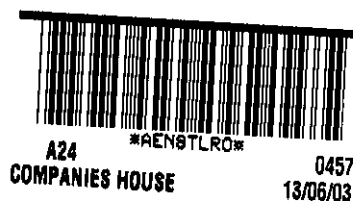


3913741

KESWICK CONVENTION TRUST

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2002**



KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

CONTENTS	PAGE
Information	1
Directors Report	2 - 4
Auditors Report	5
Statement of Financial Activities	6
Balance Sheet	7
Notes	8 - 14

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Financial Statements

For the year ended 31 August 2002

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

REGISTERED CHARITY NUMBER: 1083584

COMPANY REGISTRATION NO: 3913741

GOVERNING DOCUMENT: Memorandum and Articles of Association

DIRECTORS: Reverend S Brady (Joined September 2001)
Reverend D Coffey (Joined January 2002, retired January 2002)
Miss E Duncan (Joined September 2001)
Mr D Fenton (Joined September 2001)
Miss J Goode (Joined September 2001)
Mr J Lamb (Joined September 2001)
Mrs T Lee (Joined September 2001)
Mr P Maiden, Chairman (Joined September 2001)
Mr I Randall (Joined September 2001, retired August 2002)
Mr J Risbridger (Joined September 2001)
Reverend D Rowe (Joined September 2001)
Mr I Sowerby (Joined May 2002)
Mr D Vardy (Joined September 2001)
Reverend K White (Joined September 2001)
Reverend I Wright (Joined September 2001)

CONVENTION SECRETARY: Mr M S Smith

AUDITORS: Mazars
Regent House
Heaton Lane
Stockport, Cheshire SK4 1BS

SOLICITORS: Croftons
Television House
Mount Street
Manchester M2 5FA

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

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

REPORT OF THE DIRECTORS

The Directors present their Annual Report and Financial Statements for the year ended 31 August 2002.

OBJECTIVES

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.

DIRECTORS

The Directors serving in the year are listed on page 4. Peter Maiden is the Chairman and Mark Smith is the Convention Secretary.

RESULTS

The Convention and associated activities are financed to a large extent by voluntary gifts, donations and legacies. Without a large total of legacies this year the Convention would have operated at a deficit. The introduction of a third Convention week has placed financial strains on the charity and we plan to bring this third week in to viability in the near future. The financial results are shown on page 6: income on general fund exceeded expenditure by £257,674 after transfer between funds. Of this figure £84,304 came from the old trust (at the point where the old trust was transferred to the new company) and £138,920 was the surplus on disposal of a freehold property. This means that the Convention made a surplus of £34,450.

During the Convention a collection was taken up for needs outside of the Convention and this produced £16,379 which has been distributed.

ASSOCIATED ACTIVITIES

The Directors permit a bookshop to operate during the convention selling sympathetic literature. This provides a modest source of income. The company bought the entire share capital of Keswick Convention Project Limited on 1 September 2001, a company that operates a campsite in the neighbourhood during the Convention and this made a small surplus. The company also bought the entire share capital of Keswick Convention Projects (Rawnsley) Limited on 1 September 2001, a trading company that operates car parking facilities at Rawnsley Hall and this broke even after paying rent to the Convention.

DONATIONS AND LEGACIES

The activities of the charity are financed almost entirely by voluntary gifts, offerings 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.

ACCUMULATED FUNDS

On page 13 movements in the unrestricted funds of the charity are set out. The General Fund provides working capital for the charity during the year and also holds money for future developments.

TANGIBLE FIXED ASSETS

There were modest additions to our plant this year as shown on page 11. Depreciation of these assets is at rates set out on page 11. During the year a freehold property was sold, it being surplus to requirements.

STATUS

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

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

of the Keswick Convention – Trust were transferred to the company.

RISK

The Council of Management constantly reviews the risks to which the charity is exposed and takes all sensible measures to reduce such risk or to provide insurance cover where this is possible. Since its commencement in 1875 the Convention has relied entirely on voluntary giving, on small amounts earned by putting its assets to work when not required for the Convention, and on small amounts earned by selling associated items – such as literature, audio and video tapes.

RESERVES POLICY

The directors have agreed a reserves policy designed to achieve or maintain adequate funds to cover – (a) the net book value of fixed assets; (b) replacement of fixed assets; (c) loan repayment commitments; and (d) the working capital requirements of the charity, given the cyclical nature of cashflow. At 31 August the amount needed to achieve this level of reserves amounted to £315,000, whereas the amount actually held amounts to £257,674.

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. The current policy is that, subject to any new account being approved by the Board, surplus funds can be invested in Bank Deposit Accounts at the most competitive rate of interest or with Charities Official Investment Fund. The directors will establish an Investment policy for use if and when funds are available on a regular basis.

