

Financial Statements

For the year ended 31 December 2017

THE KESWICK CONVENTION TRUST

Company No: 3913741

Charity No: 1083584



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THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Reference information

ADDRESS: Keswick Convention Centre
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 D Burnside
Mr J Chatfield
Dr T Chester, Chairman
Mr D Gascoigne
Mrs C Heath-Whyte
Mr S Hale
Mrs E McQuoid
Mr M Salter
Rev A Paine
Mrs A Putt
Rev Dr M Sleeman

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

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 2017.

DIRECTORS AND OFFICERS

The following directors held office for the whole of the year to 31 December 2017 and to the date of this report unless otherwise stated:

Mr S Adam, Treasurer
Rev Dr S Brady (retired 25 April 2017)
Mr D Burnside
Mr J Chatfield
Dr T Chester, Chairman
Mr D Gascoigne
Mrs C Heath-Whyte (appointed 14 May 2018)
Mr S Hale
Mrs E McQuoid
Mr M Salter (appointed 16 November 2017)
Rev A Paine
Mrs A Putt (appointed 25 April 2017)
Mr J Risbridger (retired 4 October 2017)
Rev Dr M Sleeman

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Under the Trust Deed directors are to be known as Trustees. The Council of Management consists of the Trustees and it now meets 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, where appropriate, are offered formal training in their responsibilities.

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

Throughout 2017 the staff team was headed up by Ministry Director, James Robson, assisted by James Devenish, Business Director. In April 2018, following James Devenish's decision to leave after the summer's Convention, David Sawday was appointed to the new position of Chief Operating Officer, with Simon Overend the new Head of Operations reporting to him. In August James Devenish agreed to stay on in a part-time capacity as Head of Special Projects.

During the year James Robson has prepared a Vision document, which the Trustees (directors) have unanimously supported, to articulate what Keswick Ministries might look like in five years' time, with a view to assisting planning, resourcing and delivery.

REPORT OF THE DIRECTORS (continued)

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.

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 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 second PRC was held in February 2018.

Keswick Ministries has two trading subsidiaries to manage respectively the Rawsley Centre and former Pencil Factory car park, and Crosthwaite campsite.

The Trustees regularly review the risks to which the charity is exposed, so that reasonable measures are taken to reduce and manage them and to provide insurance cover where this is possible. A risk review procedure is in place to identify the most significant risks and the Trustees check that appropriate remedial action has been taken. 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 website. We are advised on Health and Safety issues by an external consultancy firm. CCPAS (formerly Churches Child Protection Advisory Service) 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. In November the first of a refreshed Town Liaison Forum was held with business, Town Council and official agencies represented; meetings are now being held 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 not raising sufficient funds to cover annual running costs, which is mitigated by a very broad support base and adequate reserves.
- Derwent Project: A £5m fundraising project was launched at the 2015 Convention. Following consultation with planning authorities and others, this was upgraded to £7m 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 have been able to purchase the site a year earlier than planned, and the Trust has generously agreed to forgo £0.4m plus the £0.1m paid in lease payments since 2015.

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.

REPORT OF THE DIRECTORS (continued)

Local public perception:

- There have been some concerns raised locally on the extent of ministry activity and the benefits of the Convention to the town. This particularly arose over the planned rescheduling of Convention dates for 2018, and has continued since the date change was reversed. For instance, there is some debate on our plans for the development of the currently derelict former Pencil Factory site. A number of steps have been taken to improve communications across the town, including the Town Liaison Forum mentioned above, and open days / site tours. It is recognised that this work places additional demands on the small staff team.

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 have been appointed during 2017, with a further person appointed in early 2018.

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.

OBJECTIVES AND ACTIVITIES

The charity exists to promote Bible Teaching at an annual Convention in Keswick and on other occasions with the aim of encouraging holy and Biblical life styles. In the Vision document agreed by the Trustees in January 2018 this was restated in the form of "to inspire and equip Christians to love and live for Christ in His world".

