

Financial Statements

For the year ended 31 December 2022

THE KESWICK CONVENTION TRUST

Company No: 03913741

Charity No: 1083584

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THE KESWICK CONVENTION TRUST – COMPANY LIMITED BY GUARANTEE

Reference information

ADDRESS: Rawnsley Centre
Main Street
Keswick
Cumbria
CA12 5NP

REGISTERED CHARITY NUMBER: 1083584

COMPANY REGISTRATION NO: 03913741

WORKING NAME: Keswick Ministries

GOVERNING DOCUMENT: Memorandum and Articles of Association

TRUSTEES: Mr S Adam, Treasurer
Dr T Chester (Retired 20 April 2022)
Mr D Gascoigne
Mr S Hale
Mrs C Heath-Whyte
Dr J McQuoid, Chairman
Rev A Paine
Mrs A Putt
Mr M Salter
Rev Dr M Sleeman
Mr J Taylor
Mrs J Whitehouse (Retired 31 October 2022)
Mr M J Byatt (Appointed 30 June 2023)

MINISTRY DIRECTOR & CEO: Rev Dr J Robson

OPERATIONS DIRECTOR: Mrs Jodi Whitehouse (Took up position 1 November 2022)

CHIEF OPERATING OFFICER: Mr D Sawday (Stood down as COO 31 January 2022)

COMPANY SECRETARY: Mr S Overend

AUDITOR: Mazars LLP, 5th Floor, 3 Wellington Place, Leeds, LS1 4AP

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

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

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

BANKERS: HSBC plc, 1 Market Square, Penrith CA11 7SN

REPORT OF THE DIRECTORS

The Directors present their Annual Report and Financial Statements for the year ended 31 December 2022.

DIRECTORS AND OFFICERS

The following directors held office for the whole of the year to 31 December 2022 and to the date of this report unless otherwise stated:

Mr S Adam, Treasurer
Dr T Chester (Retired 20st April 2022)
Mr D Gascoigne
Mrs C Heath-Whyte
Mr S Hale
Dr J McQuoid, Chairman
Mr M Salter
Rev A Paine
Mrs A Putt
Rev Dr M Sleeman
Mr J Taylor
Mrs J Whitehouse (Retired 31st October 2022)
Mr M J Byatt (Appointed 30th June 2023)

KESWICK MINISTRIES VISION

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

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

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

Over the last few years, we have been able to extend our activities into an all-year-round ministry, through the Derwent Project. As we look to address the spiritual need of the nation for in-depth Bible teaching and for the equipping of leaders to open the gospel to others, the Derwent Project creates a facility which will help inspire and equip many more Christians of all ages and backgrounds with a variety of callings, so they can return to their homes, places of work and ministries to help further God's mission in whichever capacity they serve.

The Derwent Project centres on the site of Keswick's former Pencil Factory which adjoins the Rawnsley site where Keswick Ministries already has offices. The combination of the two sites allows the Convention to be brought together in one place and provides facilities for year-round training courses and conferences. Over the last few years, the old Pencil Factory building has been gutted and completely refurbished to provide modern, light and airy meeting spaces. In 2021 we had use of the ground floor and by the time of the 2022 Convention, had use of all the spaces across all three floors. The facilities have also been used by other local and visiting groups year-round, with lots of expressions of interest in using the facilities.

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

THE KESWICK CONVENTION AND LIVING WITH COVID

2022 marked the Keswick Convention's 147th year. The 2020 "in-person" Convention had to be cancelled due to the global Covid pandemic. 2021 saw a convention compliant with Government Covid guidelines; a slimmed down Kids and Youth programme, and with registration introduced for the first time.

We are pleased to have been able to deliver a "nearer normal" three-week Convention in 2022, based on the Pencil Factory and Rawnsley sites. Ahead of Convention work was undertaken on Phase 2 of the Pencil Factory building refurbishment, which saw the first and second floors brought into use, giving us use of all the space across the three floors. The country (and indeed the world) was still living with Covid. No formal restrictions were placed on us, and we took reasonable pragmatic steps to keep the event "Covid-safe". Understandably numbers were down on pre-pandemic levels. There was a generally younger demographic and many people, including families, attending for the first time.

The Convention relies on over 650 volunteers who enable us to deliver the event safely and effectively. This is a very popular way to serve. Keswick Ministries provides accommodation and meals and offers travel expenses; many volunteers return year after year to help. We are hugely indebted to these volunteers, without whom the Convention could not take place.

Volunteers undertake a wide variety of practical tasks during the Convention (kids, youth and young adults work, welcome team, catering, café, finance, gift processing and reception teams). We provide appropriate training, including safeguarding and counter terrorism awareness, and carry out the necessary DBS safeguarding checks.

RESOURCES

Keswick Ministries continues to publish literature and on-line resources that build on and support the teaching of the Convention. In 2022 we published three Food for the Journey devotionals – Hope, Holiness, and Love as well as the Grateful study guide. Peter Maiden's book Radical Gratitude (published previously) was our theme book for the 2022 Convention.

Our regular podcasts – The Keswick Podcast and Kes Talks – continue to be well received and can be accessed via all podcasting apps.

THE DERWENT PROJECT

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

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

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

Having rebased our offices to the Rawnsley site we have been able to let the former Skiddaw Street office space and an adjoining room to a local charity. We have also sought to increase the usage of the accommodation and have had some early success making rooms available on Airbnb. The former amenity block and "bunk room" at Skiddaw Street are also being converted into accommodation which can be used by staff, volunteers or made available on longer term let, as needs dictate.

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

In summary the principal goals of the Derwent Project are:

- to secure the future of the three-week summer Keswick Convention on an integrated site.
- to provide a facility for Christian teaching and training all year round.
- to serve churches and other Christian organisations in the UK and beyond, particularly serving Cumbria and the north.

