

The Kepplewray Trust
***Trustees Report and
Consolidated Financial
Statements***
***For the Year Ended
30 September 2020***

Contents

Reference and administrative details	3
Trustees' report	4 - 8
Independent Examiner's Report	9
Consolidated statement of financial activities	10
Trust statement of financial activities	11
Balance sheet	12
Notes to the financial statements	13 - 28

Reference and administrative details

Registered charity number	1015762
Chairman	Revd JR Libby
Trustees	Revd JR Libby ME Browne MG Libby S Bevan C Armstrong
Centre Manager	Mr Neil Addington
Registered Address	The Keppleway Centre Keppleway Hill Broughton-in-Furness Cumbria LA20 6HE
Solicitors	Burnetts, Carlisle
Bankers	Barclays Bank Plc, Kendal, Cumbria
Registered accountants	MHA Moore and Smalley, Kendal

Trustees' report

The Trustees present their report and the financial statements of the Trust for the year ended 30 September 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Trust.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Trust's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Reference and Administrative Information

The Causeway Trust was created by a Declaration of Trust dated 24 September 1992 and was registered as a charity on 16 December 1992. By a deed dated 1 October 1994 the Trust's name was changed to The Keppleway Trust. The charity is registered with the Charity Commission under charity number 1015762. The Trustees, executive officers and principal addresses of the Charity, together with its professional advisers, are given on page 3.

Objects, aims, objectives and activities

Charitable Objective

The main objective of the Trust is the advancement of the education and awareness of individuals and groups of disabled and non-disabled people through residential and day programmes of adventure, learning, challenge and relaxation in a fully accessible and inclusive Christian environment. Through its trading company, Keppleway Limited, a large mansion ('Keppleway') in the Lake District was acquired which, after substantial renovation, enables the Trust to meet its charitable objective. Programmes at Keppleway stretch mental and physical capabilities and deliberately promote the inclusion of disabled and disadvantaged people so that their conditions of life might be improved.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Achievement and performance

Due to the Covid 19 global pandemic, 2019/2020 proved to be an extremely challenging year. Once the national lockdown was imposed, The Keppleway Centre was prevented from welcoming guests from March until mid-July which severely affected the business. This was disappointing as the first quarter of the financial year had proved to be extremely busy.

During the financial year when the Centre was open a total of 38 groups with 1,067 guests were welcomed compared with 24 groups with 649 guests over the same period the previous year. These groups stayed for a total of 1,303 bed nights compared to 981 during the same period in the previous year. With such a noticeable increase on the previous year it was disappointing to have to close the Centre during what would have been the busiest part of the year. Purely on bookings that were cancelled another 37 groups would have visited Keppleway and 915 guests would have experienced our activities compared to 46 groups with 1411 guests in the same period in the previous year. In addition to this we would have expected additional bookings to materialise as the year went on increasing our numbers further.

Keppleway took advantage of the support available from the government through grants, furlough arrangements and loans and also through the generosity of donors which along with the decision to furlough most of the staff team allowed the Centre to survive until the end of this financial year and beyond.

Feedback from guests has continued to prove positive and many of the groups that have had to cancel moved their booking to the next year.

Continued.....

Trustees' report (continued)

Achievement and performance (continued)

The priority for Keppleway remains as delivering excellent programmes in excellent premises to all the people who experience (and therefore are touched by) our ethos and energy. This, we hope, is true for our staff as well as for our guests. We are developing our trainee instructor programme in partnership with the diocese and with the national church 'IX12' pioneer placement scheme, enabling the career of a young person to be developed by providing a mix of activity training and practical work, assisting them to gain outdoor activity qualifications and useful experience towards church leadership.

Our Strategic Director (appointed last year) was funded by external donations to strengthen Keppleway's Aim and Ethos, and to focus on marketing the Centre to new user groups, including combined cadet contingents, churches, and more disability charities. Initially only for 12 months to look at different areas of business and ways of generating income, this role has proved essential and now is added to the full-time staff. The Strategic Director's initiative coupled with generous support from our donor network and trusts, created a Participation Inclusion Fund (PIF) to enable those with disabilities and disadvantages to participate in Keppleway's programmes. The foundations of this Fund were laid this year and post year end we are already seeing significant improvement in bookings:

Ahead of the 2020-21 season, new user groups account for just over one-third of our expected group bookings income (essentially from April – Sept 2021). This is calculated as follows:

- The expected value of **70** group invoices is circa **£128,750**. This figure includes Broughton Primary meals and some pipeline bookings, and will increase further based on current demand.
- Of these, 38 invoices (54%) are/will be for **new groups** with an expected value of **£32,000 (25% of total)**.
- A further **£25,000** will be paid from the new Participation Inclusion Fund, 98% of which goes to new groups. This boosts *total* group bookings income to circa **£153,750**.
- Therefore so far booked for the season 2020/21, **new groups** will account for circa **£56,500 (36%)** of total group bookings income.

