

Financial Statements

For the year ended 31 December 2019

THE KESWICK CONVENTION TRUST

Company No: 03913741

Charity No: 1083584



THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

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Reference information

ADDRESS: Rawnsley Centre
Main Street
Keswick
Cumbria
CA12 5NP

REGISTERED CHARITY NUMBER: 1083584

COMPANY REGISTRATION NO: 03913741

WORKING NAME: Keswick Ministries

GOVERNING DOCUMENT: Memorandum and Articles of Association

TRUSTEES: Mr S Adam, Treasurer
Mr J Chatfield
Dr T Chester, Chairman
Mr D Gascoigne
Mr S Hale
Mrs C Heath-Whyte
Mrs E McQuoid (Resigned 23 April 2020)
Dr J McQuoid (Appointed 23 April 2020)
Rev A Paine
Mrs A Putt
Mr M Salter
Rev Dr M Sleeman
Mr J Taylor (Appointed 14 November 2019)
Mrs J Whithouse (Appointed 14 November 2019)

MINISTRY DIRECTOR
& CEO: Rev Dr J Robson

COO: Mr D Sawday

COMPANY SECRETARY: Mr S Overend

AUDITOR: Mazars LLP, One St Peter's Square, Manchester, M2 3DE

ACCOUNTANTS: Robinson + Co, Oxford Chambers, New Oxford Street, Workington, CA14 2LR

SOLICITORS: Anthony Collins Solicitors LLP Ellis-Fermor & Negus Limited
134 Edmund Street 2 Devonshire Avenue
Birmingham 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, 1 Market Square, Penrith CA11 7SN

REPORT OF THE DIRECTORS

The Directors present their Annual Report and Financial Statements for the year ended 31 December 2019.

DIRECTORS AND OFFICERS

The following directors held office for the whole of the year to 31 December 2019 and to the date of this report unless otherwise stated:

Mr S Adam, Treasurer
Mr D Burnside (resigned 17 January 2019)
Mr J Chatfield (resigned 23 April 2019)
Dr T Chester, Chairman
Mr D Gascoigne
Mrs C Heath-Whyte
Mr S Hale
Mrs E McQuoid (resigned 23 April 2020)
Dr J McQuoid (appointed 23 April 2020)
Mr M Salter
Rev A Paine
Mrs A Putt
Rev Dr M Sleeman
Mr J Taylor (appointed 14 November 2019)
Mrs J Whithouse (appointed 14 November 2019)

KESWICK MINISTRIES VISION

Keswick Ministries exists to inspire and equip Christians to love and live for Christ in His world. God's purpose is to bring his blessing to all nations (Gen12:3). All God's people are called to participate in this missionary purpose wherever we may be. Keswick Ministries helps Christians to fulfil that calling, so that, directed and guided by God's word, they will grow in the power of his Spirit.

Keswick Ministries has a long history of sending out Christians into the world to lead others by teaching the truths contained in the Bible and serving in all walks of life, including some of the poorest and most disadvantaged areas of this country and around the world.

We achieve these aims through Bible teaching at our Summer Convention, through the resources that flow from this, in our programme of Teaching and Training courses and the publication of books that support discipleship. Underlying this is encouragement and support for mission.

We are now extending our own mission into an all year-round ministry, an extension facilitated through the Derwent Project. As we look to address the spiritual need of the nation for in-depth Bible teaching and for the equipping of leaders to open the Gospel to others, the Derwent Project creates a facility which will help inspire and equip many more Christians of all ages and backgrounds with a variety of callings, so they can return to their homes, places of work and ministries to help further God's mission in whichever capacity they serve.

The Derwent Project centres on the site of Keswick's former Pencil Factory which adjoins the Rawnsley site where Keswick Ministries already has offices and hosts youth activities in the summer. The combination of the two sites allows the Convention to be brought together in one place and provides facilities for year-round training courses and conferences. Planning Permission has been granted and work is under way to restore the Pencil Factory. An area of the building was cleared to enable youth activity to be hosted on the site during the 2019 Convention. The first Convention will be held on the combined site in 2021. These facilities are also be available to other visiting and local groups and are already being used for such.

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The Derwent Project represents a significant investment in a local facility and has involved a separate fundraising programme. We are thankful for the prayers and donations of thousands of supporters and Christian trusts which have helped provide the funds needed to deliver the Derwent Project.

THE KESWICK CONVENTION

2019 marked the Keswick Convention's 144th year and once again attracted more than 12,000 people of all ages, and from all parts of the world to hear faithful Bible teaching. Bible teaching and services were held in the main marquee at our Skiddaw Street site for the last time and relayed to overflow facilities at three other venues. There was also an active and very popular children's and youth programme which served age groups from the crèche through to young adults. All who attend these programmes gain a combination of Christian teaching and activities aligned with the adult services.

We live-streamed the Bible Readings, Evening Celebrations and Keswick Lectures via YouTube and this was warmly received by supporters from around the world. After the services, mp3s of the main teaching are posted on the Keswick Ministries website and talks are available, for free, through our partnership with web-based Clayton TV. We also partner with Essential Christian who sell CDs, DVDs and USB recordings. BBC Radio 4 recorded Sunday Worship at the Convention and this has now become a regular annual feature.

The Convention relies on over 600 volunteers who enable us to deliver the event safely and effectively. Again, this is a very popular way to serve. Keswick Ministries provides accommodation and travel expenses and many volunteers return year after year to help at Keswick. We are hugely indebted to these volunteers, without whom the Convention could not take place.

Volunteers undertake a wide variety of practical tasks during the Convention (crèche, children, youth and young adults work, provision for people with learning disabilities, welcome team, catering, café, finance, fundraising and reception teams). We provide training for those leading children's and youth work and we carry out safeguarding checks.