We are also committed to ensuring that the local town of Keswick benefits from our activities. This will be achieved by making facilities available for local groups to use, and by attracting businesses to hold conferences within the Pencil Factory building and use local facilities while here. It has been pleasing to see the facilities being used by a number of local groups, as well as being used as a base for ultra-marathons and triathlons. Keswick Tourism Association and Cumbria Tourism have both held members events attracting several hundred people, with lots of enthusiasm and expressions of interest in using the facilities that we are now able to make available.

The Derwent Project was launched at the 2015 Convention and has been given a significant profile since then at each Convention. In 2019 there were dedicated evening presentations including a video, and in the afternoons, there was a presentation and tour of the Pencil Factory building. During the Virtual Convention in 2020 the project was promoted via video. In 2021 people were able to see the great progress that had been made with the front of the building insulated and rendered, and with new windows; tours were run again and well received. In 2022 with the project nearing completion and all the spaces in use, we ran tours again. We have been very encouraged by the overwhelmingly positive response to the project, and the appeal for financial support.

We have committed to an active programme of engagement with the local community, presenting the positive case for Ministry and the Derwent Project, and explaining the benefits which will flow to the local area. As mentioned above, there have been a number of enquiries and expressions of interest in using the facilities, which can only be good for the town of Keswick and for Keswick Ministries.

Funding raised so far has allowed us to purchase the site, obtain Planning Permission and complete Phases 1 and 2, making the whole building usable ahead of the 2022 Convention. Phase 3 will see the completion of the Derwent Project, with funds required to undertake this work and repay interest free loans from generous supporters.

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

With the completion of the refurbishment in sight, an Open Day was held on 3rd February, with afternoon and evening options to give maximum opportunity for attendance. Supporters, contractors, and potential hirers were invited, and an open invitation was placed in the local paper.

TEACHING AND TRAINING EVENTS

As part of the extension of the ministry, our Teaching and Training courses and workshops go from strength to strength. These have run in each of the last six academic years. The 2022/23 programme was launched at the 2022 Convention, with 17 courses, including 6 monthly Hebrew Workshops, run over the period.

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

The ever-popular Pastoral Refreshment Conference, run in conjunction with Living Leadership, was fully booked for 2022 well before Christmas, demonstrating the need for those in church leadership (and their spouses) to be refreshed for their service in the local church. In February 2023 we ran two PRC's back to back to increase capacity, and were able to accommodate over 100 people.

A new initiative – Faith in the second half – in partnership with Faith in Later Life, was launched in 2021 with great success. The planned in-person event had to be switched to an online offering, but it was well received. We ran a successful event in Keswick in May 2022, with another planned for 2023. A new initiative – Leading WELL – for elders and lay leaders was delivered in March / April with input from FIEC among others. Our first Art Retreat was run in April 2022. These new courses have been very much appreciated and we plan to build on these with further events in 2023 and beyond.

We have also launched Churches Weekend Away, to allow smaller fellowships who might not be able to organise an event of their own to share with others. Keswick Ministries will provide Bible Teaching and worship. The first event was held in Spring 2023 with more than 200 people from 4 churches attending.

As word spreads the courses and workshops are attracting increasing numbers of delegates, many of whom have had no previous connection with us. Some courses are starting to “sell out”. Feedback from delegates is overwhelmingly positive, with many people returning when courses are run again and recommending them to others.

THE KESWICK FELLOWSHIP

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

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

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

Understandably Covid led to a number of these events moving on-line or having to be cancelled. Some have found it harder to restart, others have returned with a flourish. We continue to be encouraged by enquiries around setting up new events.

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

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

A small consultation of international Keswicks took place in August 2016, which also affirmed the value of such informal networking and prayerful support. A similar two-day event was held in September 2019 for anyone who is part of the Keswick Fellowship in the UK and those planning to set up a new one. We facilitate informal meetings of those leading Fellowships at the Convention. We are currently planning to hold a gathering of UK and International Keswicks in 2025, the 150th anniversary of the Convention.

GIVING AND INCOME

There is no charge to attend the Convention. We want to be open to all people just as churches across the land are open to everyone. We encourage giving at the event and throughout the year. During the Convention, and through printed and on-line resources, we explain the finances of the event and the funding needs of the Derwent project.

During 2019 we also launched a new fund-raising programme specifically for the Derwent Project. This involved a fundraising letter to all our supporters, events for donors in London and Glenridding (in Cumbria) and applications to Christian Trusts. In 2020 and 2021 fundraising was lower-key due to the pandemic, though fundraising letters were sent out at Easter and pre-Christmas 2021 and provided a much-needed boost to funding particularly for the Derwent Project.

Total giving was at a record level in 2019 with several larger gifts in support of the Derwent Project. Not surprisingly, in the light of Covid, giving in 2020 and 2021 was lower, but total income still covered all our expenditure. Additional income streams include the letting of our facilities to other groups and organisations, and car parking. For 2022 we planned a deficit budget mindful of the one-off costs associated with holding our first "normal" Convention on the new site. In God's kindness an anonymous gift has more than covered that deficit and provided much needed funding for the Derwent Project.

The flat standing areas at the Rawnsley Centre and the former Pencil Factory Site are used to provide car parking spaces for visitors to the town. This has become an important source of income for us. Keswick Ministries owns the entire share capital of Keswick Convention Projects (Rawnsley) Limited, a trading company that operates these car parking facilities. During 2019 we also applied for planning permission to operate the flat standing at the Skiddaw Street site as a private permitted car park, and this was brought into use in Spring 2021. Spaces are available to Guest House owners and others for periods ranging from three days to one year. We have also provided four electric vehicle charging points at Skiddaw Street.

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

The directors permit a bookshop to operate during the Convention selling Christian literature that align with our values and beliefs. This provides a source of income; nominal 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. The camp was fully booked in 2022 and covered its costs with a small surplus.