As well as the PIF, Keppleway has increased the number of day visitors and are now offering day activity packages for schools and other user groups in addition to the residential offering. The School Holiday Club started two years ago continues to go from strength to strength with some days over-subscribed. This has been achieved with a grant from the local parish council to enable more local young people to experience outdoor activities.

In order to deliver the level of service and accommodation that such groups require, it is good to report that we have continued to invest in the fabric of the building and the services to our guests. This year and post year end we have made essential repairs and upgrades to the heating system. This is in addition to the internal redecoration of the building that is part of regular upkeep of the estate.

Our thanks are also due to all of those who have made this continued momentum possible. To the staff team in particular, but also to my fellow trustees, to our donors, to our returning user groups, to our essential prayerful supporters and to the Broughton-in-Furness community. The combined efforts of all of these groups have enabled our inclusive journey to continue and to evolve even through a period of great uncertainty and vulnerability.

Continued.....

Trustees' report *(continued)*

Burundi Link – The Bethesda Project

Keppleway has continued to raise funds, provide training and technical support to the Bethesda Project in Burundi. It is part of the outreach work of the Anglican Diocese of Musinga and focuses on helping the sick, poor, disabled and outcasts in Musinga and surrounding villages.

Disability is not well understood in the region, and children with any sort of problem are typically denied education. Bethesda intervenes in many cases by educating families, facilitating / providing medical appointments / medication and aids such as prosthetics and wheelchairs. It also seeks to ensure a means of making a living for those who have none and who are often shunned as a result of their problems. It is a privilege to be involved in this ministry.

During this Covid year the role of the Bethesda Project has been even more important in this impoverished nation. The 4x4 vehicle used by the project became unsafe so, post year-end, a campaign was launched in UK to raise funds for a replacement. We are delighted to say that the £20,000 target was achieved and a vehicle is being purchased in Burundi.

Management Development

In line with good practice, and very much as part of the work of the Development Team, we continue to develop our internal systems, support our staff, implement, review and amend our policies in order to deliver the best possible service to our guests.

Thanks

Donations and grants are vital to the development of the Centre. We are very grateful to all of our supporters and donors.

Financial review and results for the year

The Trust's year end is 30 September, and the accounts are independently examined annually. The consolidated results are shown in the unaudited accounts attached to this report.

Investment Policy

The Trustees do not envisage the Trust holding investments in the foreseeable future apart from shares in its trading subsidiary. Any shares donated to the group will be sold as soon as they are fully listed.

Reserves Policy

The groups available reserves at 30 September 2020 are in deficit by £727,708 (2019: £729,441) (Charity reserves in deficit by £83,170 (2019: £73,892)). Of this amount £706,370 (2019: £670,481) represents long term loan liabilities (Charity £239,140 (2019: £239,140)) which are not due for repayment until more than 12 months from the balance sheet date. After allowing for the above the Groups short term free reserve deficit amounts to £21,338 (2019: £58,960) (Charity reserves in deficit by £36,818 (2019: £29,861)). The trustees aim to return the Group deficit to a positive position by a satisfactory conclusion to the negotiations which are taking place which are detailed in note 1 on Going Concern.

Future Development

Work on our five-year Strategic Plan is in abeyance while we consider the short, medium and long-term impact of Covid-19. This has put fresh impetus into applying for grant assistance to replace loss of residential and activity income, and negotiating payment holidays on loans as well as reducing every other expenditure category to the lowest feasible level. Our Strategic Director has refocused our marketing on the Participation Inclusion Fund, where generous support from grant making trusts enables us to offer significant bursaries to disadvantaged and disabled members in mixed ability groups. This is generating interest in day activities and creating relationships which will be interested in residential experiences once Covid-19 is controlled or government advice more consistent.

The most significant development is the long-anticipated partnership with another Christian trust (as detailed in Note 1, Going Concern, below). Over the coming years, the beneficial impact of low interest funding leading to a 'sale and lease back' arrangement, will lower our operating costs, enable significant investment in the premises and secure Keppleway Trust's work and future.

Continued.....

Trustees' report *(continued)*

Structure, governance and management

Governing Document

The charity is governed by its Trust deed dating from 1992. The Trustees are granted wide powers of investment and of application of Trust funds towards the charitable objects of the Trust except that they may not undertake permanent trading activities in raising funds to achieve its objects.

Governing body

The charity is governed by its trustees, of whom there are currently five. They are responsible for the administration of the objects of the Trust, having overall control and holding the legal, financial and management responsibility of the charity. They meet at least quarterly, but also receive regular reports from the Management Group.

Recruitment, appointment, induction and training of new Trustees

Potential new trustees are approached by the Chairman on the basis of eligibility, availability, expertise and personal competence. They are normally invited to join the Keppleway Management Group before being invited to become a trustee. On the group, they are introduced to all of the workings of the Charity. As trustees, they receive copies of Charity Commission newsletters and are informed of training courses that may be suitable for them.