RESOURCES

Keswick Ministry also publishes literature resources that build on and support the teaching of the Convention. In 2019 we published *Sent – 2018 Year Book*, *Food for the Journey – 365 Day Devotional*, and *Longing – Study Guide* in support of the 2019 Convention theme.

THE DERWENT PROJECT

The Derwent Project is an enormous opportunity, enabling Keswick Ministries to extend our work into year-round ministry. There is no doubt that our nation and the world have an important need for straightforward Bible-based teaching. This extends both to existing Christians and to those who want to consider more deeply the promises and blessings that flow from Christian faith. We also believe that Christians who serve provide a significant example to others and an encouragement to find out more of biblical values and truths.

We know this approach is warmly received by supporters who attend the Convention in the summer and would also be welcomed throughout the year. The purchase of the former Pencil Factory site, which adjoins our Rawnsley site, provided the opportunity to launch the Derwent Project and we have been grateful for the enthusiastic prayers and financial support both from Conventioners and other Christians and Christian groups around the country. It allows us to build a beacon of refreshment and sending out where Christians come to deepen their knowledge and faith in the Lord. We want to see youth leaders equipped to speak to children and teenagers; ministers, lay-leaders and every Christian inspired to serve. A true place of restoration, reflection and growth for all Christians.

The combined sites mean we can both hold the Convention on one location and have the space and facilities to run Teaching and Training courses and conferences throughout the year.

We have rebased our offices at the Rawnsley site, which in due time will release our Skiddaw Street site for alternative uses.

While the Project has required a considerable amount of management and staff focus, we are hugely encouraged by the significant progress we have made.

In summary the principal goals of the Derwent Project are to secure the future of the three-week summer Keswick Convention on an integrated site, to provide a facility for Christian teaching and training all year round, and to serve churches and other Christian organisations in the UK and beyond, particularly serving Cumbria and the north. We are also committed to ensuring that the local town of Keswick benefits from our activities. This will be achieved by making facilities available for local groups to use, and by attracting businesses to hold conferences within the Pencil Factory Building and use local facilities while here.

The Derwent Project was launched at the 2015 Convention and has been given a significant profile since then in each of the Convention's three weeks. In 2019 there were dedicated evening presentations including a video, and in the afternoons there was a presentation and tour of the Pencil Factory building. We have been very encouraged by the overwhelmingly positive response to the project, and the appeal for financial support.

We have also committed to a very active programme of engagement with the local community, presenting the positive case for Ministry and the Derwent Project, and explaining the benefits which will flow to the local area.

Funding raised so far has allowed us to purchase the site, obtain Planning Permission and commence work. This year there has been considerable progress on the site in preparation for the commencement of the refurbishment work on the pencil factory building. We currently have funding for the first phase of work which will include the installation of toilets and the installation of electric, drainage, heating and lighting. Significant funds still need to be raised to complete the refurbishment.

Keswick Ministries is involved in an active and integrated fundraising programme that reaches out to supporters and Christian organisations inviting them to partner with Keswick in this ministry.

TEACHING AND TRAINING EVENTS

As part of the extension of the ministry, we launched a programme of Teaching and Training courses and workshops. These have run in each of the last three academic years. The 2019/20 programme was launched at the 2019 Convention, with 12 different courses.

The focus of the Teaching and Training events is on biblical teaching that helps refresh, inspire and equip Christians, both church members and those in leadership positions. The courses are developed by the Ministry Director and in collaboration with other Christian organisations.

As word spreads the courses and workshops are attracting increasing numbers of delegates with some courses starting to "sell out". Feedback from delegates is overwhelmingly positive.

THE KESWICK FELLOWSHIP

Mini 'Keswick' events are held all over the country as part of the Keswick Fellowship.

Across the UK there are nearly 40 locations where Bible Weeks or local 'Keswick' events are taking place. Some identify themselves by the name Keswick, and others are in fellowship with the wider work but use other titles (whether Bible Weeks, Conventions, or other designations). They have a family-likeness but have no formal or legal association.

A number of these events have been running for many years, whilst others are just starting up. They are sometimes local events based in a town, and sometimes they are more regional or national in nature. The connection between the UK local/regional events and Keswick Ministries is informal and occasional, shaped by a mutually agreed memorandum of understanding, but has often been very fruitful – especially in exchanging prayer news, sharing speakers, helping one another with best practice ideas, and so on.

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The Keswick Fellowship operates throughout the UK as a national network to encourage the leaders of Bible Conventions and local Keswick events through prayer, practical support and fellowship.

There is also an International Keswick Fellowship which is a looser association still, and which embraces events in parts of Europe, Asia, North America, Australia, Africa and the Caribbean.

A small consultation of international Keswicks took place in August 2016, which also affirmed the value of such informal networking and prayerful support. A similar two-day event was held in September 2019 for anyone who is part of the Keswick Fellowship in the UK and those planning to set up a new one.

GIVING AND INCOME

There is no charge to attend the Convention. We want to be open to all people just as churches across the land are open to everyone. We encourage giving through collections at the event and throughout the year. Each week during the Convention, at the Derwent Presentation we also explain the finances and the funding needed for that project.

During 2019 we also launched a new fund-raising programme specifically for the Derwent project. This involved a fundraising letter to all our supporters, events for donors in London and Glenridding (in Cumbria) and applications to Christian Trusts.

Total giving was at a record level in 2019 with several larger gifts in support of the Derwent Project. Additional income streams include the letting of our facilities to other groups and organisations. Some space at Skiddaw Street has been let at a peppercorn rent to a church-run toddlers group.