In the pursuance of these objectives, the Trustees have -

- conducted the annual Convention for three weeks in the summer,
- published a number of new books and study guides, including new titles in the popular Food for the Journey daily readings series. New series are being identified, including a planned 'theme book' of each Convention and a topical Food for the Journey daily readings series.
- held our second Pastoral Refreshment Conference, in partnership with Living Leadership, and
- launched a number of teaching and training events, with more scheduled for 2018. These include a number of different offerings, some focusing on equipping, and others on inspiring; all Biblically focused, and seeking to refresh the whole person. The following key areas have been identified:
 - Bible
 - Leadership disciplines
 - Children and Youth
 - Sung worship
 - Arts.

The aim of these events and activities is to equip, encourage and refresh the people of God.

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

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

REPORT OF THE DIRECTORS (continued)

The Trust relies on volunteer workers to a very large extent. During the annual Convention some 650 adults were engaged in this way.

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

Additionally, the Trustees have sought to raise funds by letting property for local community activities at times when the premises are not needed for their charitable activities. Income from such letting was significantly reduced following the serious flooding of December 2015, the loss of two tenants, and the decision to move the staff team from their Skiddaw Street offices to the Rawnsley Centre. The trustees also permit the use of some of the charity's land in Keswick for public car parking which is operated by Allerdale Borough Council and our subsidiary (see below).

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

The company owns the entire share capital of Keswick Convention Project Limited, a company that operates a campsite in the neighbourhood during the Convention and this made a nominal surplus before tax and enables a donation to the Convention in the coming year. During the past year the company made a charitable gift of £1,591 to the Convention.

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

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

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

KEY PERFORMANCE INDICATORS:

Financial:

- We aim to cover annual running costs each year. The unrestricted funds result was impacted by the costs and loss of income following the flooding associated with storm Desmond in December 2015, and expenditure relating to the Derwent Project.
- The Derwent Project was launched at the 2015 Convention. At the 2017 year-end we have raised more than £4m of our £7m target and have every confidence of achieving the full amount.

Non-Financial:

- The annual three-week Convention continues to be our main activity. Attendance continued to hold up, with full venues and good use of the live video relay of main meetings to our Rawnsley site. We enjoyed record numbers in Week 2 with some 4,000 adults attending the morning Bible Readings, plus hundreds of young people attending the Children's and Youth programme. There has been lots of positive feedback on the quality of the ministry and the impact it has had on peoples' lives, including new commitments to Christ and offers to serve in the mission field. There were good sales of new Keswick Ministries titles, and other Christian resources.
- Good relations with the local Christian, and wider community, have been built on, with senior members of the staff team engaging widely. There was some concern locally to the plan to move the dates of the Convention which reflected a move in school term times across the country, to ensure the Convention is accessible to as many families as possible. In recognition of strong local lobbying, the trustees took the decision in September 2017 to revert to the previous pattern of dates. The Derwent Project has been

REPORT OF THE DIRECTORS (continued)

generally well received, but again a number of local people have raised objections. We have increased our engagement with the local community, and relaunched our Town Liaison Forum, meeting quarterly with members of the local community, businesses and statutory agencies.

THE KESWICK CONVENTION:

The 2017 Convention marked the 142nd year of the Convention and attracted large crowds, with over 12,500 people attending, of all ages, and from all parts of the world. The children's and youth programme successfully attracted and served large numbers, and the young adult tracks were also well received. BBC Radio 4 recorded Sunday Worship at the event – this has now become a regular feature. We continued to post mp3s of the main teaching on the Keswick Ministries website, as well as making CD, DVD and USB recordings available for sale through our partnership with Essential Christian. We also partner with web-based Clayton TV in making talks available.

We live streamed the Bible Readings, Evening Celebrations and Keswick Lectures via YouTube again, a facility made possible by the provision of fibre broadband in Keswick, and this was warmly received, with many favourable comments from around the world.