Group structure and relationships

On 1 January 1995 the Trust signed a 99 year lease agreement with Keppleway Limited, which is wholly owned by the Trust, to secure the exclusive use of the property at Keppleway and enable the Trust to further its charitable objectives. The results of Keppleway Limited are shown in note 15 to the financial statements.

Risk Management

The Trustees have identified the major risks to which the charity is exposed. Those risks have been reviewed and systems established to mitigate them. In keeping under review the Trust's activities, Trustees are mindful of the potential for any changes to the present range of risks, especially those concerning the arrival of Covid-19 and will adjust systems when and where required.

Continued.....

Trustees' report *(continued)*

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales/Northern Ireland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



The Reverend J R Libby
Chairman of the Trustees

Date 18/06/2021

Independent Examiner's Report to the Trustees of The Keppleway Trust

I report to the charity trustees on my examination of the accounts of the charity (the 'parent charity') and its subsidiary (the 'group') for the year ended 30 September 2020 which are set out on pages 10 to 28.

Responsibilities and basis of report

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

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

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Ian Clark FCCA
MHA Moore & Smalley
Chartered Accountants
Kendal House
Murley Moss Business Village
Oxenholme Road
Kendal. Cumbria. LA9 7RL

Date 18/06/2021

Consolidated statement of financial activities

for the year ended 30 September 2020

	Notes	Restricted funds	2020 Unrestricted funds	Total	2019 Total
		£	£	£	£
Income and endowments from:					
Donations and legacies	2	45,234	60,619	105,853	48,396
Charitable activities:					
Grants received	3	20,880	63,510	84,390	9,756
Accommodation and activities income		-	136,244	136,244	295,750
Other trading activities		-	915	915	1,665
Other		-	3,078	3,078	2,624
Total income and endowments		66,114	264,366	330,480	358,191
Expenditure					
Raising funds:					
Fundraising trading		-	836	836	1,227
Fundraising costs		15,000	15,620	30,620	20,094
Charitable activities					
Provision of accommodation and activities		25,970	243,931	269,901	350,499
Other		-	15,024	15,024	14,493
Exceptional item		-	-	-	106,984
Total expenditure	4	40,970	275,411	316,381	493,297
Net income/ (expenditure)		25,144	(11,045)	14,099	(135,106)
Transfers between funds	14	(7,276)	7,276	-	-
Tax on activities		-	(2,642)	(2,642)	(2,553)
Net movement in funds		17,868	(6,411)	11,457	(137,659)
Reconciliation of funds:					
Fund balance brought forward	14	22,145	30,780	52,925	190,584
Fund balance carried forward	13, 14	40,013	24,369	64,382	52,925

Trust statement of financial activities for the year ended 30 September 2020

	Notes	Restricted funds £	2020 Unrestricted funds £	Total £	2019 Total £
Income and endowments from:					
Donations and legacies	2	45,234	60,619	105,853	48,396
Charitable activities:					
Grants received	3	20,880	38,510	59,390	9,756
Accommodation and activities income		-	136,244	136,244	295,750
Other		-	7,887	7,887	2,624
Total income and endowments		66,114	243,260	309,374	356,526
Expenditure					
Raising funds:					
Fundraising costs		7,500	7,782	15,282	4,447
Advertising & Marketing		7,500	7,838	15,338	15,647
Charitable activities:					
Provision of accommodation and activities		25,970	234,424	260,394	356,356
Other		-	15,024	15,024	14,493
Exceptional item		-	-	-	27,477
Total expenditure	4	40,970	265,068	306,038	418,420
Unrealised loss on investment	9	-	(17,000)	(17,000)	(71,000)
Net income/ (expenditure)		25,144	(38,808)	(13,664)	(132,894)
Transfers between funds	14	(7,276)	7,276	-	-
Net movement in funds		17,868	(31,532)	(13,664)	(132,894)
Reconciliation of funds:					
Fund balance brought forward		22,145	56,329	78,474	211,368
Fund balance carried forward		40,013	24,797	64,810	78,474

Balance sheet
at 30 September 2020

	Note	Group 30 Sept 2020	30 Sept 2019	Charity 30 Sept 2020	30 Sept 2019
		£	£	£	£
Fixed assets					
Tangible assets	8	752,077	760,221	79,967	85,221
Investments	9	-	-	28,000	45,000
		752,077	760,221	107,967	130,221
Current assets					
Stocks		1,668	3,204	1,308	2,465
Debtors: amounts falling due within one year	10	6,736	15,852	6,736	15,852
Debtors: amounts falling due after more than one year	10	-	-	192,788	195,109
Cash at bank and in hand		96,192	50,862	44,387	49,615
		104,596	69,918	245,219	263,041
Creditors: amounts falling due within one year	11	(85,921)	(106,733)	(49,236)	(75,648)
Net current assets/(liabilities)		18,675	(36,815)	195,983	187,393
Total assets less current liabilities		770,752	723,406	303,950	317,614
Creditors: amounts falling due after more than one year	12	(706,370)	(670,481)	(239,140)	(239,140)
Net assets		64,382	52,925	64,810	78,474
Income funds					
Restricted funds	13, 14	40,013	22,145	40,013	22,145
Unrestricted funds	13, 14	24,369	30,780	24,797	56,329
		64,382	52,925	64,810	78,474

18/06/2021

These financial statements were approved by the board of Trustees on
and were signed on its behalf by:



.....
The Reverend JR Libby
Trustee

Notes (forming part of the financial statements)

1. Accounting policies

Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity has applied Update Bulletin 1 as published on 2 February 2016 and does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

The Keppleway Trust meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. There are no designated funds in the period.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income and gains are allocated to the appropriate fund.

