither profit nor loss.

Keswick Convention Project Limited aggregate share capital and reserves at 31 December 2015 was £5,682 and its turnover for the year was £21,259 resulting in a net profit before tax and donations to the parent company of £3,605.

Consolidated financial statements have not been prepared on the grounds that the results of the subsidiary undertakings would not be material to group financial statements.

10. Debtors

	2015	2014
	£	£
Payments in advance - accommodation	29,861	32,700
Prepayments and accrued income	52,194	17,231
Amounts owed by group undertakings	1,190	2,839
Payment of deposit for property	100,000	-
	<u>183,245</u>	<u>52,770</u>

Included within debtors is an amount of £100,000 (2014 - £nil) which falls due within greater than one year.

**Notes to the Financial Statements
For the year ended 31 December 2015**

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11. Cash and cash equivalents

	2015 £	2014 £
Cash in hand	494,815	233,555
Notice deposits (less than 3 months)	822,180	881,204
	<u>1,316,995</u>	<u>1,114,759</u>

12. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	11,579	14,790
Other taxes and social security	8,493	3,302
Accruals	91,818	89,130
	<u>111,890</u>	<u>107,222</u>

13. Financial Instruments

	2015 £	2014 £
Financial assets measured at amortised cost	<u>183,245</u>	<u>52,770</u>
Financial liabilities measured at amortised cost	<u>111,890</u>	<u>107,222</u>

Financial assets measured at amortised cost comprise trade and other debtors. Financial liabilities measured at amortised cost comprise trade and other receivables.

14. Restricted funds

	Balance	Movement in Resources		Balance
	1 January 2015 £	Incoming 2015 £	Outgoing 2015 £	31 December 2015 £
Missionary Hospitality Fund	31,071	6,857	(19,700)	18,228
Derwent Project Fund	-	709,059	(127,378)	581,681
	<u>31,071</u>	<u>715,916</u>	<u>(147,078)</u>	<u>599,909</u>

The Missionary Hospitality Fund was established to receive gifts in order that accommodation can be provided and grants can be given enabling missionaries to attend the Convention and other Keswick Ministries mission related activities, together with associated administration costs.

The Derwent Project will secure the future of the Convention and allow for the growth of the ministry at other times of the year.

Restricted funds are held in liquid assets.

**Notes to the Financial Statements
For the year ended 31 December 2015**

Continued

15. Summary of fund movements

Fund	Balance 1 January 2015 £	Income £	Expenditure £	Transfers £	Gains & Losses £	Balance 31 December 2015 £
<u>Designated</u>						
Fixed Asset Fund	1,332,903	-	(22,900)	504,182	-	1,814,185
Marquee Replacement Fund	300,000	-	-	-	-	300,000
Fabric & Refurbishment Fund	80,000	-	-	-	-	80,000
<u>General</u>	651,956	1,336,236	(1,172,849)	(504,182)	-	311,161
<u>Unrestricted Fund</u>	2,364,859	1,336,236	(1,195,749)	-	-	2,505,346
<u>Restricted Funds</u>						
Missionary Hospitality Fund	31,071	6,857	(19,700)	-	-	18,228
Derwent Project	-	709,059	(127,378)	-	-	581,681
<u>Restricted Funds</u>	31,071	715,916	(147,078)	-	-	599,909
<u>Total Funds</u>	2,395,930	2,052,152	(1,342,827)	-	-	3,105,255

The Fixed Asset Fund represents the total amounts invested, from general funds and special appeals in the past, in tangible fixed assets less depreciation and investment properties. Included within the Fixed Asset Fund is £382,418 (2014: £382,418) of non-distributable reserves, arising from revaluation.

The Marquee Replacement Fund represents amounts of the general fund set aside to replace the Convention Marquee.

The Fabric and Refurbishment Fund represents amounts of the general fund set aside to replace worn out equipment and furnishings.

**Notes to the Financial Statements
For the year ended 31 December 2015**

Continued

16. Analysis of net assets between funds

	Tangible Assets £	Investments £	Net current assets £	Total £
Unrestricted - designated	564,185	1,150,000	480,000	2,194,185
Unrestricted - general	-	822,185	(511,024)	311,161
Total unrestricted	564,185	1,972,185	(31,024)	2,505,346
Missionary Hospitality Fund	-	2,715	15,513	18,228
Derwent Project	-	-	581,681	581,681
Total restricted	-	2,715	597,194	599,909
Total funds	564,185	1,974,900	566,170	3,105,255

Within unrestricted general funds are £822,180 of notice deposit accounts with notice periods of no more than 3 months. The Trustees have no intention of liquidating these deposits within the next 12 months and have therefore classified them as fixed asset investments.

17. Capital commitments

The charity has contracted to purchase property, from The Lind Trust, in September 2018 for the sum of £3,100,000. A deposit of £100,000 has been paid. The balance will be funded primarily from the funds raised for the Derwent Project. If required, additional amounts will be by utilisation of unrestricted liquid assets, loans from charities and commercial loans.

18. Related party transactions

Keswick Convention Projects (Rawnsley) Limited is a wholly owned subsidiary of Keswick Convention Trust. For the year ended 31 December 2015 Keswick Convention Projects (Rawnsley) Limited was charged rent of £104,978 (2014 - £57,719) by Keswick Convention Trust, of which £1,190 (2014 - £2,839) remained outstanding as at the year end.

At the year-end a provision has been made for the payments of a charitable donation in Keswick Convention Project Limited's accounts to Keswick Convention Trust for the sum of £3,605 (2014 - £3,298).