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

Total giving, year round and at Convention, to the General Fund and to The Derwent Fund reached a record level with several larger gifts in support of the Derwent Project. Additional income streams include the letting of our facilities to other agencies, plus some rents – though these were lower than in previous years, as mentioned above, due to the December 2015 flooding, and the move of the staff team to refurbished offices in the Rawnsley building which we previously let out. Some space at Skiddaw Street has been let at a pepper-corn to a church run toddlers group.

Substantial work is being done in making preparations for the 2018 event, including using the Pencil Factory site for some activities.

THE DERWENT PROJECT

In its third year The Derwent Project continued to be a high priority, and to require the investment of significant management and staff time. All at Keswick Ministries are greatly appreciative of the positive engagement of our supporters, and others, and of the financial and prayer support that has been given.

We have now acquired the freehold of The Pencil Factory Site in Keswick which, together with our existing Rawnsley site, form our new integrated Derwent site, a year ahead of what was originally planned.

The project has four key goals:

Goal 1:

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

Goal 2:

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

Goal 3:

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

REPORT OF THE DIRECTORS (continued)

Goal 4:

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

Social Corporate Responsibility Goal

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

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

Having been launched at the 2015 Convention, the project was given significant profile at the 2016 and 2017 Conventions with a presentation in each of the three weeks, supported by a new Sharing the Future brochure and video. We have been very encouraged by the overwhelmingly positive response to the project, and the appeal for financial support. (Because of The Derwent Project there were no appeals for external agencies, or the MHF in 2017.)

As mentioned above, there have been some local concerns to the plans, but we are seeking to engage with the local community to present a positive case and dispel rumours and misunderstanding.

Our planning application for the redevelopment of the old three storey building was submitted to the Lake District National Park Planning Authority in January 2018, with a decision expected in the Autumn.

OTHER ACTIVITIES:

Keswick Ministries sustained its commitments in publishing, through the release of a Study Guide and a new Foundations Series title to coincide with the 2017 Convention theme, both written by our new chairman, Tim Chester. There were also new titles in the Food for the Journey series launched in 2016 – a series of 30-Day devotions based on previous Bible Reading series.

A Memorandum of Understanding has been introduced as a means of expressing mutual support with other "Keswicks" across the UK and around the globe - these events remain autonomous and financially independent of Keswick Ministries.

The new small Communications and Development (fundraising) team continue to do great work, with a monthly news and prayer letter to our loyal supporters, and good use of social media. Text giving has recently been introduced, and an app was launched for the 2017 Convention.

The Rawnsley buildings were badly affected by the flooding in December 2015. The need to repair much of the ground floor has coincided with the decision to move the staff team, who have outgrown the Skiddaw Street offices. As a result, part of the premises has been remodelled to provide the staff team with appropriate office space on the Derwent Site. The deployment of the Skiddaw Street centre for visiting church and youth groups, as well as the management of the Rawnsley building, remains a significant staff responsibility throughout the year.

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.

REPORT OF THE DIRECTORS (continued)

FINANCIAL REVIEW

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

The financial results are set out in the Statement of Financial Activities on page 17.

Total income amounted to £3,388,076 compared to a previous year's total of £2,461,842.

The Derwent Project was launched in July 2015 to enable the purchase of the old Derwent Pencil Factory site, which is immediately adjacent to our Rawnsley site. We are delighted to report that, in June 2017, we were able to purchase the site from the Trust which had acquired it in order to sell onto us. Giving to the Derwent project, in what is now the third year, exceeded the previous two years providing a good base for the refurbishment of the factory building on the site. Despite the generous giving to the Derwent project, general giving has also held up extremely well, and the unrestricted general fund shows a small surplus. We are thankful for the continuing high number of people attending the Convention, and the intention is to accommodate the Convention on one integrated site in 2020, and to build a conference facility, which can be used for a variety of ministries throughout the year. In the year £2,004,726 was given to the project (2016 - £1,147,963) - see Note 16.

Legacies of £42,799 (2016 - £520,242) were recognised during the year.