The flat standing areas at the Rawnsley Centre and the former Pencil Factory Site are used to provide car parking spaces for visitors to the town. This has become an important source of income for us. Keswick Ministries owns the entire share capital of Keswick Convention Projects (Rawnsley) Limited, a trading company that operates these car parking facilities. During 2019 we also applied for planning permission to operate the flat standing at the Skiddaw Street site as a private car park. Spaces will be available to Guest House owners and others on a weekly or annual basis.

When Keswick Ministries acquired the Pencil Factory site this included a building that houses the Keswick Pencil Museum whose holding company now leases that building from us.

The Directors permit a bookshop to operate during the Convention selling Christian literature that align with our values and beliefs. 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 nominal surplus before tax and enables a donation to the Convention in the coming year.

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

KEY PERFORMANCE INDICATORS:

Financial:

- We aim to cover annual running costs each year; this was achieved in 2019. For 2020 we had planned and budgeted for a nominal surplus. As a result of Covid-19 we have rebudgeted and, whilst there is still much uncertainty, are forecasting a deficit which is well covered by reserves.
- For the Derwent Project we have raised £5.4m of our £7.5m target, with a further £1.4m of loans received, and have every confidence of achieving the full amount. Work is only being commissioned when we have clear visibility of available funds.

Non-Financial:

- The annual three-week Convention continues to be our main activity and it receives very 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.
- Good relations with the local Christian, and wider community, have been built on, with senior members of the staff team engaging widely. We have also increased our engagement with the local community, and continued our Town Liaison Forum, meeting quarterly with members of the local community, businesses and statutory agencies.
- Keswick Ministries partners with different Christian organisations to help take forward its objectives.
- Having been granted planning permission for the refurbishment of the former Pencil Factory building, significant site work has been undertaken in preparation for the repurposing of the building.

RISK MANAGEMENT

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 obtain insurance cover where this is financially sensible. A risk review procedure is in place to identify the most significant risks and the Trustees check that appropriate remedial action has been taken. A revised Risk Management framework was put in place adopting best practice from the April 2017 Mazars Charity Conference and guidance from the Charity Commission. We are advised on Health and Safety issues by an external consultancy firm. Thirtyone:eight (formerly CCPAS) advise us on safeguarding.

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 Chief Operating Officer and 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. We refreshed our Town Liaison Forum in November 2017, meeting with business, Town Council and official agencies representatives on a quarterly basis.

The Finance and General Purposes Committee oversees the Risk Register, and the Trustees receive a Risk Management report annually in November, with an update in April. The following have been identified as the main areas of risk:

Financial:

- General: The risk of raising insufficient 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. Following consultation with planning authorities and others, this was reassessed to £7.5m at the 2016 Convention. A Christian Trust purchased the Pencil Factory site in Keswick on behalf of Keswick Ministries in 2015. Thanks to the generous giving of our supporters we were able to purchase the site a year earlier than planned in 2017, and the Trust generously agreed to forgo £0.4m plus the £0.1m paid in lease payments since 2015. The trustees are taking a prudent and responsible approach to the phasing of the project, linked to the availability of funds.

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 and business knowledge and experience; and by hundreds of volunteers. Policies, processes and procedures are maintained and reviewed.

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 former trust were transferred to the company.

Under the Trust Deed directors are known as Trustees. The Council of Management consists of the Trustees and it now meets three times a year (previously it met twice), 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 are offered appropriate 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.

Throughout 2019 the staff team was headed up by Ministry Director, James Robson assisted by David Sawday, Chief Operating Officer with Simon Overend the Head of Operations reporting to him.

The Keswick Ministry vision is articulated through a Vision Document prepared by Ministry Director, James Robson. It has a five-year horizon running to 2022 including planning, resourcing and delivery. The Trustees (directors) have unanimously supported this document.

There are two main committees which support the Council; the Ministry Committee, chaired by the chairman of the charity, which is responsible for the spiritual development of the ministry, and the Finance and General Purpose Committee, chaired by the Hon Treasurer, which is responsible for the business and practical development.

Local Engagement

- We are committed to the benefits of the Convention and the Derwent Project also flowing through to the town of Keswick. We want Keswick Ministries and its operation to be a source of pride and benefit locally. So throughout 2019 a number of initiatives were in place to improve engagement within the town. These include the Town Liaison Forum, a local sourcing policy, and the Enjoy Keswick booklet and website to tell Conventioners about local businesses. We also regularly attend Town Council meetings and promote an open dialogue with local stakeholders.

Independence of Trustees:

- The breath and independence of the ministry is a key strength and is maintained by a process of regular review of the needs and open discussion of those who might serve and complement the team. Two new trustees were appointed in 2019, with two also leaving the board.

Reputation:

- Areas of reputational risks include – ministry, morality, health and safety, safeguarding (including 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. We also subscribe to relevant publications, and to Companies House and Charity Commission email updates.

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 development of the ministry under the Lord's leading.

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; the provision of a Convention programme for adults with learning difficulties and the provision of Convention bookshops. We have also partnered again with Living Leadership to deliver a Pastoral Refreshment Conference; an event held over three days “to provide an oasis for those in church leadership.” A fourth PRC was held in February 2020 and was fully booked.

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.

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.

COVID-19

For everyone in the world, Covid-19 has brought radical challenges, changes and trauma. Much will continue into the future. Without wanting to minimise for a moment the deep and personal demands on others, this is a time of challenge and change for Keswick Ministries as well.

- On 23rd March 2020 we announced the cancellation the 2020 Convention in Keswick, the first time it has not run since the Second World War. A shorter on-line “Virtual Convention” was held, and very well received.
- We have rescheduled a number of the (only recently started/new) teaching and training events, with others proceeding as on-line events - making them accessible to more people.
- A number of the staff team have been furloughed, taking advantage of the Government’s Coronavirus Job Retention Scheme.
- We recognise that there could be a significant potential loss of donor income from supporters not being able to attend the Convention in person. In cancelling the Convention in March 2020 we have not incurred much of the normal costs of running the event.
- There is also a loss of non-donor income from sources such as the cancellation of bookings, and the lack of use of car parks.
- Work on the Pencil Factory, as part of the Derwent Project, has been interrupted, but some progress has continued to be made.