Income recognition policies

All incoming resources are included in the Statement of Financial Activities (SOFA) when it is probable the charity will be legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income.

- Accommodation and activity income are recognised when the party has stayed at the premises and the service has been provided. If a stay spans the year end, income will be accrued for the proportion of the stay falling into the earlier year.
- Voluntary income is received by way of grants, donations and gifts and is included in full in the SOFA when receivable. Grants where entitlement is not conditional on the delivery of a specific performance by the charity are recognised when the charity becomes unconditionally entitled to the grant. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.
- The value of services provided by volunteers is not incorporated into these financial statements. Where services are provided to the charity as a donation that would normally be purchased from our suppliers, this contribution is included in the financial statements at an estimate based on the value of the contribution to the charity. Donated services and facilities are analysed in note 2.
- Investment income is included when receivable.

Notes (continued)

1. Accounting policies (continued)

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources.

Other costs comprise the costs of running the charity, including strategic planning for its future development, also external audit, any legal advice for the trustees, and all the costs of complying with constitutional and statutory requirement, such as the costs of Trustees' meetings and of preparing statutory accounts and satisfying public accountability.

Rent charged to the charity by its subsidiary company is treated as a cost of the charity, and the intra-group income and costs are excluded from the consolidated figures.

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and included at cost including any incidental costs of acquisition. Assets which are used by the group for direct charitable purposes are allocated as such. There are no assets otherwise classified.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic life as follows:

Freehold property	Nil
Leasehold improvements	Nil
Fixtures and fittings	10%/20%
Equipment	10%/20%
Motor vehicles	25%/12.5% for motorcars 10% with residual value of £1,000 for minibuses
Equipment in Burundi	33%

The trustees perform annual impairment reviews to ensure that the recoverable amount is not lower than the carrying value.

Operating leases

Rentals payable under operating leases are charged against income based on occupancy levels.

Investments

Current asset investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the period.

Fixed asset investments are stated at cost less any provision for permanent diminution in value.

Stock

Stock consists of finished goods for resale and is valued at the lower of cost and net realisable value.

Notes (continued)

1. Accounting policies (continued)

Related party transactions

The Trustees have taken advantage of the exemption in the FRS 102 and have not disclosed related party transactions with its subsidiary undertaking.

Pensions: Defined Contribution

The Charity set up a pension scheme with The Peoples' Pension in March 2016 to comply with automatic enrolment requirements. Contributions to the scheme are charged in the SOFA as they become payable.

Going concern

At the time of approving the financial statements, the Covid-19 pandemic has created significant economic uncertainty. Lockdown restrictions and the heightened concern over group gatherings have had a significant impact on the number of customers visiting the Keppleway Centre since March 2020. Government regulations, guides as to 'best practice', and the preferences and priorities of our major user groups are continually changing, all of which creates further uncertainty. We are aware of the support that Government has pledged to do everything they believe necessary. Where able, we have and will continue to take advantage of the support available to ensure that we continue to operate within our available cash reserves and bank facilities through this period of uncertainty.

The financial statements have been prepared on a going concern basis. The group has net current assets of £18,675 (2019: net current liabilities £36,815) and therefore without the realisation of tangible fixed assets is dependent upon the generation of future income from all sources, including Governmental Covid-19 support packages, and the continued support of its longer-term creditors to meet these and future liabilities as they fall due.

The short-term future remains uncertain as the route out of lockdown is negotiated. We continue to be encouraged by the grant support for Participation Inclusion Fund (PIF) and the business that comes from this, even in such a climate. In addition, the trustees are in the latter stages of negotiations with a supportive trust to secure c£460,000 of long-term finance to restructure the group's financial affairs. This loan to Keppleway Trust (KT) will be interest free for at least 3 years and will enable KT to purchase the freehold property currently owned by KT's subsidiary, Keppleway Ltd (KL). In good faith, to support KT and to assist the proposed future relationship, this trust has already provided the funds to replace the c£50k Barclays Business loan. The supportive trust is then expected to exercise their option to purchase the building from KT and lease back to KT, enabling KT to better focus on its charitable activities. As part of this arrangement a 5-year lease holiday will enable significant investment in the property itself. In turn KL will then repay its existing bank mortgage and thus substantially reduce overall interest costs for the group. The transaction will also ensure the sums due from KL to KT are also fully settled. Once the bank loan in KL has been settled, the new loan, together with an existing interest free loan of c£240,000 from this trust to KT will be secured on the freehold property. The Trustees of both charities are in favour of this in principle as, because of aligned aims, there is synergy and financial benefits.