ACHIEVEMENTS, PERFORMANCE AND FUTURE PLANS

KEY PERFORMANCE INDICATORS:

Financial:

- We aim to cover annual running costs each year; this was achieved in 2022 despite all the challenges of Covid, and the state of the economy following Russia's invasion of Ukraine and soaring inflation. For 2023 we have planned and budgeted for a nominal deficit which is covered by reserves.
- For the Derwent Project we have raised £7.25m of our £8m target, with a further £1.4m of loans received, and have every confidence of achieving the full amount by the time of the 2023 Convention. Work is being commissioned when we have clear visibility of available funds.

Non-Financial:

- The Convention continues to be our main activity and it receives very positive feedback in terms of 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.
- The growing programme of year-round teaching and training events is also being well attended and receiving very positive feedback.
- Good relations with the local Christian, and wider community, have been built on, with senior members of the staff team engaging widely. We have also continued our engagement with the local community, including our quarterly Town Liaison Forum with members of the local community, town councillors, businesses and statutory agencies.
- Keswick Ministries partners with different Christian organisations to help take forward its objectives.
- Significant site and building works have been undertaken on the Pencil Factory site, and refurbishment of the former Pencil Factory building is nearing completion. Having brought the ground floor into use for the 2021 Convention, work was undertaken so that the remaining two floors were able to be used for the 2022 Convention.

RISK MANAGEMENT

The Trustees regularly review the risks to which the charity is exposed, so that reasonable measures are taken to reduce and manage them and to obtain insurance cover where this is financially sensible. A risk review procedure is in place to identify the most significant risks and the Trustees check that appropriate remedial action has been taken. A Risk Management framework was put in place adopting best practice from the April 2017 Mazars Charity Conference and guidance from the Charity Commission. We are advised on Health and Safety issues by an external contractor.

Keswick Ministries take safeguarding seriously. We are committed to the safeguarding of children and adults with care and support needs and to ensuring their wellbeing. A trustee lead on safeguarding was appointed – following their appointment to a staff role F&GP are overseeing safeguarding. We undertook a review of our Safeguarding Policy and procedures ahead of the 2022 Convention. Further work is underway building on this, working with Christian Safeguarding Services and to ensure that safeguarding is appropriately prioritised. E-learning modules have been developed for staff, Kids and Youth team, and other key roles. Safeguarding is an agenda item at all trustee meetings.

Trustees, staff and volunteers are instructed in the risk management policies that are appropriate to the work that they undertake.

Monthly calls have been introduced with key members of the Finance and General Purposes Committee and staff team, to review our management accounts; agree expenditure plans linked to cash flow, and to manage the Risk Register.

Local public relations issues are taken seriously, and regular consultative meetings are held with representative bodies across the town. We refreshed our Town Liaison Forum in November 2017, meeting with businesses, Keswick Town Councillors and official agencies representatives on a quarterly basis as indicated above.

A review of our key policies has been undertaken and a system put in place to ensure their regular review by a trustee and staff "owner".

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 May. The following have been identified as the main areas of risk:

Financial:

- General & Derwent Fundraising: The risk of raising insufficient funds to cover annual running costs, which is mitigated by a very broad support base, non-donor income streams, adequate reserves, tight management of expenditure and the provision and review of monthly management accounts. We are nearing the end of the Derwent Project needing c£0.75m of our original £8m target, plus £1.45m to repay interest free loans. We have also been exploring commercial borrowing options.

Organisational Resourcing, 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.
- A number of changes in the core team present challenges and opportunities that are being worked through with a view to ensuring that we have the right team in place to deliver the ministry the Lord has so clearly led and used over so many years.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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

Under the Trust Deed directors are known as Trustees. The Council of Management consists of the Trustees who meet three times a year, normally 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 (or if deemed necessary for a further three-year term); and may remain in office until age 70 years.

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

New Trustees are required to follow an induction process which consists of being introduced to the operations of the Trust, normally attending one Council meeting before being formally appointed, and are offered appropriate formal training in their responsibilities. A new process on "induction" and "buddying" at Convention has been introduced for newly appointed trustees, and all trustees have undertaken a Safeguarding for Trustees course facilitated by Thirtyone:eight.

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

Throughout 2022 the staff team was headed up by Ministry Director, James Robson. Jodi Whitehouse was appointed Operations Director, taking up her role on 1st November, with Simon Overend the Company Secretary reporting to her. There has been some significant staff turnover during 2022; we look forward to a period of stability through 2023. The staff team meet daily for devotions and have an alternative fortnightly staff meeting / Convention Planning Meeting; those not in the office join by Zoom.

With the completion of the building element of the Derwent Project in sight, the trustees and Ministry Director have sought to reshape the staff team to meet the ministry opportunities and related support need before us. This has resulted in the departure of COO David Sawday on 31st January 2022. Jodi Whitehouse took up the new Operations Director post on 1st November, with an events delivery and facilities brief. Emma Harrison joined the team as Head of Communications and Development in July 2022; we have appointed Something More Creative to assist "tell our story". There have been some changes to support roles and reporting lines.

The Keswick Ministries vision is articulated through a Vision Document prepared by Ministry Director, James Robson. It had a five-year horizon running to 2022 including planning, resourcing, and delivery. The pandemic has meant that the end point has been delayed somewhat. The Ministry Director, Operations Director and trustees have started the process of looking at the next phase of the vision. The Trustees (directors) have unanimously supported this document.

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

Local Engagement

- We are committed to the benefits of the Convention and the Derwent Project also flowing through to the town of Keswick. We want Keswick Ministries and its operation to be a source of pride and benefit locally. Within the constraints of the pandemic, we have continued with a number of initiatives to build on engagement within the town. These include the Town Liaison Forum, a local sourcing policy, and the promotion of local businesses via our Enjoy Keswick website. We have attended occasional Keswick Tourism Association meetings by invitation, and promote an open dialogue with local stakeholders.