To mitigate the financial impact of the above, we are blessed by a broad and supportive donor base, reserves built up over recent years, and no commercial debt.

While there are a number of uncertainties and some significant challenges, a revised budget indicates no need for undue concern. The revised budget shows that, in the opinion of the Board of Trustees, there are no material uncertainties about the entity’s ability to continue to operate as a going concern.

FINANCIAL REVIEW

General

The Trustees’ financial objectives are twofold:

- To raise sufficient funds to meet the cost of the Trust’s current activities and to develop new activities.
- To raise sufficient additional money to prepare the new site to host the Convention in 2021, and to refurbish the Pencil Factory building thereafter to provide further accommodation for Convention activities, currently held in rented marquees, and conference facilities to host ministry activities in pursuit of our objectives at other times of the year.

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 caught the vision for the work of the ministry and have given so generously towards it.

Summary of Financial Position

The financial results are set out in the Statement of Financial Activities on page 17 and can best be described under two headings; The General Fund (unrestricted) and Derwent & Mission Hospitality Fund (restricted).

The General Fund had income for the year of £1,532,003 compared with £1,436,422 in 2018, an increase of nearly 7%. Expenditure, at £1,509,103 was slightly lower than 2018 (£1,523,125). Taken together, 2019 produced a net surplus of £22,900, compared with a net deficit of £86,703 in the previous year. This is a very pleasing position and we are very thankful that giving to the General Fund has held up well at a time when there has been a pressing need to raise funds for the Derwent Project.

With regards to the Derwent Project and Mission Hospitality Fund (Restricted Funds) the financial results in 2019 are particularly good. Income was £1,826,707 compared with £572,182 in the previous year. Expenditure was £381,951 (2018 - £285,979) leaving a net surplus of £1,444,756 (2018 - £286,203).

This principally relates to the Derwent Project, which is now in its fifth year. Giving in 2019 has been at the highest level yet, following receipt of planning consent giving a renewed impetus to the project, together with holding two fundraising dinners for major donors.

The Mission Hospitality Fund included in these numbers, has not had an appeal or special offering for the last four years because of the focus on Derwent. Income for this fund was £5,849 in the year compared with £21,324 in 2018, leaving a balance on the Fund of £1,009 (see note 16). This fund enables missionaries to attend, and benefit from, the Convention who otherwise wouldn't be able to do so.

The Restricted Funds balance at the year-end, of £2,162,404 (2018 - £868,237), relates almost entirely to the Derwent Project.

Total income (restricted and unrestricted) amounted to £3,358,710 compared to a previous year's total of £2,008,604. After deducting expenditure, the net surplus for the year was £1,467,656 (2018 - £199,500).

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.

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. Legacies of £10,799 (2018 - £110,610) were recognised during the year.

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.

FUNDRAISING

Keswick Ministries is fortunate in having a large and loyal supporter base who have supported the charity for many years, and who give generously in support of our financial needs.

When the Derwent Project was launched in the summer of 2015, the financial needs of the project were laid before our supporters, with supporting material, and they have responded magnificently. Each year at the Convention, we take the opportunity to update our supporters on our plans and progress, and to share with them how they can support us. We also update them throughout the year by regular newsletters.

In 2018 we engaged the services of Redina Kolaneci, Head of the Institute of Christian Fundraisers, to work with us on a consultancy basis to help with the our fundraising campaign, including approaches to trusts. In addition, we were assisted by our two Ministers at Large, former trustees with charity fundraising experience.

We have worked with design agencies to produce quality campaign material and are registered with the Fundraising Regulator complying with their standards. These areas are overseen by our Treasurer and the Finance & General Purposes Committee of the Council.

We have not used external agencies or third parties to specifically fundraise on our behalf, and have taken a responsible approach to seeking funds for the protection of all our supporters, including those who may be deemed vulnerable.

We have not had any complaints about our fundraising, but were any to be received, they would be taken seriously and handled at a senior level.

RESERVES POLICY

In addition to the Designated Reserves set out in Note 16, 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 £321,950 are considered to be adequate.

It is anticipated that Derwent Project Restricted funds of £2,162,404 and Designated funds of £300,000 will be used over the next 18-24 months in support of the refurbishment of the former Pencil Factory, and the redevelopment of the site, subject to any delays as a result of Covid-19.

The Designated Fixed Assets represent the net book value thereof, less a loan from a supportive charity, on favourable terms.

RENUMERATION POLICY

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. Total pay and benefits in the year was £401,626 (2018 - £414,913), an decrease of 3.2% (see note 7).

TANGIBLE FIXED ASSETS

The assets and related depreciation, including rates of depreciation are set out in Notes 1 and 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.

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 may be 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.

Liquid funds are invested with a view to maintaining their value, pending planned expenditure in the short to medium term. The trustees consider the performance of these investments to be satisfactory.

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.

In preparing this report the trustees have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

By order of the Directors


S H Adam [Sep 14, 2020 16:40 GMT+1]

Steve Adam (Treasurer)

Date: Sep 14, 2020

Independent auditor's report to the members of The Keswick Convention Trust

Opinion

We have audited the financial statements of The Keswick Convention Trust (the 'charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its 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.

Basis for opinion

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

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the financial statements, which is not modified, we draw your attention to the trustees' view on the impact of the COVID-19 as disclosed on page 10, and the consideration in the going concern basis of preparation on page 20 and non- adjusting post balance sheet events on page 34.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, the potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report and the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- adequate and proper 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 44(1)(C) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.