Total expenditure in the year amounted to £1,673,773 compared to £1,489,915 in the previous year. Much of this increase is accounted for by costs relating to the Derwent Project (professional fees etc) and also increased staffing and communications and fundraising costs in support of the Derwent Project. An analysis of the costs is shown in the Notes 4 and 5.

The Restricted Funds at the year-end, amounting to £736,710 (2016 - £1,646,502), relate mainly to the Derwent Project. Of the total, £1,612 relates to the Missionary Hospitality Fund, which enables the support of missionaries who benefit from attending the Convention. This fund made possible the attendance 27 families and individuals, at a cost of £18,067. There have been no offerings in support of the MHF in the last three years while the current emphasis is on the Derwent project. So while this remains the priority, support for the missionaries attending the Convention will come from general giving.

In 2017 there was net unrestricted income of £15,621 (2016 – net expenditure of £74,666).

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.

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 2020, and to refurbish the Pencil Factory building to provide a Conference facility shortly thereafter.

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.

REPORT OF THE DIRECTORS (continued)

DONATIONS AND LEGACIES

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

FUND RAISING

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.

With the launch of the Derwent Project in the summer of 2015 the financial needs of the project were laid before our supporters, with supporting material, and they have responded magnificently.

A new member of staff was recruited in the summer of 2015 into the role of communications and fundraising; and we have worked with agencies to produce quality campaign material. We are registered with the Fundraising Regulator and comply 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 fundraise on our behalf and have taken a responsible approach to seeking funds for the protection of all our supporters, including those who might be deemed vulnerable.

We have recently engaged Redina Kolaneci, Head of the Institute of Christian Fundraisers, to work with us on a consultancy basis to help with the next steps in our fundraising campaign, including approaches to trusts. Our two Ministers at Large, former trustees with charity fundraising experience, are also assisting us.

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 £294,183 are considered adequate. Any excess above this figure is likely to be designated for The Derwent Project.

It is anticipated that Derwent Project Restricted funds of £735,098 and Designated funds of £300,000 will be used in support of the refurbishment of the former Pencil Factory, and the redevelopment of the site over the following 12-18 months.

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

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.

REPORT OF THE DIRECTORS (continued)

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

Liquid funds are invested with a view to maintaining their value, pending planned expenditure in the short to medium term.

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.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

REPORT OF THE DIRECTORS (continued)

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

A handwritten signature in black ink, appearing to read 'Tim Chester', with a stylized flourish at the end.

Tim Chester (Chairman)

Date: 8/9/2018

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 2017 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 2017 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.

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 Report and Financial Statements, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KESWICK CONVENTION TRUST
(continued)**

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 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 Report of the Directors and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, the directors (who are also the trustees of the charitable company for the purposes of charity 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors 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 directors 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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE KESWICK CONVENTION TRUST
(continued)

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:



Janine Fox (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peter's Square
Manchester
M2 3DE

Date: 12 September 2018

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

**Statement of Financial Activities (including income and expenditure account)
For the year ended 31 December 2017**

	Note	Unrestricted Funds	Restricted Funds	Total Funds	2016 Total funds (note 22)
		£	£	£	£
Income and endowments from:					
Donations and legacies	3	1,073,936	2,012,013	3,085,949	2,159,765
Charitable activities		70,782	-	70,782	62,507
Other trading activities		42,804	-	42,804	44,833
Investments	3	116,618	-	116,618	117,230
Rents and licence income		62,751	-	62,751	53,035
Other		9,172	-	9,172	24,472
Total		1,376,063	2,012,013	3,388,076	2,461,842
Expenditure on:					
Raising funds	5	71,365	126,752	198,117	158,476
Charitable activities	4, 5	1,289,077	186,579	1,475,656	1,331,439
Total		1,360,442	313,331	1,673,773	1,489,915
Net income		15,621	1,698,682	1,714,303	971,927
Gain on investment property		230,424	-	230,424	-
Transfers between funds		2,608,474	(2,608,474)	-	-
Net movement in funds	16	2,854,519	(909,792)	1,944,727	971,927
Reconciliation of funds:					
Total funds brought forward		2,430,680	1,646,502	4,077,182	3,105,255
Total funds carried forward		5,285,199	736,710	6,021,909	4,077,182