The trustees recognise that during the very uncertain times of the Covid-19 pandemic and whilst legal documentation in respect of the finance restructure with the supportive trust remains unsigned there remain material uncertainties. However, The Trustees have noted the £50k advance receipt and considered the expected level of income and expenditure for the period of 12 months from the date of authorising these financial statements and believe the group can operate within the available cash reserves and bank facilities. Expenditure has been aggressively managed and significantly reduced. Other 'day income' possibilities have been explored with some success, other grant making trusts are actively considering adding their support and the bounce back loan is drawn down but unused by way of an additional insurance policy. Several potential new user groups have been identified and are making encouraging exploratory visits and some bookings for the future. The trustees also have every confidence that the above refinancing will be in place in the very near future and in view of all the above are satisfied the group will continue as a going concern for the foreseeable future.

On the basis of the above the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis

Notes (continued)

1. Accounting policies (continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

2. Donations and gifts

	2020		2019	
	Group £	Charity £	Group £	Charity £
Individuals	54,033	54,033	28,699	28,699
Donated facilities	9,566	9,566	9,566	9,566
Charitable foundations	17,254	17,254	10,131	10,131
Companies	25,000	25,000	-	-
	105,853	105,853	48,396	48,396

Of the £105,853 received in 2020 (2019: £48,396) £45,234 was restricted funds (2019: £14,715) and £60,619 was unrestricted (2019: £33,681).

The charity is indebted to individuals for providing interest-free loans to the group. The value placed on this contribution is £9,566 (2019: £9,566), (Trust £9,566 (2019: £9,566)). The income equivalent is recognised within incoming resources as a donation, and an equivalent charge is included within interest payable.

3. Grants received

	2020		2019	
	Group £	Charity £	Group £	Charity £
CGP	-	-	1,250	1,250
Keswick 2 Barrow	190	190	300	300
Proven Family Trust	400	400	-	-
Co-op Community Fund	-	-	3,076	3,076
Hadfield Trust	2,000	2,000	2,880	2,880
LCVS	-	-	250	250
Bruce Wake Charitable Trust	1,380	1,380	2,000	2,000
John Gilpin Trust	2,000	2,000	-	-
Bramall Foundation	10,000	10,000	-	-
Cumbria Community Foundation	1,500	1,500	-	-
Edward Gosling Foundation	3,600	3,600	-	-
Government Job Retention Scheme	38,320	38,320	-	-
SLDC Business Support Grant	25,000	-	-	-
	84,390	59,390	9,756	9,756

Of the £84,390 received in 2020 (2019: £9,756) (Charity: £59,390 (2019: £9,756)) £20,880 was restricted funds (2019: £9,456) (Charity £20,880 (2019: £9,456)) and £63,510 unrestricted funds (2019: £300) (Charity: £38,510 (2019: £300)).

Notes (continued)

4. Total expenditure – Group

	Staff costs	Other direct costs	Other allocated costs	2020
	£	£	£	£
Fundraising trading	-	836	-	836
Fundraising costs	3,282	12,000	-	15,282
Advertising	2,961	12,377	-	15,338
Provision of accommodation and activities	134,521	135,380	-	269,901
Other	9,848	5,176	-	15,024
Exceptional item	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	150,612	165,769	-	316,381
	<hr/>	<hr/>	<hr/>	<hr/>

	Staff costs	Other direct costs	Other allocated costs	2019
	£	£	£	£
Fundraising trading	-	1,227	-	1,227
Fundraising costs	3,687	760	-	4,447
Advertising	9,113	6,534	-	15,647
Provision of accommodation and activities	155,977	194,522	-	350,499
Other	11,061	3,432	-	14,493
Exceptional item	-	106,984	-	106,984
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	179,838	313,459	-	493,297
	<hr/>	<hr/>	<hr/>	<hr/>

Staff costs as per Note 6

Exceptional item

The exceptional item in 2019 represents a provision for diminution in value of freehold land and buildings.

Other direct costs include:

	2020	2019
	£	£
Accountants' remuneration	8,973	5,947
Depreciation	16,051	17,538
Interest payable	20,415	15,665
	<hr/>	<hr/>

Notes (continued)

4. Total expenditure (continued) – Charity

	Staff costs	Other direct costs	Other allocated costs	2020
	£	£	£	£
Fundraising costs	3,282	12,000	-	15,282
Advertising	2,961	12,377	-	15,338
Provision of accommodation and activities	134,521	125,873	-	260,394
Other	9,848	5,176	-	15,024
Exceptional item	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	150,612	155,426	-	306,038
	<hr/>	<hr/>	<hr/>	<hr/>

	Staff costs	Other direct costs	Other allocated costs	2019
	£	£	£	£
Fundraising costs	3,687	760	-	4,447
Advertising	9,113	6,534	-	15,647
Provision of accommodation and activities	155,977	200,379	-	356,356
Other	11,061	3,432	-	14,493
Exceptional item	-	27,477	-	27,477
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	179,838	238,582	-	418,420
	<hr/>	<hr/>	<hr/>	<hr/>

Staff costs as per Note 6

Exceptional item

The exceptional item in 2019 represents a provision for diminution in value of freehold land and buildings.