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

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

Use of the audit report

This report is made solely to the company'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 company'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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:


Vincent Marke (Sep 15, 2020 16:38 GMT+1)

Name: Vincent Marke

(Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

One St Peter's Square

Manchester

M2 3DE

Date: Sep 15, 2020

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

**Statement of Financial Activities (including income and expenditure account)
For the year ended 31 December 2019**

	Note	Unrestricted Funds	Restricted Funds	Total Funds	2018 Total funds (note 22)
		£	£	£	£
Income and endowments from:					
Donations and legacies	3	1,100,402	1,826,707	2,927,109	1,652,630
Charitable activities		72,128	-	72,128	67,390
Other trading activities		32,095	-	32,095	38,512
Investments	3	228,997	-	228,997	177,980
Rents and licence income		81,993	-	81,993	63,273
Other		16,388	-	16,388	8,819
Total		1,532,003	1,826,707	3,358,710	2,008,604
Expenditure on:					
Raising funds	5	58,902	119,282	178,184	124,098
Charitable activities	4, 5	1,450,201	262,669	1,712,870	1,685,006
Total		1,509,103	381,951	1,891,054	1,809,104
Net income		22,900	1,444,756	1,467,656	199,500
Revaluation of investment property	9	-	-	-	830,000
Transfers between funds	16	150,589	(150,589)	-	-
Net movement in funds		173,489	1,294,167	1,467,656	1,029,500
Reconciliation of funds:					
Total funds brought forward		6,183,172	868,237	7,051,409	6,021,909
Total funds carried forward		6,356,661	2,162,404	8,519,065	7,051,409

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derives from continuing activities.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Balance Sheet As at 31 December 2019

Company number: 03913741

	Note	Total Funds 2019 £	Total funds 2018 £
Fixed assets			
Tangible assets	8	4,504,711	4,351,182
Investments	9	1,982,720	1,982,720
Deposits	11	5,463	35,261
Total fixed assets		6,492,894	6,369,163
Current assets			
Debtors	10	253,736	354,778
Cash at bank and in hand	11	3,340,845	1,705,299
Total current assets		3,594,581	2,060,077
Liabilities			
Creditors: amounts falling due within on year	12	118,410	77,831
Net current assets		3,476,171	1,982,246
Total assets less current liabilities		9,969,065	8,351,409
Long Term Loans	13	1,450,000	1,300,000
Total net assets or liabilities		8,519,065	7,051,409
The funds of the charity:			
Restricted income funds	15, 16, 17	2,162,404	868,237
Unrestricted funds – Designated	16, 17	6,034,711	5,881,182
Unrestricted funds – General	16, 17	321,950	301,990
Total charity funds		8,519,065	7,051,409

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 Sep 14, 2020 2020
and signed on their behalf by


S H Adam (Sep 14, 2020 16:40 GMT+1)

Steve Adam (Treasurer)

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Statement of Cash Flows
For the year ended 31 December 2019

	Note	2019 £	2018 £
Cash provided by/(used in) operating activities	21	1,423,471	(31,605)
Cash flows from investing activities:			
Interest		23,076	3,343
Rents from investments		205,921	174,637
Purchase of tangible fixed assets	8	(196,720)	(184,667)
Cash provided by/(used in) investing activities		32,277	(6,687)
Cash flows from financing activities:			
Raising of borrowing	13	150,000	550,000
Net cash flows from financing activities		150,000	550,000
Increase in cash and cash equivalents in the year		1,605,748	511,708
Cash and cash equivalents at the beginning of the year		1,740,560	1,228,852
Total cash and cash equivalents at the end of the year	11	3,346,308	1,740,560

Notes to the Financial Statements
For the year ended 31 December 2019

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 Financial Reporting Standard applicable in the UK and the Republic of Ireland, the Companies Act 2006 and Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 102).

The Keswick Convention Trust is a private company limited by guarantee and is non-profit making. The Keswick Convention Trust is incorporated in the United Kingdom and registered in England and Wales.

b. Consolidation

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

c. Going concern

The company's business activities, its performance and position are set out in the Directors' Report on pages 4 to 13.

The company's forecasts and projections show that the company should be able to operate within the working capital facilities available to it. The forecasts and projections have since been amended to reflect the potential impact of Covid-19 and the impact of these are discussed on page 10.

The Trustees 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.

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

d. Income

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

Income which is received for a specific purpose is 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.

Donations in kind are reported at fair value, in accordance with accounting standards.

e. Expenditure

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.

Wages and salaries have been split between funds on the basis of estimated time spent by staff members on the Derwent project.

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

f. Financial instruments

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

g. Debtors

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

h. Cash at bank and in hand

Equates to less than 100 days access bank balances and cash floats.

i. Creditors and provisions for liabilities

Includes purchases invoiced but not yet paid. Concessionary loans are measured at amortised cost.

j. 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.

k. 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 16.

Investments in subsidiaries are recognised by the charity at cost less and provision for impairment.

l. 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.

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

m. Public benefit concessionary loans

Public benefit concessionary loans are initially measured at cost with the carrying amount adjusted in subsequent years to reflect repayments and any impairment as determined necessary by the Trustees.

n. Operating leases

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 2019

Continued

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

Investment properties

The Rawnsley site has been valued on the basis of the net income derived from car parking. 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 on the basis of the net income derived from rental income. 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.

Discount rates in the range 7.5% are considered appropriate and have been used for these calculations.

Derwent Project

As at the balance sheet date, VAT has been recovered in full, in respect of the Derwent Project. As at the balance sheet date, it is the trustees' intention to use The Pencil Factory for charitable purposes, and therefore recovering VAT in full.