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 2017**

Company number: 03913741

	Note	Total Funds 2017 £	Total funds 2016 £
Fixed assets			
Tangible assets	8	4,211,016	560,304
Investments	9	1,152,720	1,152,720
Deposits	11	41,353	-
Total fixed assets		5,405,089	1,713,024
Current assets			
Debtors	10	311,916	842,654
Cash at bank and in hand	11	1,187,499	1,575,215
Total current assets		1,499,415	2,417,869
Liabilities			
Creditors: amounts falling due within on year	12	132,595	53,711
Net current assets		1,366,820	2,364,158
Total assets less current liabilities		6,771,909	4,077,182
Long Term Loan	13	750,000	-
Total net assets or liabilities		6,021,909	4,077,182
The funds of the charity:			
Restricted income funds	15, 16, 17	736,710	1,646,502
Unrestricted funds – Designated	16, 17	4,991,016	2,174,769
Unrestricted funds – General	16, 17	294,183	255,911
Total charity funds		6,021,909	4,077,182

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 2018
and signed on their behalf by

 8/9/2018

T Chester (Chairman)

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Statement of Cash Flows
For the year ended 31 December 2017

	Note	2017 £	2016 £
Cash used in operating activities	21	2,240,793	160,065
Cash flows from investing activities:			
Interest		3,344	11,600
Rents from investments		113,274	105,630
Purchase of tangible fixed assets	8	(3,453,774)	(19,075)
Cash (used in)/provided by investing activities		(3,337,156)	98,155
Cash flows from financing activities:			
Raising of borrowing	13	750,000	-
Net cash flows from financing activities		750,000	-
(Decrease)/Increase in cash and cash equivalents in the year		(346,363)	258,220
Cash and cash equivalents at the beginning of the year		1,575,215	1,316,995
Total cash and cash equivalents at the end of the year	11	1,228,852	1,575,215

**Notes to the Financial Statements
For the year ended 31 December 2017**

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 Trustess 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.

**Notes to the Financial Statements
For the year ended 31 December 2017**

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 (lessor)

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

**Notes to the Financial Statements
For the year ended 31 December 2017**

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 at the purchase price which is considered fair in relation to the value of the whole site.

3. Income

Donations and legacies:	2017	2016
	£	£
Legacies	42,799	520,242
Unrestricted donations	1,031,137	910,644
Restricted donations	2,012,013	728,879
	3,085,949	2,159,765

Gifts in kind consist of:

A £400,000 reduction in amount paid to the Trust which purchased the Pencil Factory site on our behalf.

A £100,000 effective "refund" of the lease payments made to the trust.

There are no unfulfilled conditions or contingencies in respect of these transactions.

Investments:	2017	2016
	£	£
Interest received	3,344	11,600
Rental income	113,274	105,630
	116,618	117,230

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

**Notes to the Financial Statements
For the year ended 31 December 2017**

Continued

4. Analysis of expenditure on charitable activities

Activity	Activities undertaken directly £	Support costs £	Total £
<u>Restricted funds</u>			
Missionary Hospitality Fund	18,067	-	18,067
Derwent Project	24,264	144,248	168,512
<u>Unrestricted funds</u>			
Charitable activities	871,252	272,536	1,143,788
Other	64,680	80,609	145,289
Total	978,263	497,393	1,475,656