Independence of Trustees:

- The breath and independence of the ministry is a key strength and is maintained by a process of regular review of the needs and open discussion of those who might serve and complement the team. There were no changes during 2021. Tim Chester stood down at the end of his second term of office in April 2022 whilst remaining fully committed to supporting Keswick Ministries. The trustees are actively looking at who might be invited to join them, informed by a skills audit and mindful of pending retirements over the next few years as some long-standing trustees complete their term of service.

Reputation:

- Areas of reputational risks include – ministry, morality, health and safety, safeguarding, company and charity compliance. We are well served by the Finance and General Purposes Committee, where we have finance, accounting, and legal expertise, and by our professional advisors. We also subscribe to relevant publications, and to Companies House and Charity Commission email updates.

The Council and staff remain committed to sustaining the clear focus of the organisation around its primary charitable objectives, whilst also seeking to put in place the foundations for the future development of the ministry under the Lord's leading. Our values use the mnemonic CHRIST – Commitment, Humility, Respect, Integrity, Stewardship and Teamwork, with the overriding call to Christlikeness.

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 a Convention bookshop. As mentioned above, we have also partnered again with Living Leadership to deliver the Pastoral Refreshment Conference; an event held over three days "to provide an oasis for those in church leadership." A fourth PRC was held online 2021. We ran an "in-person" event again in February 2022 and were fully booked well before Christmas. In February 2023 two PRC's were held back to back to increase capacity. Other Teaching and Training events are also delivered in partnership with other organisations and appropriately gifted trainers.

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

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

On Monday 3rd April Keswick Ministries announced that, following the summer 2023 Keswick Convention, Ministry Director, the Rev. Dr James Robson, will be leaving to become Principal of Oak Hill College in London. Keswick Ministries congratulate James on his new appointment and wish him God's richest blessing as he continues to serve the Lord at Oak Hill College. Keswick Ministries will always be grateful to James for his godly and sure-footed leadership over the last 6 years, which has included safely navigating the ministry through the covid pandemic, undertaking a major refurbishment of the new ministry site (The Derwent Project) and the development and growth of our year-round teaching and training programme. Keswick Ministries trustees are actively seeking a new Ministry Director to work with the board and the dynamic staff team, building on the excellent foundation James has laid.

FINANCIAL REVIEW

General

The Trustees' financial objectives are twofold:

- To raise sufficient funds to meet the cost of the Trust's current activities and to develop new activities.
- To raise sufficient additional money to complete the refurbishment of the Pencil Factory building to provide further accommodation for Convention activities, and conference facilities, not just to host ministry activities in pursuit of our objectives at other times of the year, but also to be available for external hire.

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

Summary of Financial Position

The financial results are set out in the Statement of Financial Activities on page 20 and can best be described under two headings; The General Fund (unrestricted) and Derwent & Mission Hospitality Fund (restricted).

The General Fund had income for the year of £2,379,632 compared with £1,425,782 in 2021, an increase of 67%. Expenditure, at £1,824,192 was some 35% higher than in 2021 (£1,351,951). Taken together, 2022 produced a net surplus of £555,440, compared with a net surplus of £73,831 in the previous year. During the year we received a very substantial donation of £1.2m, which was split between the General and Derwent Funds and which accounts for the improvement in the financial position. Without this the General Fund would have been in deficit to the tune of nearly £300k. We are very thankful that giving to the General Fund has held up well in what has been another year of great uncertainty following the pandemic. Costs, following the pandemic, have risen quite substantially.

With regards to the Derwent Project and Mission Hospitality Fund (Restricted Funds) the financial results in 2022 are also very pleasing. Income was £802,157 compared with £804,923 in the previous year, a small reduction of 0.3%. Expenditure was £123,082 (2021 - £313,840) leaving a net surplus of £679,075 (2021 - £491,083).

The Derwent Project, which is now in its eighth year, accounts for the vast majority of the restricted income and expenditure.

The Mission Hospitality Fund included in these numbers, has not had an appeal or special offering for the last seven years because of the focus on Derwent. Income for this fund was £5,644 in the year compared with £2,957 in 2021; the balance on this Fund is now £4,935 (see note 16). This fund enables missionaries to attend, and benefit from, the Convention who otherwise wouldn't be able to do so.

The Restricted Funds balance at the year-end, of (£745,065) (2021 – (£322,291)), relates almost entirely to the Derwent Project.

Total income (restricted and unrestricted) amounted to £3,181,789 compared to a previous year's total of £2,230,705. After deducting expenditure, the net surplus for the year was £1,234,515 (2021- £564,914).

Once again the Trustees are thankful for the continuing high numbers supporting the ministry, and for their generosity in both prayer and giving.

DONATIONS AND LEGACIES

The activities of the charity are financed almost entirely by voluntary gifts throughout the year, offerings taken during Convention and legacies. Legacies of £12,502 (2021 - £155,906) were recognised during the year.

We gratefully acknowledge the many unrecorded gifts of time and expertise given by so many during the course of the year, without which our operating costs would increase greatly.

FUNDRAISING

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

When the Derwent Project was launched in the summer of 2015, the financial needs of the project were laid before our supporters, with supporting material, and they have responded magnificently. Normally we update our supporters on plans and progress at the annual Convention, and by means of regular newsletters.

We have worked with design agencies to produce quality campaign material, and are registered with the Fundraising Regulator complying with their standards. In addition we have Trustees, and a minister-at-large, who is a former trustee with fund-raising experience. These areas are overseen by our Treasurer and the Finance & General Purposes Committee of the Council.

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

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

RESERVES POLICY

In addition to the Designated Reserves set out in Note 16, the directors have agreed a General Reserves policy designed to meet the required level of working capital given the cyclical nature of cash flow; General Reserves of £300,000 to £500,000 are considered appropriate. As such the General Reserves of £457,001 are considered to be adequate.