GOVERNANCE

The Charity is governed by the Council of Management with supporting sub-committees, consisting of Council members, who give leadership in specific areas of operation.

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 period. 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 1985. 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.

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

DIRECTORS' REPORT

DIRECTORS AND OFFICERS

The following directors held office for the whole of the period from 1 September 2001 to the date of this report, unless otherwise indicated:

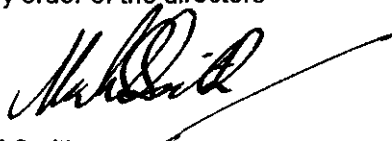
Reverend S Brady
Reverend D Coffey (Joined January 2002, retired January 2002)
Miss E Duncan
Mr D Fenton
Miss J Goode
Mr J Lamb
Mrs T Lee
Mr P Maiden, Chairman
Mr I Randall (retired August 2002)
Mr J Risbridger
Reverend D Rowe
Mr I Sowerby (Joined May 2002)
Mr D Vardy
Reverend K White
Reverend I Wright

Under the Trust Deed the power of appointment of a new Trustee is vested in the directors and when once appointed directors remain in office until age 70.

AUDITORS

Mazars were appointed as first auditors to the company. A resolution to re-appoint Mazars as auditors will be proposed at the forthcoming annual general meeting.

By order of the directors



M Smith
13 May 2003

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF KESWICK CONVENTION TRUST

We have audited the financial statements on pages 6 to 14. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the company's members, as a body, in accordance with Section 235 of Companies Act 1985. 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Accounting Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. Our responsibilities do not extend to any other information.

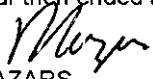
BASIS OF OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 August 2002 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.


MAZARS
Chartered Accountants and Registered Auditors
Regent House
Heaton Lane
Stockport
Cheshire SK4 1BS

13 May 2003

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Statement of Financial Activities (including Income & Expenditure account) For the year ended 31 August 2002

	Note	Unrestricted Funds			Restricted Funds	2002 Total
		Designated	General	Total	Funds	Total
		£	£	£	£	£
INCOME AND EXPENDITURE						
INCOMING RESOURCES						
Donations, gifts and offerings		-	299,974	299,974	4,761	304,735
Legacies		-	84,823	84,823	-	84,823
Transfer from Keswick Convention Trust		1,178,593	84,304	1,262,897	46,541	1,309,438
Activities in furtherance of the charity's objects:						
Income arising from the Convention		-	66,485	66,485	-	66,485
Other		-	107,195	107,195	-	107,195
Investment income/bank interest		-	1,740	1,740	-	1,740
Surplus on disposal of fixed assets		-	138,920	138,920	-	138,920
TOTAL INCOMING RESOURCES		<u>1,178,593</u>	<u>783,441</u>	<u>1,962,034</u>	<u>51,302</u>	<u>2,013,336</u>
CHARITABLE EXPENDITURE						
Cost of activities in furtherance of the objects of the charity:						
Convention event costs	2	-	403,550	403,550	17,773	421,323
Support costs	3	-	110,398	110,398	6,302	116,700
Managing and administering the charity	4	-	22,439	22,439	-	22,439
TOTAL CHARITABLE EXPENDITURE		<u>-</u>	<u>536,387</u>	<u>536,387</u>	<u>24,075</u>	<u>560,462</u>
TOTAL RESOURCES EXPENDED		<u>-</u>	<u>536,387</u>	<u>536,387</u>	<u>24,075</u>	<u>560,462</u>
MOVEMENT IN TOTAL FUNDS FOR THE PERIOD -						
NET INCOMING RESOURCES BEFORE TRANSFERS						
		1,178,593	247,054	1,425,647	27,227	1,452,874
Transfer between funds		(10,620)	10,620	-	-	-
NET MOVEMENT IN FUNDS		<u>1,167,973</u>	<u>257,674</u>	<u>1,425,647</u>	<u>27,227</u>	<u>1,452,874</u>
Balances brought forward At 1 September 2001		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balances carried forward At 31 August 2002		<u>1,167,973</u>	<u>257,674</u>	<u>1,425,647</u>	<u>27,227</u>	<u>1,452,874</u>

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

All incoming resources and resources expended derived from continuing activities.

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Balance Sheet

For the year ended 31 August 2002

	Note	2002 £
Fixed assets		
Tangible assets	6	1,192,974
Investments in group undertakings	7	5
Investments – UK quoted		2,714
		<u>1,195,693</u>
Current assets		
Debtors	8	182,069
Cash at bank and in hand		161,520
		<u>343,589</u>
Creditors: amounts falling due within one year	9	<u>(86,408)</u>
Net current assets		<u>257,181</u>
Net assets		<u>1,452,874</u> <u>=====</u>
Funds		
Unrestricted		
- Designated	12	1,167,973
- General	12	257,674
		<u>1,425,647</u>
Restricted	12, 13 11, 13	27,227
Total funds		<u>1,452,874</u> <u>=====</u>

Approved by the directors on.....
and signed on their behalf by

P Maiden



13.5.03

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 August 2002

1. Accounting policies

a. Accounting Convention

The accounts are prepared under the historical cost convention in accordance with applicable accounting standards, the Companies Act 1985 and statements of recommended practice, Accounting and Reporting by Charities (SORP 2000) issued in October 2000.

b. Resources Arising

Incoming resources, which are made for a specific purpose, are accounted for within a Restricted Fund.