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 2017**

Continued

5. Analysis of costs

	Unrestricted Funds				Restricted Funds				Total Funds
	Raising funds £	Charitable activities £	Other £	Total unrestricted £	Raising funds £	Charitable activities £	Other £	Total Restricted £	Total £
Support cost									
Governance	1,284	16,417	4,188	21,889	-	-	-	-	21,889
Finance	1,848	14,866	11,114	27,828	-	-	-	-	27,828
Information Technology	3,863	7,725	3,862	15,450	-	1,072	-	1,072	16,522
Human Resources	25,527	174,425	15,316	215,268	96,850	115,960	-	212,810	428,078
Fees	-	1,004	670	1,674	-	15,940	-	15,940	17,614
Other	36,843	58,099	45,459	142,401	29,902	11,276	-	41,178	183,579
	71,365	272,536	80,609	424,510	126,752	144,248	-	271,000	695,510
Direct costs									
Other Charitable	-	871,252	64,680	935,932	-	42,331	-	42,331	978,263
	-	871,252	64,680	935,932	-	42,331	-	42,331	978,263
Total	71,365	1,143,788	145,289	1,360,442	126,752	186,579	-	313,331	1,673,773

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 December 2017

Continued

6. Auditor's remuneration

The company incurred the following charges from the auditor:

	2017	2016
	£	£
Audit fee – 2015	-	2,350
Audit fee – 2016	-	8,600
Audit fee – 2017	10,750	-
Tax advice and consultancy	6,003	850
	16,753	11,800

7. Staff costs, related parties and volunteers

	2017	2016
	£	£
Wages and salaries	363,530	316,742
Social Security costs	31,259	27,182
Pension contributions	33,288	28,287
	428,077	372,211

The Trust operates a defined contribution pension scheme.

One employee earned £60,000 per annum or more (2016 - £nil), falling in the band £60,000 to £70,000. (This includes a payment in lieu of notice for the period January to March 2018.)

The average number of full time equivalent employees was 11 (2016 - 9) and the average headcount was 14 (2016 – 12).

Nominal ex-gratia payments totalling £2,625 were made to 5 members of the team in recognition of the need for significant additional work of an exceptional nature.

Trustees' and Chief Executive Remuneration

	2017	2016
	£	£
Trustees	<u>11,614</u>	<u>10,710</u>
Ministry Director (CEO) & Business Director	<u>114,463</u>	<u>103,272</u>

The above remuneration is considered to be the remuneration of the key management personnel. James Robson led the organisation, assisted by Business Director, James Devenish. (James Robson joined the staff team in 2016, initially part-time.)

Mrs E McQuoid, a trustee director, received remuneration of £11,078 (2016 – £10,200), under an employment contract; in respect of Commissioning Editor services. A contribution of £536 (2016 - £510) 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 £5,137 (2016 – £7,842) were reimbursed to 7 (2016 – 12) 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 2017

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 2017	977,427	-	133,136	11,199	1,121,762
Transfer from investment property	-	365,755	-	-	365,755
Additions	-	272,993	9,215	3,171,566	3,453,774
Disposals	-	-	(1,166)	-	(1,166)
At 31 December 2017	977,427	638,748	141,185	3,182,765	4,940,125
DEPRECIATION					
At 1 January 2017	440,606	-	120,852	-	561,458
Transfer from investment property	-	135,331	-	-	135,331
Charge for the year	19,549	8,116	5,421	-	33,086
Disposals	-	-	(766)	-	(766)
At 31 December 2017	460,155	143,447	125,507	-	729,109
NET BOOK VALUE					
At 31 December 2017	517,272	495,301	15,678	3,182,765	4,211,016
At 31 December 2016	536,821	-	12,284	11,199	560,304

The Rawnsley Building was transferred from being classified as an investment property to fixed assets as it is now being used by the charity as their office. The amount transferred from investment property was a value of £nil but it was recognised in fixed assets at historic net book value.

The Convention Centre at Skiddaw Street, with a net book value of £517,272 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 2017

Continued

9. Investments

Basis of valuation	Investment Property Fair Value £	Quoted Investments Valuation £	Unquoted Investments Cost £	Total £
Cost or valuation at 1 January 2017	1,150,000	2,715	5	1,152,720
Disposals at cost or valuation	-	-	-	-
Gains/(losses) on valuation	-	-	-	-
Transfer to current assets	-	-	-	-
Cost or Valuation at 31 December 2017	1,150,000	2,715	5	1,152,720

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.