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

REMUNERATION POLICY

The pay of the senior staff is set so as to be fair in the light of prevailing rates in other Christian charities, and the locality, and to ensure that the right calibre of people can be recruited to key roles. The Trustees review salaries annually and usually make a cost of living increase to all staff. Total pay and benefits in the year was £441,454 (2021 - £413,957), an increase of 6.6% (see note 7).

TANGIBLE FIXED ASSETS

The assets and related depreciation, including rates of depreciation are set out in Notes 1 and 8.

PUBLIC BENEFIT

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

The physical and spiritual refreshment gained by those who attend the Convention provides a direct public benefit by the deepening of the spiritual life of the individuals and, through the individuals, their church communities and, through those church communities, the wider communities in which the churches are set. In 2022 much of this benefit was achieved through having the Convention available on-line, as well as through the physical event; the on-line material being accessed by many thousands of people from all over the world.

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

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

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

INVESTMENT POLICY

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

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

DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

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

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

to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

By order of the Directors

A handwritten signature in black ink, appearing to read 'Steve Adam', written in a cursive style.

Steve Adam (Treasurer)

Date: 21/07/2023

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

Opinion

We have audited the financial statements of Keswick Convention Trust (the 'charity') for the year ended 31 December 2022 which comprise Statement of Financial Activities, Balance Sheet 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 2022 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report which includes the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report including in the trustees' report has been prepared in accordance with applicable legal requirements.
- 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 Trustees and from the requirement to prepare a Strategic Report.

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 strategic report or the directors' report.

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

Responsibilities of Trustees

As explained more fully in the trustee' responsibilities statement set out on page 14, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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 the financial statements. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Charities Act 2011, UK tax legislation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off assertion), the classification of income and expenditure, valuation of investment properties, the treatment of transactions related to the Derwent Project and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.



David Hoose (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: 7 August 2023

Statement of Financial Activities (including income and expenditure account)
For the year ended 31 December 2022

	Note	Unrestricted Funds	Restricted Funds	Total Funds	2021 Total funds (note 23)
		£	£	£	£
Income and endowments from:					
Donations and legacies	3	1,908,420	802,157	2,710,577	1,891,928
Charitable activities		83,164	-	83,164	28,015
Other trading activities		54,906	-	54,906	38,330
Investments	3	221,099	-	221,099	203,546
Rents and licence income		92,420	-	92,420	57,405
Other		19,623	-	19,623	11,481
Total		2,379,632	802,157	3,181,789	2,230,705
Expenditure on:					
Raising funds	5	65,503	67,939	133,442	196,107
Charitable activities	4, 5	1,758,689	55,143	1,813,832	1,469,684
Total		1,824,192	123,082	1,947,274	1,665,791
Net income		555,440	679,075	1,234,515	564,914
Revaluation of investment property	9	-	-	-	770,000
Transfers between funds	16	1,101,849	(1,101,849)	-	-
Net movement in funds		1,657,289	(422,774)	1,234,515	1,334,914
Reconciliation of funds:					
Total funds brought forward		11,220,430	(322,291)	10,898,139	9,563,225
Total funds carried forward		12,877,719	(745,065)	12,132,654	10,898,139

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

All income and expenditure derives from continuing activities.

Balance Sheet
As at 31 December 2022

Company number: 03913741

	Note	Total Funds	Total funds
		2022	2021
		£	£
Fixed assets			
Tangible assets	8	9,633,218	7,751,862
Investments	9	2,907,505	2,910,220
Deposits	11	5,553	5,553
<i>Total fixed assets</i>		12,546,276	10,667,635
Current assets			
Debtors	10	153,062	178,590
Cash at bank and in hand	11	1,288,529	1,811,873
<i>Total current assets</i>		1,441,591	1,990,463
Liabilities			
Creditors: amounts falling due within one year	12	1,105,213	309,959
Net current assets		336,378	1,680,504
Total assets less current liabilities		12,882,654	12,348,139
Long Term Loans	13	750,000	1,450,000
Total net assets or liabilities		12,132,654	10,898,139
The funds of the charity:			
Restricted income funds	15, 16, 17	(745,065)	(322,291)
Unrestricted funds – Designated	16, 17	12,420,718	10,209,362
Unrestricted funds – General	16, 17	457,001	1,011,068
Total charity funds		12,132,654	10,898,139

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
and signed on their behalf by



Steve Adam (Treasurer)

21/07/2023

Statement of Cash Flows
For the year ended 31 December 2022

	Note	2022 £	2021 £
Cash provided by operating activities	21	1,236,479	1,004,634
Cash flows from investing activities:			
Interest		8,880	11,350
Rents from investments		212,219	192,197
Sale of tangible fixed assets		250	2,500
Sale of investments		2,194	-
Purchase of tangible fixed assets	8	(1,983,366)	(1,972,791)
Cash (used in) / provided by investing activities		(1,759,823)	(1,766,744)
(Decrease) / increase in cash and cash equivalents in the year		(523,344)	(762,110)
Cash and cash equivalents at the beginning of the year		1,817,426	2,579,536
Total cash and cash equivalents at the end of the year	11	1,294,082	1,817,426

Notes to the Financial Statements
For the year ended 31 December 2022

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 15.

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

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

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

d. Income

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

Income which is received for a specific purpose is accounted for within a restricted fund.

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

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

e. Expenditure

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

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

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

Notes to the Financial Statements
For the year ended 31 December 2022

Continued

f. Financial instruments

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

g. Debtors

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

h. Cash at bank and in hand

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

i. Creditors and provisions for liabilities

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

j. Fixed assets

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

The minimum capitalisation level is £1,000.

k. Fund accounting

The directors have retained the designated sums forming part of the charity's unrestricted funds to be used for particular purposes in the future as outlined in Note 16.

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

l. Investments

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

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

m. Public benefit concessionary loans

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

n. Operating leases

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

Notes to the Financial Statements
For the year ended 31 December 2022

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 into perpetuity, informed by historic trends, known plans and any other pertinent external factors.