Income is recognised in the period in which the company is entitled to receipt and the amount can be measured with reasonable certainty. In accordance with this policy, legacies are included when the company is advised by the personal representative of an estate that payment will be made and the amount can be quantified.

c. Resources Expended

Includes all expenditure directly relating to the objects of the charity (in accordance with SORP 2000), included on an accrual basis, inclusive of any VAT, which cannot be recovered, and comprises the following:

- Convention event costs
This represents expenditure on activities in furtherance of the charity's objects.
- Support costs
Support costs represent those costs incurred in supporting the holding of the annual convention.
- Management and administration
Costs incurred are those relating to the organisation and running of the charity itself rather than its charitable objects.

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

d. Cash Flow Statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence, in accordance with FRS 1 (Revised), it is exempt from the requirement to publish a cash flow statement.

e. 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 on a reducing balance basis over their estimated useful life.

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 August 2002

f. Fund Accounting

The directors have set aside designated sums forming part of the Charity's unrestricted funds to be used for particular purposes in the future, as outlined in note 12.

Restricted funds are subject to specific restrictive conditions imposed by donors or by the nature of the appeal. The purpose and use of the restricted funds are set out in note 11.

g. Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

2. Convention event costs

	Unrestricted funds £	Restricted funds £	2002 Total £
Programme costs	18,849	-	18,849
Costs of ministry book	7,604	-	7,604
Salaries	50,794	-	50,794
Hospitality and hotels	84,183	17,773	101,956
Tent erection	35,076	-	35,076
Honoraria and gifts	15,295	-	15,295
Travelling costs	27,088	-	27,088
Printing and stationery	15,441	-	15,441
Telephone and postage	11,879	-	11,879
Office rent	6,327	-	6,327
Repairs and servicing	8,700	-	8,700
Recoverable VAT	1,779	-	1,779
Depreciation	37,417	-	37,417
Sundries and supplies	83,118	-	83,118
	<u>403,550</u> =====	<u>17,773</u> =====	<u>421,323</u> =====

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 August 2002

3. Support costs

	Unrestricted funds £	Restricted funds £	2002 Total £
Advertising	27,643	-	27,643
Salaries	32,147	6,302	38,449
Sundry expenses	7,905	-	7,905
Telephone, printing and postage	7,835	-	7,835
Rates and insurance	8,703	-	8,703
Travel and subsistence	3,264	-	3,264
Loan interest	1,513	-	1,513
Bank charges	2,539	-	2,539
Rawnsley costs	17,149	-	17,149
Professional fees	1,700	-	1,700
	<u>110,398</u> =====	<u>6,302</u> =====	<u>116,700</u> =====

4. Managing and administering the charity

	Unrestricted funds £	Restricted funds £	2002 Total £
Salaries	17,019	-	17,019
Audit and accountancy - Audit fees	4,250	-	4,250
- Other costs	1,170	-	1,170
	<u>22,439</u> =====	<u>-</u> =====	<u>22,439</u> =====

5. Staff costs and directors' remuneration

	2002 £
Wages and salaries	98,668
Social security costs	7,594
	<u>106,262</u> =====

No employee earned £50,000 per annum or more.

The average number of employees was 9.

Directors received no remuneration. £3,491 was reimbursed to 14 directors for convention accommodation expenses in the year.

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 August 2002

6. Fixed assets

	School £	Freehold land & buildings Centre £	House £	Equipment & Furniture £	Total £
COST					
Transferred from Keswick Convention Trust	542,523	817,243	34,523	69,373	1,463,662
Additions	-	-	-	29,940	29,940
Disposals	-	-	(34,523)	-	(34,523)
	=====	=====	=====	=====	=====
at 31 August 2002	542,523	817,243	-	99,313	1,459,079
	=====	=====	=====	=====	=====
DEPRECIATION					
Transferred from Keswick Convention Trust	35,166	145,316	1,380	48,207	230,069
Charge for the year	10,850	16,345	-	10,221	37,416
On disposal	-	-	(1,380)	-	(1,380)
	=====	=====	=====	=====	=====
at 31 August 2002	46,016	161,661	-	58,428	266,105
	=====	=====	=====	=====	=====
NET BOOK VALUE					
31 August 2002	496,507	655,582	-	40,885	1,192,974
	=====	=====	=====	=====	=====
Rate of depreciation:	2% straight line	2% straight line	2% straight line	20% reducing balance	

7. Investments

	2002 £
Wholly owned Subsidiary:	
Keswick Convention Project Limited	3
Keswick Convention Projects (Rawnsley) Limited	2
	=====
	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. Consolidated accounts have not been prepared, as the results of each subsidiary undertaking are not material to Keswick Convention Trust.