The Rawnsley Building was transferred from being classified as an investment property to fixed assets as it is now being used by the charity as their office. The amount transferred from investment property was £nil as it will not affect the rental income as a yield on the investment.

Subsidiary Companies

	2017 £	2016 £
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 aggregate share capital and reserves of Keswick Convention Projects (Rawnsley) Limited is £6 and its turnover for the year was £109,671 resulting in neither profit nor loss.

Keswick Convention Project Limited aggregate share capital and reserves at 31 December 2017 was £5,508 and its turnover for the year was £33,153 resulting in a net profit before tax and donations to the parent company of £7,867.

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.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

**Notes to the Financial Statements
For the year ended 31 December 2017**

Continued

10. Debtors

	2017	2016
	£	£
Trade debtors	10,074	28,612
Payments in advance – accommodation	60,256	38,885
Prepayments and accrued income	230,612	666,861
Amounts owed by group undertakings	5,366	8,296
Other debtors	5,608	-
Payment of deposit for property	-	100,000
	311,916	842,654

Included within debtors is an amount of £nil (2016 - £100,000) which falls due within greater than one year.

11. Cash and cash equivalents

	2017	2016
	£	£
Cash in hand	1,187,499	741,260
Notice deposits (less than three months)	-	833,955
Current asset	1,187,499	1,575,215

	2017	2016
	£	£
Longer term deposits	41,353	-
Non-current asset	41,353	-

12. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	13,921	776
Other taxes and social security	-	8,307
Accruals	102,765	33,545
Deferred income	15,909	11,083
	132,595	53,711

Deferred income relates to deposits for centre bookings and course fees falling in the next financial year. The deferred income recognised at 31 December 2017 represents amounts received and deferred in the year. The deferred income recognised at 31 December 2016 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 2017

Continued

13. Creditors: amounts falling due after one year

	2017	2016
	£	£
Concessionary loan		
Due after 5 years	750,000	-
	750,000	-

The loan is concessionary; from a supportive Christian Trust; at zero interest; repayable by the tenth anniversary, and secured by a first charge on the Skiddaw Street Convention Centre.

14. Financial instruments

	2017	2016
	£	£
Financial assets measured at amortised cost	15,440	136,908
Cash and cash equivalents	1,228,852	1,575,215
Financial liabilities measured at amortised cost	763,921	776

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	Expenditure and Transfers	31 December
	2017	2017	2017	2017
	£	£	£	£
Missionary Hospitality Fund	1,957	7,287	7,632	1,612
Derwent Project Fund	1,644,545	2,004,726	2,914,173	735,098
	1,646,502	2,012,013	2,921,805	736,710

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

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

Restricted funds are held in liquid assets.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

**Notes to the Financial Statements
For the year ended 31 December 2017**

Continued

16. Summary of fund movements

	Balance 1 Jan 2017	Income	Expenditure	Gain on transfer of investment property	Transfers	Balance 31 December 2017
Fund						
<u>Designated Funds</u>						
Fixed Asset	1,794,769	-	33,086	230,424	2,618,909	4,611,016
Fabric & Refurbishment	80,000	-	-	-	-	80,000
Derwent Project Fund	300,000	-	-	-	-	300,000
General Funds	255,911	1,376,063	1,327,356	-	(10,435)	294,183
Unrestricted Funds	2,430,680	1,376,063	1,360,442	230,424	2,608,474	5,285,199
<u>Restricted Funds</u>						
Missionary Hospitality Fund	1,957	7,287	18,067		10,435	1,612
Derwent Project Fund	1,644,545	2,004,726	295,264		(2,618,909)	735,098
Restricted Funds	1,646,502	2,012,013	313,331	-	(2,608,474)	736,710
Total Funds	4,077,182	3,388,076	1,673,773	230,424	-	6,021,909

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 £382,418 (2016: £382,418) of non-distributable reserves, arising from revaluation.

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

The Derwent Project Fund represents amounts set aside in relation to the Derwent Project utilised within the year.