3. Income

Donations and legacies:	2019	2018
	£	£
Legacies	10,799	110,610
Unrestricted donations	1,089,603	984,430
Restricted donations	1,826,707	557,590
	2,927,109	1,652,630
Investments:	2019	2018
	£	£
Interest received	23,076	3,343
Rental income	205,921	174,637
	228,997	177,980

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 December 2019

Continued

4. Analysis of expenditure on charitable activities

Activity	Activities undertaken directly £	Support costs £	Total £
<u>Restricted funds</u>			
Missionary Hospitality Fund	16,414	-	16,414
Derwent Project	92,197	154,058	246,255
<u>Unrestricted funds</u>			
Charitable activities	910,790	334,676	1,245,466
Other	113,261	91,474	204,735
Total	1,132,662	580,208	1,712,870

Charitable activities costs include the year round costs of the Skiddaw Street Convention Centre and staff offices, and of the Rawnsley building.

2018 comparative

Activity	Activities undertaken directly £	Support costs £	Total £
<u>Restricted funds</u>			
Missionary Hospitality Fund	20,068	-	20,068
Derwent Project	29,587	186,899	216,486
<u>Unrestricted funds</u>			
Charitable activities	988,072	290,142	1,278,214
Other	63,780	106,458	170,238
Total	1,101,507	583,499	1,685,006

Charitable activities costs include the year round costs of the Skiddaw Street Convention Centre and staff offices, and of the Rawnsley building.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements
For the year ended 31 December 2019
Continued

5. Analysis of costs - 2019

	Unrestricted Funds				Restricted Funds				Total Funds
	Raising funds £	Charitable activities £	Other £	Total unrestricted £	Raising funds £	Charitable activities £	Other £	Total Restricted £	Total £
Support cost									
Governance	1,098	9,044	2,875	13,017	2,875	-	-	2,875	15,892
Finance	1,646	19,755	17,661	39,062	1,247	-	-	1,247	40,309
Information Technology	6,016	8,423	6,016	20,455	3,610	-	-	3,610	24,065
Human Resources (salaries and pension contributions)	33,077	171,818	17,960	222,855	46,330	132,441	-	178,771	401,626
Fees	-	65,109	586	65,695	-	21,508	-	21,508	87,203
Other (including depreciation and insurance)	17,065	60,527	46,376	123,968	65,220	109	-	65,329	189,297
	58,902	334,676	91,474	485,052	119,282	154,058	-	273,340	758,392
Direct costs									
Other Charitable	-	910,790	113,261	1,024,051	-	108,611	-	108,611	1,132,662
	-	910,790	113,261	1,024,051	-	108,611	-	108,611	1,132,662
Total	58,902	1,245,466	204,735	1,509,103	119,282	262,669	-	381,951	1,891,054

Analysis of costs - 2018

	Unrestricted Funds				Restricted Funds				Total Funds
	Raising funds £	Charitable activities £	Other £	Total unrestricted £	Raising funds £	Charitable activities £	Other £	Total Restricted £	Total £
Support cost									
Governance	1,147	13,597	3,385	18,129	-	-	-	-	18,129
Finance	1,762	17,188	13,611	32,561	-	-	-	-	32,561
Information Technology	4,006	8,011	4,006	16,023	-	-	-	-	16,023
Human Resources (salaries and pension contributions)	29,637	170,735	17,194	217,566	46,617	150,729	-	197,346	414,912
Fees	-	12,626	8,417	21,043	-	36,170	-	36,170	57,213
Other (including depreciation and insurance)	38,121	67,985	59,845	165,951	2,808	-	-	2,808	168,759
	74,673	290,142	106,458	471,273	49,425	186,899	-	236,324	707,597
Direct costs									
Other Charitable	-	988,072	63,780	1,051,852	-	49,655	-	49,655	1,101,507
	-	988,072	63,780	1,051,852	-	49,655	-	49,655	1,101,507
Total	74,673	1,278,214	170,238	1,523,125	49,425	236,554	-	285,979	1,809,104

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 December 2019

Continued

6. Auditor's remuneration

The company incurred the following charges from the auditor:

	2019	2018
	£	£
Audit fee – 2017	-	3,911
Audit fee – 2018	(600)	13,219
Audit fee – 2019	14,400	-
Tax advice and consultancy	5,040	-
	18,840	17,130

7. Staff costs, related parties and volunteers

	2019	2018
	£	£
Wages and salaries	328,629	346,560
Social Security costs	26,666	30,394
Pension contributions	46,331	37,959
	401,626	414,913

The Trust operates a defined contribution pension scheme.

No employee earned £60,000 per annum or more (2018 – no employees falling in the band £60,000 to £70,000).

The average number of full time equivalent employees was 11 (2018 - 11) and the average headcount was 14 (2018 – 14).

Trustees' and Chief Executive Remuneration

	2019	2018
	£	£
Trustees	<u>13,956</u>	<u>14,942</u>
Ministry Director (CEO) & Business Director/COO	<u>109,426</u>	<u>139,542</u>

The above remuneration is considered to be the remuneration of the key management personnel. James Robson led the organisation, assisted by the Chief Operating Office, David Sawday. (The 2018 figure includes the salary of James Devenish in his role as Business Director until August 2018.)

Mrs E McQuoid, a trustee director, received remuneration of £14,695 (2018 – £14,264), under an employment contract, in respect of Commissioning Editor services. A contribution of £802 (2018 - £678) 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.

Expenses of £4,392 (2018 – £4,590) were reimbursed to 9 (2018 – 9) directors for travel and meeting expenses in the year.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 December 2019

Continued

7. Staff costs, related parties and volunteers (continued)

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.