Other direct costs include:

	2020	2019
	£	£
Accountants' remuneration	5,176	3,432
Depreciation	13,161	14,648
Interest payable	9,577	9,566
	<hr/>	<hr/>

Notes (continued)

5. Trustees' remuneration

The Trustees received no remuneration during the year, either from the charity, or from Keppleway Limited in their capacity as directors (2019: £Nil). Reimbursement of travel and meeting expenses to trustees amounted to £Nil (2019: £Nil).

6. Staff numbers and costs

The total wages and salaries costs for the group were as follows:

	2020	2019
	£	£
Wages and salaries	140,133	167,444
Social security costs	4,924	6,887
Pension costs	5,555	5,507
Group total	150,612	179,838

There were no employees receiving more than £60,000 in the year (2019: None).

The average number of employees during the year, analysed by function, was as follows:

	Number of employees	
	2020	2019
Cost of generating funds	1	1
Charitable activities	4	4
Management and administration of the charity	3	3
Group total	8	8

Keppleway Limited now has a total of 2 (2019: 3) directors. The director who resigned from Keppleway Ltd in August 2020 remains a trustee of Keppleway Trust.

Notes (continued)

7. Pensions

Defined Contribution Scheme: contributions amounted to £5,555 (2019: £5,507). There were no amounts outstanding at the period end (2019: £Nil). Of the £5,555 in 2020 (2019: £5,507) £nil was restricted costs (2019: £nil) and £5,555 unrestricted costs (2019: £5,507).

8. Tangible fixed assets

Group	Freehold land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 October 2019	802,717	255,730	51,043	1,109,490
Additions	-	7,907	-	7,907
Disposals	-	(594)	-	(594)
At 30 September 2020	802,717	263,043	51,043	1,116,803
Depreciation				
At 1 October 2019	106,984	220,870	21,415	349,269
Charge for year	-	11,446	4,605	16,051
Disposals	-	(594)	-	(594)
At 30 September 2020	106,984	231,722	26,020	364,726
Net book value				
At 30 September 2020	695,733	31,321	25,023	752,077
At 30 September 2019	695,733	34,860	29,628	760,221

All of the fixed assets of the group are used by the group for direct charitable purposes.

Notes (continued)

8. Tangible fixed assets (continued)

Charity	Land and leasehold improvements	Equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2019	67,477	160,904	51,043	279,424
Additions	-	7,907	-	7,907
Disposals	-	(594)	-	(594)
At 30 September 2020	67,477	168,217	51,043	286,737
Depreciation				
At 1 October 2019	27,477	145,311	21,415	194,203
Charge for year	-	8,556	4,605	13,161
Disposals	-	(594)	-	(594)
At 30 September 2020	27,477	153,273	26,020	206,770
Net book value				
At 30 September 2020	40,000	14,944	25,023	79,967
At 30 September 2019	40,000	15,593	29,628	85,221

All of the charity's fixed assets are used by the charity for direct charitable purposes.

Notes (continued)

9. Investments

Fixed asset investments: Investments in subsidiary undertaking

	2020 £	2019 £
Charity		
Ordinary £1 shares in Kepplewrap Limited		
Cost at 1 October 2019 and 30 September 2020	116,000	116,000
Net book value		
Net book value at 1 October 2019	45,000	116,000
Unrealised loss on investment	(17,000)	(71,000)
Net book value at 30 September 2020	28,000	45,000

10. Debtors

	2020 £	2019 £
Group		
Trade debtors	3,353	8,580
Other debtors	3,383	7,272
	6,736	15,852
Charity		
Trade debtors	3,353	8,580
Other debtors	3,383	7,272
Group company (*)	192,788	195,109
	199,524	210,961

*The amount owing from the group company is due after more than one year. The charity's subsidiary company, Kepplewrap Limited, is currently reliant on the charity to assist with bank loan repayments. Kepplewrap Limited is not currently in a position to repay the group debt. Accordingly, this debtor is stated as being due after more than one year. As stated in note 1, page 14, Going Concern, the Trustees are in negotiation with a supportive trust to secure long-term finance to restructure the group's financial affairs which will assist with the repayment of outstanding debts.