Transfers relate to the changes in fixed assets, including those in furtherance of the Derwent project.

THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Notes to the Financial Statements For the year ended 31 December 2017

Continued

17. Analysis of net assets between funds

2017	Tangible Assets	Investments & Deposits	Net Current Assets	Long Term Concessionary Loan	Total
	£	£	£	£	£
Unrestricted – designated	4,211,016	1,150,000	380,000	(750,000)	4,991,016
Unrestricted – general	-	41,358	252,825		294,183
Total unrestricted	4,211,016	1,191,358	632,825	(750,000)	5,285,199
Missionary Hospitality Fund	-	2,715	(1,103)	-	1,612
Derwent Project Fund	-	-	735,098	-	735,098
Total restricted	-	2,715	733,995	-	736,710
Total funds	4,211,016	1,194,073	1,366,820	(750,000)	6,021,909

2016	Tangible Assets	Investments	Net Current Assets	Long Term Concessionary Loan	Total
	£	£	£	£	£
Unrestricted – designated	549,105	1,150,000	475,664	-	2,174,769
Unrestricted – general	-	5	255,906		255,911
Total unrestricted	549,105	1,150,005	731,570	-	2,430,680
Missionary Hospitality Fund	-	2,715	(758)	-	1,957
Derwent Project Fund	11,199	-	1,633,346	-	1,644,545
Total restricted	11,199	2,715	1,632,588	-	1,646,502
Total funds	560,304	1,152,720	2,364,158	-	4,077,182

**Notes to the Financial Statements
For the year ended 31 December 2017**

Continued

18. Related party transactions

Keswick Convention Projects (Rawnsley) Limited is a wholly owned subsidiary of Keswick Convention Trust. For the year ended 31 December 2017 Keswick Convention Projects (Rawnsley) Limited was charged rent of £103,921 (2016 - £68,906) by Keswick Convention Trust, of which £5,366 (2016 - £8,296) remained outstanding as at the year end.

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 £7,929 (2016 - £1,591).

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

During the year the Trustees made donations to the Charity of £9,782 (2016 - £5,809). Of this £2,524 (2016 - £3,509) 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 £3,006 (2016 - £227), in respect of professional legal services during the year. At the year end the amount owing to Ellis-Fermor in creditors was nil (2016 nil).

19. Financial commitments

At 31 December 2017 the charity had total future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Not later than one year	-	50,000
Later than one year but not later than five years	-	25,000
	-	75,000

The expense included within the Statement of Financial Activities in the year totalled £13,630 (2016: £50,000).

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 £33,288 (2016: £28,287). Contributions totalling £nil (2016: £nil) 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 2017**

Continued

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

	2017	2016
	£	£
Net income for the reporting period	1,714,303	971,927
Adjustments in respect of:		
Depreciation charges	33,086	22,956
Interest received	(3,344)	(11,600)
Rental income	(113,274)	(105,630)
Decrease/(increase) in debtors	530,738	(659,409)
Increase/(decrease) in creditors	78,884	(58,179)
Loss on disposal of fixed asset	400	-
	2,240,793	160,065

22. 2016 SOFA comparatives

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Income and endowments from:			
Donations and legacies	1,005,886	1,153,879	2,159,765
Charitable activities	62,507	-	62,507
Other trading activities	44,833	-	44,833
Investments	117,230	-	117,230
Rents and licence income	53,035	-	53,035
Other	24,472	-	24,472
Total	1,307,963	1,153,879	2,461,842
Expenditure on:			
Raising funds	141,207	17,269	158,476
Charitable activities	1,241,422	90,017	1,331,439
Total	1,382,629	107,286	1,489,915
Net (expenditure)/income	(74,666)	1,046,593	971,927
Transfers between funds	-	-	-
Net movements in funds	(74,666)	1,046,593	971,927
Reconciliation of funds:			
Total funds brought forward	2,505,346	599,909	3,105,255
Total funds carried forward	2,430,680	1,646,502	4,077,182