8. Fixed assets

	Freehold land & buildings Centre £	Freehold land & buildings Rawnsley £	Equipment & Furniture £	Assets under Construction £	Total £
COST					
At 1 January 2019	977,427	640,027	169,897	3,337,441	5,124,792
Additions	-	29,908	7,517	159,295	196,720
Disposals	-	-	-	-	-
At 31 December 2019	<u>977,427</u>	<u>669,935</u>	<u>177,414</u>	<u>3,496,736</u>	<u>5,321,512</u>
DEPRECIATION					
At 1 January 2019	479,701	156,248	137,661	-	773,610
Charge for the year	19,549	13,399	10,243	-	43,191
Disposals	-	-	-	-	-
At 31 December 2019	<u>499,250</u>	<u>169,647</u>	<u>147,904</u>	<u>-</u>	<u>816,801</u>
NET BOOK VALUE					
At 31 December 2019	<u>478,177</u>	<u>500,288</u>	<u>29,510</u>	<u>3,496,736</u>	<u>4,504,711</u>
At 31 December 2018	<u>497,726</u>	<u>483,779</u>	<u>32,236</u>	<u>3,337,441</u>	<u>4,351,182</u>

The Convention Centre at Skiddaw Street, with a net book value of £478,177 secures a loan on favourable terms from a supportive charitable trust.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 December 2019

Continued

9. Investments

Basis of valuation	Investment Property Fair Value £	Quoted Investments Valuation £	Unquoted Investments Cost £	Total £
Cost or valuation at 1 January 2019	1,980,000	2,715	5	1,982,720
Disposals at cost or valuation	-	-	-	-
Gains/(losses) on valuation	-	-	-	-
Transfer to current assets	-	-	-	-
Cost or Valuation at 31 December 2019	1,980,000	2,715	5	1,982,720

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

	2019 £	2018 £
Wholly owned subsidiary:		
Keswick Convention Projects Ltd	3	3
Keswick Convention Projects (Rawnsley) Ltd	2	2
	5	5

Keswick Convention Project 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 year end for both subsidiaries is 31 December 2019.

The aggregate share capital and reserves of Keswick Convention Projects (Rawnsley) Limited was £2 and its turnover for the year was £181,709 resulting in a profit of £752.

Keswick Convention Project Limited aggregate share capital and reserves at 31 December 2019 was £5,473 and its turnover for the year was £30,401 resulting in a net profit before tax of £2,870 and donations to the parent company of £2,876.

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.

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

10. Debtors

	2019	2018
	£	£
Trade debtors	5,656	2,571
Payments in advance – accommodation	52,166	52,938
Prepayments and accrued income	167,871	261,525
Amounts owed by group undertakings	28,043	10,693
Other debtors	-	27,051
	253,736	354,778

11. Cash and cash equivalents

	2019	2018
	£	£
Cash in hand	804,672	698,942
Notice deposits (less than three months)	2,536,173	1,006,357
Current asset	3,340,845	1,705,299

	2019	2018
	£	£
Longer term deposits	5,463	35,261
Non-current asset	5,463	35,261
Total cash	3,346,308	1,740,560

12. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	30,540	22,478
Other creditors	13,600	5,115
Accruals	48,048	34,934
Deferred income	26,222	15,304
	118,410	77,831

Deferred income relates to deposits for centre bookings and course fees falling in the next financial year. The deferred income recognised at 31 December 2019 represents amounts received and deferred in the year. The deferred income recognised at 31 December 2018 was released in full to income during the year.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 December 2019

Continued

13. Creditors: amounts falling due after one year

Concessionary loans	2019	2018
	£	£
Due between 2 and 5 years	700,000	550,000
Due after 5 years	750,000	750,000
	1,450,000	1,300,000

The £750,000 loan is concessionary; from a supportive Christian Trust; at zero interest; repayable by 16 June 2027 and secured by a first charge on the Skiddaw Street Convention Centre.

The £550,000 loan is concessionary; from supportive individuals; at zero interest; repayable by 31 December 2023 and is unsecured.

The £150,000 loan is concessionary; from a supportive individual; at zero interest; repayable by 31 December 2023.

14. Financial instruments

	2019	2018
	£	£
Financial assets measured at amortised cost	40,362	13,264
Cash and cash equivalents	3,346,308	1,740,560
Financial liabilities measured at amortised cost	1,480,540	1,322,478

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

15. Restricted funds

	Balance	Movement	Balance
	1 January	Income	31 December
	2019	2019	2019
	£	£	£
Missionary Hospitality Fund	2,868	5,849	1,009
Derwent Project Fund	865,369	1,820,858	2,161,395
	868,237	1,826,707	2,162,404

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. Further information in respect of the Derwent Project can be found in the directors report.

Restricted funds are held in liquid assets.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

16. Summary of fund movements

	Balance 1 Jan 2019	Income	Expenditure	Gain on revaluation of investment property	Transfers	Balance 31 December 2019
Fund						
<u>Designated Funds</u>						
Fixed Asset	5,581,182	-	43,191	-	196,720	5,734,711
Derwent Project	300,000	-	-	-	-	300,000
Fund						
General Funds	301,990	1,532,003	1,465,912	-	(46,131)	321,950
Unrestricted Funds	6,183,172	1,532,003	1,509,103	-	150,589	6,356,661
<u>Restricted Funds</u>						
Missionary	2,868	5,849	16,414	-	8,706	1,009
Hospitality Fund						
Derwent Project	865,369	1,820,858	365,537	-	(159,295)	2,161,395
Fund						
Restricted Funds	868,237	1,826,707	381,951	-	(150,589)	2,162,404
Total Funds	7,051,409	3,358,710	1,891,054	-	-	8,519,065

Designated Funds

The Fixed Asset Fund represents the total amounts invested, from general funds and special appeals in the past, in tangible fixed assets and investment properties less depreciation and borrowings secured thereon. Included within the Fixed Asset Fund is £1,212,418 (2018: £1,212,418) of non-distributable reserves, arising from revaluation.