The accounting period of Keswick Convention Project Limited is not coterminous with that of its parent, the last year-end was 31 December 2001.

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 August 2002

7. Investments (continued)

The aggregate share capital and reserves of Keswick Convention Projects (Rawnsley) Limited are £2, Keswick Convention Project Limited aggregate share capital and reserves at 31 December 2001 was £589.

8. Debtors and prepayments

	2002 £
Payments in advance	11,357
Accrued Income	26,088
Royalties due	6,274
Amounts owed by group undertakings	20,683
Taxation recoverable	37,000
Legacies notified	80,667

	182,069
	=====

9. Creditors and accruals

	2002 £
Loans (note 10)	25,000
Trade creditors	2,938
Other taxes and social security	14,895
Funds awaiting distribution	14,036
Accrued expenses	29,539

	86,408
	=====

10. Loans

The loan of £25,000 is interest free, unsecured and repayable on demand.

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 August 2002

11. Restricted funds

	Movement in Resources		Transfers	Balance
	Incoming	Outgoing		31 August
	£	£	£	2002
Alan Redpath Fund	8,279	-	-	8,279
Missionary Hospitality Fund	43,023	24,075	-	18,948
	<u>51,302</u>	<u>24,075</u>	<u>-</u>	<u>27,227</u>
	=====	=====	=====	=====

The Alan Redpath Fund was established to provide funds for the Ministers' House Party each year. The Missionary Hospitality Fund was established to receive gifts in order that grants can be given to Missionaries attending the Convention.

12. Unrestricted funds

	Movement in Resources		Transfers	Balance
	Incoming	Outgoing		31 August
	£	£	£	2002
Designated Funds				£
Fixed Asset Fund	1,178,593	-	(10,620)	1,167,973
	<u>1,178,593</u>	<u>-</u>	<u>(10,620)</u>	<u>1,167,973</u>
General Fund	783,441	(536,387)	10,620	257,674
	<u>1,962,034</u>	<u>(536,387)</u>	<u>-</u>	<u>1,425,647</u>
	=====	=====	=====	=====

The transfer represents an allocation to general funds on account of the fall in the net book value of all fixed assets in the year.

The Fixed Asset Fund comprises funds covering the net book value of all fixed assets, which have been designated against future depreciation, less loans raised to finance those assets.

13. Analysis of net assets between funds

	Tangible Fixed Assets and Investment	Net Current Assets	Total
	£	£	£
Restricted Funds			
Alan Redpath Fund	-	8,279	8,279
Missionary Hospitality Fund	2,714	16,234	18,948
Unrestricted Funds	<u>1,192,979</u>	<u>232,668</u>	<u>1,425,647</u>
	<u>1,195,693</u>	<u>257,181</u>	<u>1,452,874</u>
	=====	=====	=====

KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 August 2002

14. Capital commitments

	2002 £
Capital expenditure authorised by the Board but not provided for in the financial statements.	80,000

15. Related party transactions

On the 1 September 2002, Keswick Convention Trust (Charity No. 225557) made a transfer of assets having a book value of £1,309,438 to Keswick Convention Trust – Company Limited by Guarantee. Included in this transfer were donations, offerings and legacies received of £46,541 which have had the donor restrictions carried forward from Keswick Convention Trust. No further restrictions were imposed by the Trust. The activities of Keswick Convention – Trust were also, with agreement of the Charity Commission, transferred to Keswick Convention – Company Limited by Guarantee.

Keswick Convention Projects (Rawnsley) Limited is a wholly owned subsidiary of Keswick Convention Trust. For the year ended 31 August 2002 Keswick Convention Projects (Rawnsley) Limited was charged rent of £46,881 by Keswick Convention Trust, of which £20,683 remained outstanding as at the year-end.

Keswick Convention Project Limited is a wholly owned subsidiary of Keswick Convention Trust. For the year ended 31 August 2002 Keswick Convention Project Limited made a gift aid donation to Keswick Convention Trust of £2,302. Keswick Convention Trust also incurred on behalf of, and subsequently recharged, costs of £1,200 to Keswick Convention Project Limited. This amount remained outstanding as at the year-end.

During the year D. Vardy, a director of Keswick Convention Trust, sold £1 ordinary share capital in both Keswick Convention Projects (Rawnsley) Limited and Keswick Convention Project Limited to Keswick Convention Trust at their nominal value.