The Pencil Museum has been valued on the basis of the net income derived from rental income. An informed view has been taken as to an appropriate rate of return, with income forecast into perpetuity, informed by historic trends, known plans and any other pertinent external factors.

Discount rates in the range 7.5% to 8.0% are considered appropriate and have been used for these calculations.

Derwent Project

Site development costs in respect of the Derwent Project fall within the VAT Capital Goods Scheme and as such an estimate of the VAT partially recoverable thereon is included at the balance sheet date. The amount of VAT partially recovered is linked to the current and projected activities of the charity.

3. Income

Donations and legacies:	2022	2021
	£	£
Legacies	12,502	155,906
Unrestricted donations	1,895,918	931,099
Restricted donations	802,157	804,923
	2,710,577	1,891,928
Investments:	2022	2021
	£	£
Interest received	8,880	11,350
Rental income	212,219	192,196
	221,099	203,546

Notes to the Financial Statements
For the year ended 31 December 2022

Continued

4. Analysis of expenditure on charitable activities

Activity	Activities undertaken directly £	Support costs £	Total £
<u>Restricted funds</u>			
Missionary Hospitality Fund	7,190	-	7,190
Derwent Project	47,953	-	47,953
<u>Unrestricted funds</u>			
Charitable activities	1,018,314	440,827	1,459,141
Other	68,483	231,065	299,548
Total	1,141,940	671,892	1,813,832

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

2021 comparative

Activity	Activities undertaken directly £	Support costs £	Total £
<u>Restricted funds</u>			
Missionary Hospitality Fund	-	-	-
Derwent Project	25,646	172,207	197,853
<u>Unrestricted funds</u>			
Charitable activities	861,024	261,622	1,122,646
Other	43,622	105,563	149,185
Total	930,292	539,392	1,469,684

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

Notes to the Financial Statements
For the year ended 31 December 2022
Continued

5. Analysis of costs – 2022

	Unrestricted Funds			Restricted Funds			Total Funds
	Raising funds	Charitable activities	Other	Total unrestricted	Raising funds	Charitable activities	Total Restricted
Support cost							
Governance	2,106	10,119	5,879	18,104	2,954	-	2,954
Finance	1,913	6,293	5,495	13,701	478	-	478
Information Technology	1,256	4,186	1,674	7,116	1,256	-	1,256
Human Resources (salaries and pension contributions)	22,073	331,091	44,145	397,309	44,145	-	44,145
Fees	2,867	58,571	3,823	65,261	2,867	-	2,867
Other (including depreciation and insurance)	35,288	30,567	170,049	235,904	16,239	-	16,239
	65,503	440,827	231,065	737,395	67,939	-	67,939
Direct costs							
Other Charitable	-	1,018,314	68,483	1,086,797	-	55,143	55,143
	-	1,018,314	68,483	1,086,797	-	55,143	55,143
Total	65,503	1,459,141	299,548	1,824,192	67,939	55,143	123,082
							805,334
							1,141,940
							1,141,940
							1,947,274

Analysis of costs - 2021

	Unrestricted Funds			Restricted Funds			Total Funds
	Raising funds	Charitable activities	Other	Total unrestricted	Raising funds	Charitable activities	Total Restricted
Support cost							
Governance	1,356	6,711	3,491	11,558	2,000	-	2,000
Finance	1,555	7,996	7,477	17,028	518	-	518
Information Technology	1,219	4,062	1,625	6,906	1,219	-	1,219
Human Resources (salaries and pension contributions)	30,909	151,204	16,037	198,150	45,040	29,823	215,807
Fees	1,873	35,506	2,497	39,876	1,873	1,440	3,313
Other (including depreciation and insurance)	43,208	56,142	74,437	173,787	65,337	-	65,337
	80,120	261,621	105,564	447,305	115,987	31,263	288,194
Direct costs							
Other Charitable	-	861,024	43,622	904,646	-	25,646	25,646
	-	861,024	43,622	904,646	-	25,646	25,646
Total	80,120	1,122,645	149,186	1,351,951	115,987	56,909	313,840
							735,499
							930,292
							930,292
							1,665,791

Notes to the Financial Statements
For the year ended 31 December 2022

Continued

6. Auditor's remuneration

The company incurred the following charges from the auditor:

	2022	2021
	£	£
Audit fee – 2020	-	(115)
Audit fee – 2021	-	12,996
Audit fee – 2022	16,959	-
Tax advice and consultancy	3,500	-
	20,459	12,881

7. Staff costs, related parties and volunteers

	2022	2021
	£	£
Wages and salaries	349,725	338,470
Social Security costs	27,913	22,615
Pension contributions	54,256	52,872
Employment settlement	9,560	-
	441,454	413,957

The Trust operates a defined contribution pension scheme.

No employee earned £60,000 per annum or more (2021 – no employee earned £60,000 per annum or more).

The average number of full time equivalent employees was 10.9 (2021 - 10.5) and the average headcount was 14 (2021 – 13).

Trustees' and Chief Executive Remuneration

	2022	2021
	£	£
Trustees	=	=
Ministry Director (CEO), Chief Operating Office (COO) & Operations Director	<u>103,747</u>	<u>112,128</u>

The above remuneration is considered to be the remuneration of the key management personnel. James Robson led the organisation, assisted by the Chief Operating Officer, David Sawday (Stood down 31 January 2022) and Operations Director, Jodi Whitehouse (Appointed 1 November 2022).

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

Expenses of £4,099 (2021 – £677) were reimbursed to 11 (2021 – 6) directors for travel and meeting expenses in the year.

The spouse of a trustee, received remuneration of £14,770 (2021 – £14,305). A contribution of £886 (2021 - £858) was also made to the charity defined contribution pension scheme.

Notes to the Financial Statements
For the year ended 31 December 2022

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 Convention volunteers undertake a wide variety of practical tasks in the areas of children, youth, and young adult's ministry, stewarding, catering, gift processing, and reception. Having held the first full Convention since Covid, and on the new site, it was wonderful to see everyone working together in the service of our Lord.