Notes (continued)

11. Creditors: amounts falling due within one year

	2020 £	2019 £
Group		
Bank loans and overdrafts	28,500	23,500
Trade creditors	13,780	24,910
Other taxation and social security	3,799	5,028
Accruals and deferred income	39,842	53,295
	<hr/> 85,921 <hr/>	<hr/> 106,733 <hr/>

Movements in deferred income are as follows:

	2020 £	2019 £
Balance at 1 October 2019	42,353	33,562
Amount (released)/deferred in the year	(16,030)	8,791
	<hr/>	<hr/>
Balance as at 30 September 2020	26,323	42,353
	<hr/>	<hr/>

The bank loan and overdraft are secured by a first legal charge over the land and buildings of Kepplewray Limited.

	2020 £	2019 £
Charity		
Bank overdraft	-	-
Trade creditors	11,237	22,378
Other taxation and social security	1,157	2,475
Accruals and deferred income	36,842	50,795
	<hr/> 49,236 <hr/>	<hr/> 75,648 <hr/>

Movements in deferred income are as follows:

	2020 £	2019 £
Balance at 1 October 2019	42,353	33,562
Amount (released)/deferred in the year	(16,030)	8,791
	<hr/>	<hr/>
Balance as at 30 September 2020	26,323	42,353
	<hr/>	<hr/>

Notes (continued)

12. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Group		
Bank loans	495,730	454,841
Other loans	239,140	239,140
	<u>734,870</u>	<u>693,981</u>
Analysis of loans		
	£	£
Wholly repayable within five years:		
By instalments	48,221	49,492
Other than by instalments	239,140	239,140
Not wholly repayable within five years:		
By instalments	447,509	405,349
Other than by instalments	-	-
	<u>734,870</u>	<u>693,981</u>
Included in current liabilities	<u>(28,500)</u>	<u>(23,500)</u>
	<u>706,370</u>	<u>670,481</u>

Notes (continued)

12. Creditors: amounts falling due after more than one year (continued)

The Barclays Bank loan (£397,509) is repayable over twenty-five years and will be repaid in full by December 2033. It bears interest at 2% over base rate. The bank loan is secured by a fixed charge over the freehold property of Keppleway Limited. A flexible business loan with Barclays Bank was taken out in November 2015, also secured by a fixed charge over the freehold property of Keppleway Limited. This loan has since been repaid in full in March 2021. The aggregate amount of secured liabilities at 30 September 2020 amounted to £445,730 (2019: £454,841).

A government-secured bounce back loan for £50,000 was taken out with Barclays Bank in July 2020, to ease the impact of the coronavirus restrictions.

Other loans totalling £239,140 (2019: £239,140) are interest free. The Directors and Trustees have received assurance from the lender confirming there is no obligation to repay before January 2022.

	2020 £	2019 £
Charity		
Other loans	239,140	239,140
Bank loans	-	-
	<u>239,140</u>	<u>239,140</u>
	<u><u>239,140</u></u>	<u><u>239,140</u></u>
 Analysis of loans		
	£	£
Wholly repayable within five years		
By instalments	-	-
Other than by instalments	239,140	239,140
Not wholly repayable within five years		
By instalments	-	-
Other than by instalment	-	-
	<u>239,140</u>	<u>239,140</u>
Included in current liabilities	-	-
	<u>239,140</u>	<u>239,140</u>
	<u><u>239,140</u></u>	<u><u>239,140</u></u>

**13. Analysis of group net assets between funds
2020**

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Group			
Tangible fixed assets	-	752,077	752,077
Current assets	40,013	64,583	104,596
Current liabilities	-	(85,921)	(85,921)
Long term liabilities	-	(706,370)	(706,370)
	<u>40,013</u>	<u>24,369</u>	<u>64,382</u>

2019

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Group			
Tangible fixed assets	-	760,221	760,221
Current assets	22,145	47,773	69,918
Current liabilities	-	(106,733)	(106,733)
Long term liabilities	-	(670,481)	(670,481)
	<u>22,145</u>	<u>30,780</u>	<u>52,925</u>

14. Statement of funds - Group

2020

	General funds	Restricted funds	Total
	£	£	£
At beginning of year	30,780	22,145	52,925
Income and endowments	264,366	66,114	330,480
Resources expended	(275,411)	(40,970)	(316,381)
Transfer	7,276	(7,276)	-
Tax payable	(2,642)	-	(2,642)
	<u>24,369</u>	<u>40,013</u>	<u>64,382</u>

2019

	General funds	Restricted funds	Total
	£	£	£
At beginning of year	168,860	21,724	190,584
Income and endowments	334,020	24,171	358,191
Resources expended	(470,578)	(22,719)	(493,297)
Transfer	1,031	(1,031)	-
Tax payable	(2,553)	-	(2,553)
	<u>30,780</u>	<u>22,145</u>	<u>52,925</u>

Notes (continued)

14. Statement of funds – Group (continued)

The general reserve represents the free funds of the charity which are not designated for particular purposes.

The other transfers made between funds (as shown in the statement of financial activities) relate to restricted income which has been expended on assets and is no longer required to be shown within the restricted funds balance.