The Derwent Project Designated Fund represents amounts set aside in relation to the Derwent Project. The Trustees expect the amount to be used within the year following.

Transfers

Transfers of £159,295 from the Derwent Restricted Fund to the General Fund relates to the capitalisation of fixed assets purchased in respect of the Derwent Project, less depreciation charged.

Transfers of £37,425 from the General Fund to the Fixed Asset Designated Fund relate to the capitalisation of fixed assets purchased in respect of the general fund.

Transfers of £8,706 from the General Fund to the Mission Hospitality Fund relate to the expenditure paid for the Mission Hospitality Fund, in excess of income generated, up to the date of the 2019 convention.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 December 2019

Continued

17. Analysis of net assets between funds

2019	Tangible Assets	Investments & Deposits	Net Current Assets/(liabilities)	Long Term Concessionary Loan	Total
	£	£	£	£	£
Unrestricted – designated	4,504,711	1,980,000	300,000	(750,000)	6,034,711
Unrestricted – general	-	5,468	1,016,482	(700,000)	321,950
Total unrestricted	4,504,711	1,985,468	1,316,482	(1,450,000)	6,356,661
Missionary Hospitality Fund	-	2,715	(1,706)	-	1,009
Derwent Project Fund	-	-	2,161,395	-	2,161,395
Total restricted	-	2,715	2,159,689	-	2,162,404
Total funds	4,504,711	1,988,183	3,476,171	(1,450,000)	8,519,065

2018	Tangible Assets	Investments	Net Current Assets	Long Term Concessionary Loan	Total
	£	£	£	£	£
Unrestricted – designated	4,351,182	1,980,000	300,000	(750,000)	5,881,182
Unrestricted – general	-	35,266	816,724	(550,000)	301,990
Total unrestricted	4,351,182	2,015,266	1,116,724	(1,300,000)	6,183,172
Missionary Hospitality Fund	-	2,715	153	-	2,868
Derwent Project Fund	-	-	865,369	-	865,369
Total restricted	-	2,715	865,522	-	868,237
Total funds	4,351,182	2,017,981	1,982,246	(1,300,000)	7,051,409

**Notes to the Financial Statements
For the year ended 31 December 2019**

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18. Related party transactions

Keswick Convention Projects (Rawnsley) Limited is a wholly owned subsidiary of Keswick Convention Trust. For the year ended 31 December 2019 Keswick Convention Projects (Rawnsley) Limited was charged rent of £174,312 (2018 - £147,161) by Keswick Convention Trust, of which £28,043 (2018 - £10,693) remained outstanding as at the year end.

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

At the year-end a provision has been made for the payment of a charitable donation in Keswick Convention Project Limited's accounts to Keswick Convention Trust for the sum of £2,876 (2018 - £4,223).

During the year the Trustees made donations to the Charity of £4,680 (2018 - £9,530). Of this £1,270 (2018 - £1,420) was in relation to the Derwent Project. The project has the full support of the Trustees.

Mr S Hale, a trustee director, is a partner in Ellis-Fermor LLP, solicitors, which received £4,553 (2018 - £nil), in respect of professional legal services during the year. At the year end the amount owing to Ellis-Fermor in creditors was £nil (2018: nil).

Mrs C Heath-Whyte, a trustee director, is a director of 10ofthose.com, a Christian book distribution company, which received £72 (2018 - £723) in respect of books purchased during the year. At the year end the amount owing to 10ofthose.com was £nil (2018 - £nil).

19. Financial commitments

At 31 December 2019 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than one year	-	-
Later than one year but not later than five years	-	-
	<hr/>	<hr/>
	-	-

The expense included within the Statement of Financial Activities in the year totalled £nil (2018: £nil).

20. Pension commitments

The charity operates a defined contribution pension scheme compliant with auto enrolment. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £46,331 (2018: £37,959). Contributions totalling £12,465 (2018: £5,115) were payable to the fund at the balance sheet date.

The pension commitments are a liability of the unrestricted funds, in line with the expense.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

**Notes to the Financial Statements
For the year ended 31 December 2019**

Continued

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

	2019	2018
	£	£
Net income for the reporting period	1,467,656	199,500
Adjustments in respect of:		
Depreciation charges	43,191	44,501
Interest received	(23,076)	(3,343)
Rental income	(205,921)	(174,637)
Decrease/(increase) in debtors	101,042	(42,862)
Increase/(decrease) in creditors	40,579	(54,764)
Loss on disposal of fixed asset	-	-
	1,423,471	(31,605)

22. 2018 SOFA comparatives

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Income and endowments from:			
Donations and legacies	1,080,448	572,182	1,652,630
Charitable activities	67,390	-	67,390
Other trading activities	38,512	-	38,512
Investments	177,980	-	177,980
Rents and licence income	63,273	-	63,273
Other	8,819	-	8,819
Total	1,436,422	572,182	2,008,604
Expenditure on:			
Raising funds	74,673	49,425	124,098
Charitable activities	1,448,452	236,554	1,685,006
Total	1,523,125	285,979	1,809,104
Net (deficit)/income	(86,703)	286,203	199,500
Revaluation of investment property	830,000	-	830,000
Transfers between funds	154,676	(154,676)	-
Net movement in funds	897,973	131,527	1,029,500
Reconciliation of funds:			
Total funds brought forward	5,285,199	736,710	6,021,909
Total funds carried forward	6,183,172	868,237	7,051,409

23. Post Balance Sheet Events

Post year-end the developments and circumstances around COVID-19 have been identified as a significant but non-adjusting event that would affect the entity. Due to the uncertainties surrounding the potential implications to the entity and to the wider economy, no estimate can be made at this time as to the eventual financial effect thereof, however the impact of this on the entity's ability to continue as a going concern has been included within the going concern assessment on page 20.