We are also indebted to the volunteers who have helped year-round with administrative tasks, and with practical work on site in support of the Derwent Project and the general maintenance of our sites.

The trustees wish to record their appreciation for all the assistance that has been, and continues to be given in support of the ministry.

8. Fixed assets

	Freehold land & buildings Skiddaw	Freehold land & buildings Rawnsley	Equipment & Furniture	Pencil Factory Site	Total
	£	£	£	£	£
COST					
At 1 January 2022	977,427	669,935	178,429	6,809,875	8,635,666
Additions	108,308	-	2,600	1,872,458	1,983,366
Disposals	-	-	(1,208)	-	(1,208)
At 31 December 2022	<u>1,085,735</u>	<u>669,935</u>	<u>179,821</u>	<u>8,682,333</u>	<u>10,617,824</u>
DEPRECIATION					
At 1 January 2022	538,349	196,444	149,011	-	883,804
Charge for the year	19,549	13,399	9,350	59,422	101,720
Disposals	-	-	(918)	-	(918)
At 31 December 2022	<u>557,898</u>	<u>209,843</u>	<u>157,443</u>	<u>59,422</u>	<u>984,606</u>
NET BOOK VALUE					
At 31 December 2022	<u>527,837</u>	<u>460,092</u>	<u>22,378</u>	<u>8,622,911</u>	<u>9,633,218</u>
At 31 December 2021	<u>439,078</u>	<u>473,491</u>	<u>29,418</u>	<u>6,809,875</u>	<u>7,751,862</u>

The Convention Centre at Skiddaw Street, with a net book value of £419,529 secures a loan on favourable terms from a supportive charitable trust.

Notes to the Financial Statements
For the year ended 31 December 2022

Continued

9. Investments

Basis of valuation	Investment Property Fair Value	Quoted Investments Valuation	Unquoted Investments Cost	Total
	£	£	£	£
Cost or valuation at 1 January 2022	2,907,500	2,715	5	2,910,220
Disposals at cost or valuation	-	(2,715)	-	(2,715)
Gains on revaluation	-	-	-	-
Transfer to current assets	-	-	-	-
Cost or Valuation at 31 December 2022	2,907,500	-	5	2,907,505

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

Subsidiary Companies

	2022 £	2021 £
Wholly owned subsidiary:		
Keswick Convention Project Ltd	3	3
Keswick Convention Projects (Rawnsley) Ltd	2	2
	5	5

Keswick Convention Project Limited, a company engaged in carrying out projects in connection with the Keswick Convention, and Keswick Convention Projects (Rawnsley) Limited, a company engaged in carrying out trading activities in support of the Keswick Convention, are both wholly owned trading subsidiaries, and incorporated in England. All shares held are ordinary £1 shares. The year end for both subsidiaries is 31 December 2022.

The aggregate share capital and reserves of Keswick Convention Projects (Rawnsley) Limited was £2 and its turnover for the year was £231,755 resulting in a £nil profit or loss.

Keswick Convention Project Limited aggregate share capital and reserves at 31 December 2022 was £4,809 and its turnover for the year was £43,222 resulting in a net profit before tax of £nil and donations to the parent company of £13,452.

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

Notes to the Financial Statements
For the year ended 31 December 2022

Continued

10. Debtors

	2022	2021
	£	£
Trade debtors	9,508	11,623
Payments in advance – accommodation	49,088	35,427
Prepayments and accrued income	61,185	80,025
Amounts owed by group undertakings	12,495	19,233
Other debtors	20,786	32,282
	153,062	178,590

11. Cash and cash equivalents

	2022	2021
	£	£
Cash in hand	275,760	1,131,256
Notice deposits (less than three months)	1,012,769	680,617
Current asset	1,288,529	1,811,873

	2022	2021
	£	£
Longer term deposits	5,553	5,553
Non-current asset	5,553	5,553
Total cash	1,294,082	1,817,426

12. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	10,110	128,743
Other creditors	302,591	100,000
Concessionary loans	700,000	-
Accruals	52,038	58,085
Deferred income	40,474	23,131
	1,105,213	309,959

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

The £150,000 loan is concessionary; from a supportive individual; at zero interest; repayable by 31 December 2025 but may be payable on demand.

Deferred income relates to deposits for centre bookings and course fees falling in the next financial year. Deferred income has been recognised as follows:

	2022	2021
	£	£
Deferred income brought forward	23,131	13,997
Released to income during the year	(22,356)	(13,997)
Received during the year	39,699	23,131
Deferred income carried forward	40,474	23,131

Notes to the Financial Statements
For the year ended 31 December 2022

Continued

13. Creditors: amounts falling due after one year

	2022	2021
	£	£
Concessionary loans		
Due between 1 and 2 years	-	550,000
Due between 2 and 5 years	750,000	150,000
Due after 5 years	-	750,000
	750,000	1,450,000

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

14. Financial instruments

	2022	2021
	£	£
Financial assets measured at amortised cost	22,003	30,856
Cash and cash equivalents	1,294,082	1,817,426
Financial liabilities measured at amortised cost	1,460,110	1,578,743

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

15. Restricted funds

	Balance	Movement	Balance
	1 January	Income	31 December
	2022	2022	2022
	£	£	£
Missionary Hospitality Fund	6,481	5,644	4,935
Derwent Project Fund	(328,772)	796,513	(750,000)
	(322,291)	802,157	(745,065)

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

The Derwent Project will secure the future of the Convention and allow for the growth of the ministry at other times of the year. Further information in respect of the Derwent Project can be found in the directors' report. The deficit arising on the Derwent Project fund is covered by the Derwent Project Designated fund together with funds received after the year end.

Restricted funds are held in liquid assets.