15. Subsidiary company

The charity owns the whole of the issued share capital of Kepplewray Limited, a company registered in England. The subsidiary owns the property leased to the charity, from which the charity's activities take place. All activities of the company have been consolidated on a line by line basis in the SOFA.

A summary of the results of the subsidiary is shown below:

Kepplewray Limited

	Total 2020	Total 2019
	£	£
Turnover	9,498	34,792
Cost of sales	(836)	(1,227)
Gross profit	8,662	33,565
Administrative expenses	(22,899)	(27,270)
Other operational income	25,000	-
Exceptional item	-	(79,507)
Net profit/(loss)	10,763	(73,212)
Tax payable	(2,642)	(2,553)
	8,121	(75,765)
The aggregate of the assets, liabilities and funds was:		
Assets	724,274	676,986
Liabilities	(696,702)	(657,535)
	27,572	19,451

Notes *(continued)*

16. Related party transactions

There were no related party transactions during the current year. Loans totalling £29,600 from Reverend J R Libby (trustee) and Mrs D Libby to Keppleway Trust were repaid in full during the previous year. Loans totalling £65,500 from J H Powley (previously a trustee) to Keppleway Ltd were repaid in full during the previous year.

17. Taxation

As a charity, Keppleway Trust is exempt from tax on income and gains falling within sections 472-474 of the Corporation Tax Act 2010, sections 478-489 of the Corporation Tax Act 2010, or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

18. Control

There is no single controlling party of the Trust in the current and previous year.

19. Operating Lease

Keppleway Trust leases the premises from Keppleway Limited under a 99 year lease dated 1 January 1995. The annual rental is subject to occupancy levels but will not exceed £70,000 plus VAT.

Detailed Trust income and expenditure account for the year ended 30 September 2020

	2020 £	2019 £
Incoming resources		
Donations	77,780	25,509
Grants received	21,070	9,756
Gift aid and covenant income	28,073	22,887
Accommodation income	136,244	295,750
Other income	6,482	21
Events	1,405	2,603
Government grants	38,320	-
Total incoming resources	309,374	356,526
Direct charitable expenditure		
Salaries	150,612	179,838
Freelancers	9,203	15,590
Bethesda costs	18,629	10,719
Expenses	204	551
Staff costs	178,648	206,698
Rental	8,583	33,127
Rates and premises cost	18,715	24,073
Repairs and maintenance	16,367	39,415
Accommodation provision costs	29,542	50,341
Establishment costs	73,207	146,956
Total direct charitable expenditure	251,855	353,654
Other expenditure		
Advertising & Marketing	12,377	6,535
Fundraising	12,000	760
Other costs	24,377	7,295
Telephone, postage and carriage	1,776	1,997
Audit and accountancy	5,176	3,432
Bank charges and interest	481	598
Loan interest	9,577	9,566
Depreciation and profit on disposal of fixed asset	12,796	14,401
Administrative expenses	29,806	29,994
Exceptional item	-	27,477
Unrealised loss on investment	17,000	71,000
Total expenses	323,038	489,420
Net movement in funds	(13,664)	(132,894)

This page does not form part of the statutory financial statements.

📍 Offices in: Preston, Blackpool, East Midlands, Kendal, Kirkby Lonsdale, Lancaster, Liverpool, Manchester and Southport

💻 mooreandsmalley.co.uk

🐦 @MooreandSmalley



Moore and Smalley LLP is a limited liability partnership that is registered in England and Wales under registration number OC313896 whose registered office is Richard House, 9 Winckley Square, Preston, Lancashire, PR1 3HP. The term "partner" indicates a member of the LLP who is not in partnership for the purposes of the Partnership Act 1890 and a list of members is available from the registered office. The LLP trades as MHA Moore and Smalley and is registered to carry on audit work in the UK by The Institute of Chartered Accountants in England and Wales and is authorised and regulated by the Financial Conduct Authority. Moore and Smalley LLP trading as MHA Moore and Smalley is a member of MHA, an independent member of Baker Tilly International Limited, the members of which are separate and independent legal entities. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity, and each describes itself as such. Moore and Smalley LLP is not Baker Tilly International's agent and does not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Moore and Smalley LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. Arrandco Investments Limited is the registered owner of the UK trade mark for the name Baker Tilly. The associated logo is used under licence from Baker Tilly International Limited.

Moore and Smalley C.A. Limited is a limited company that is registered in England and Wales under company number 5373155. Its directors are Deborah Wood FCA and Christine Wilson FCA and its registered office is Richard House, 9 Winckley Square, Preston, Lancashire, PR1 3HP. Moore and Smalley C.A. Limited is a wholly owned subsidiary of Moore and Smalley LLP and trades as MHA Moore and Smalley.

Moore and Smalley LLP (Blackpool) is a member of AISMA, Association of Independent Specialist Medical Accountants.

Moore and Smalley C.A. Limited (Nottingham) is a member of AISMA, Association of Independent Specialist Medical Accountants.