Keswick Convention Project Limited is a wholly owned subsidiary of Keswick Convention Trust. Keswick Convention Trust incurred no expenses on behalf of the subsidiary.

During the year the Trustees made donations to the Charity of £123,664 (2014 - £7,800). Of this £114,704 (2014 - £nil) was in relation to the Derwent Project which commenced in the year. The project has the full support of the Trustees.

**Notes to the Financial Statements
For the year ended 31 December 2015**

Continued

19. Financial commitments

At 31 December 2015 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Not later than 1 year	50,000	-
Later than 1 year but not later than 5 years	75,000	-
	<u>125,000</u>	<u>-</u>

20. Contingent asset

As at 31 December the charity had been notified of one residuary legacy, the value of which is uncertain as the executor is awaiting confirmation of other claims on the estate. It is unlikely to exceed £55,000. As at the date of Trustee approval of these financial statements no further information had been received and so this legacy has not been accrued.

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2015 £	2014 £
Net income for the reporting period	709,325	34,204
Adjustments in respect of:		
Depreciation charges	22,900	23,334
Dividends, interest and rents from investments	(139,748)	(96,121)
(Increase)/decrease in debtors	(30,475)	22,464
Increase/(decrease) in creditors	4,668	72,321
	<u>566,670</u>	<u>56,202</u>

22. Explanation of transition to FRS 102

This is the first financial year that the company has presented its financial statements in accordance with FRS 102 "The Financial Reporting Framework Applicable in the UK and Republic of Ireland" ("FRS 102"). For financial years up to and including the year ending 31 December 2014, the company prepared its financial statements in accordance with the old UK GAAP.

The company's date of transition to FRS 102 is therefore 1 January 2014. This note sets out the changes to accounting policies and the transitional adjustments that are required to be made for first-time transition to FRS 102. The company's opening equity position as at 1 January 2014 and its previously published financial statements for the year ended 31 December 2014 have been restated from old UK GAAP.

**Notes to the Financial Statements
For the year ended 31 December 2015**

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22. Explanation of transition to FRS 102 (continued)

Reconciliation of funds at 1 January 2014 – date of transition to FRS 102

	As previously stated	Effect of transition	FRS 102 as restated
	£	£	£
Tangible assets	984,792	(378,555)	606,237
Investment	621,897	750,000	1,371,897
Stocks	-	-	-
Debtors	75,234	-	75,234
Cash at bank and in hand	343,259	-	343,259
Creditors: amounts falling due within one year	(34,901)	-	(34,901)
Total assets less current liabilities	1,990,281	371,445	2,361,726
Creditors: amounts falling due after one year	-	-	-
Net assets	1,990,281	371,445	2,361,726
Funds			
Unrestricted funds - Designated	1,364,792	371,445	1,736,237
- General	596,924	-	596,924
Restricted funds	28,565	-	28,565
Total Funds	1,990,281	371,445	2,361,726

Reconciliation of funds at 31 December 2014

	As previously stated	Effect of transition	FRS 102 as restated
	£	£	£
Tangible assets	950,485	(367,582)	582,903
Investment	883,924	750,000	1,633,924
Stocks	-	-	-
Debtors	52,770	-	52,770
Cash at bank and in hand	233,555	-	233,555
Creditors: amounts falling due within one year	(107,222)	-	(107,222)
Total assets less current liabilities	2,013,512	382,418	2,395,930
Creditors: amounts falling due after one year	-	-	-
Net assets	2,013,512	382,418	2,395,930
Funds			
Unrestricted funds - Designated	1,330,485	382,418	1,712,903
- General	651,956	-	651,956
Restricted funds	31,071	-	31,071
Total Funds	2,013,512	382,418	2,395,930

**Notes to the Financial Statements
For the year ended 31 December 2015**

Continued

22. Explanation of transition to FRS 102 (continued)

Reconciliation of profit or loss for the year ended 31 December 2014

Note	As previously stated <i>Unrestricted</i> £	As previously stated <i>Restricted</i> £	As previously stated <i>Total</i> £	Effect of transition £	FRS 102 as restated £
Incoming resources	1,125,106	23,158	1,148,264	-	1,148,264
Resources expended	(1,104,381)	(20,652)	(1,125,033)	10,973	(1,114,060)
Net gains/(losses) on investments	-	-	-	-	-
Net (outgoing)/incoming resources	20,725	2,506	23,231	10,973	34,204
Fund balance brought forward	1,961,716	28,565	1,990,281	371,445	2,361,726
Fund balance carried forward	1,982,441	31,071	2,013,512	382,418	2,395,930

Explanation of transitional adjustments:

Property revaluation – This transitional adjustment relates to transferring two properties from tangible fixed assets to investments, at market value.

**Notes to the Financial Statements
For the year ended 31 December 2015**

Continued

23. Prior year comparative SOFA restated

	Unrestricted funds £	Restricted funds £	2014 Total funds £
Income and endowments from:			
Donations and legacies	890,046	23,158	913,204
Charitable activities	84,418	-	84,418
Other trading activities	40,929	-	40,929
Investments	96,121	-	96,121
Rents and licence income	990	-	990
Other	12,602	-	12,602
Total	1,125,106	23,158	1,148,264
Expenditure on:			
Raising funds	58,170	-	58,170
Charitable activities	1,035,238	20,652	1,055,890
Total	1,093,408	20,652	1,114,060
Net income	31,698	2,506	34,204
Transfers between funds	-	-	-
Net movement in funds (note 15)	31,698	2,506	34,204
Reconciliation of funds:			
Total funds brought forward	2,333,161	28,565	2,361,726
Total funds carried forward	2,364,859	31,071	2,395,930