Notes to the Financial Statements
For the year ended 31 December 2022

Continued

16. Summary of fund movements

Fund	Balance 1 January 2022	Income	Expenditure	Gain on revaluation of investment	Transfers	Balance 31 December 2022
Designated Funds						
Fixed Asset	9,909,362	-	102,010	-	1,983,366	11,790,718
Derwent Project Fund	300,000	-	-	-	330,000	630,000
General Funds	1,011,068	2,379,632	1,722,182	-	(1,211,517)	457,001
Unrestricted Funds	11,220,430	2,379,632	1,824,192	-	1,101,849	12,877,719
Restricted Funds						
Missionary Hospitality Fund	6,481	5,644	7,190	-	-	4,935
Derwent Project Fund	(328,772)	796,513	115,892	-	(1,101,849)	(750,000)
Restricted Funds	(322,291)	802,157	123,082	-	(1,101,849)	(745,065)
Total Funds	10,898,139	3,181,789	1,947,274	-	-	12,132,654

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 £2,139,918 (2021: £2,139,918) of non-distributable reserves, arising from revaluation.

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

Transfers

Transfers of £1,872,458 from the Derwent Project Restricted Fund to the Fixed Assets Designated Fund relates to the capitalisation of fixed assets purchased in respect of the Derwent Project.

Transfers of £110,908 from the General Fund to the Fixed Asset Designated Fund relate to the capitalisation of fixed assets purchased in respect of the general fund.

Transfers of £770,609 from the General Fund to the Derwent Project Restricted Fund relate to expenditure paid for the Derwent Project Fund, in excess of income generated.

Transfers of £330,000 from the General Fund to the Derwent Project Designated Fund relates to an increase of funds set aside for the Derwent Project within the General Fund.

Notes to the Financial Statements
For the year ended 31 December 2022

Continued

17. Analysis of net assets between funds

2022	Tangible Assets	Investments & Deposits	Net Current Assets/(liabilit ies)	Long Term Concessionary Loan	Total
	£	£	£	£	£
Unrestricted – designated	9,633,218	2,907,500	630,000	(750,000)	12,420,718
Unrestricted – general	-	5,558	451,443	-	457,001
Total unrestricted	9,633,218	2,913,058	1,081,443	(750,000)	12,877,719
Missionary Hospitality Fund	-	-	4,935	-	4,935
Derwent Project Fund	-	-	(750,000)	-	(750,000)
Total restricted	-	-	(745,065)	-	(745,065)
Total funds	9,633,218	2,913,058	336,378	(750,000)	12,132,654

2021	Tangible Assets	Investments & Deposits	Net Current Assets/(liabilit ies)	Long Term Concessionary Loan	Total
	£	£	£	£	£
Unrestricted – designated	7,751,862	2,907,500	300,000	(750,000)	10,209,362
Unrestricted – general	-	5,558	1,705,510	(700,000)	1,011,068
Total unrestricted	7,751,862	2,913,058	2,005,510	(1,450,000)	11,220,430
Missionary Hospitality Fund	-	2,715	3,766	-	6,481
Derwent Project Fund	-	-	(328,772)	-	(328,772)
Total restricted	-	2,715	(325,006)	-	(322,291)
Total funds	7,751,862	2,915,773	1,680,504	(1,450,000)	10,898,139

Notes to the Financial Statements
For the year ended 31 December 2022

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 2022 Keswick Convention Projects (Rawnsley) Limited was charged rent of £196,057 (2021 - £171,285) by Keswick Convention Trust, of which £12,495 (2021 - £19,233) remained outstanding as at the year end.

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

At the year-end a provision has been made for the payment of a charitable donation in Keswick Convention Project Limited's accounts to Keswick Convention Trust for the sum of £13,452 (2021 - £6,425).

During the year the Trustees made donations to the Charity of £14,848 (2021 - £10,785). Of this £6,020 (2021 - £1,695) was in relation to the Derwent Project. The project has the full support of the Trustees.

Mr S Hale, a trustee director, is a director of Ellis-Fermor & Negus Ltd, a Solicitors firm, which received payments totalling £2,172 (2021 - £2,602) in respect of legal services. At the year end the amount owing to Ellis-Fermor & Negus Ltd was £nil (2021 - £nil).

19. Financial commitments

At 31 December 2022 the charity had capital commitments totalling £330,000 (2021: £1,138,070).

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 £54,256 (2021: £52,872). Contributions totalling £nil (2021: £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.

Notes to the Financial Statements
For the year ended 31 December 2022

Continued

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

	2022	2021
	£	£
Net income for the reporting period	1,234,515	564,914
Adjustments in respect of:		
Depreciation charges	101,720	41,427
Loss on disposal of fixed assets	40	5,896
Loss on disposal of investments	521	-
Interest received	(8,880)	(11,350)
Rental income	(212,219)	(192,196)
Decrease in debtors	25,528	540,106
Increase in creditors	95,254	55,837
	1,236,479	1,004,634

22. Analysis of changes in net funds

	At 1 January 2022	Cash flows	Transfers	At 31 December 2022
	£	£	£	£
Cash and cash equivalents	1,817,426	(523,344)	-	1,294,082
Debt due less than one year	-	-	(700,000)	(700,000)
Debt due after one year	(1,450,000)	-	700,000	(750,000)
	367,426	(523,344)	-	(155,918)

23. 2021 SOFA comparatives

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Income and endowments from:			
Donations and legacies	1,087,005	804,923	1,891,928
Charitable activities	28,015	-	28,015
Other trading activities	38,330	-	38,330
Investments	203,546	-	203,546
Rents and licence income	57,405	-	57,405
Other	11,481	-	11,481
Total	1,425,782	804,923	2,230,705
Expenditure on:			
Raising funds	80,120	115,987	196,107
Charitable activities	1,271,831	197,853	1,469,684
Total	1,351,951	313,840	1,665,791
Net income	73,831	491,083	564,914
Revaluation of investment property	770,000	-	770,000
Transfers between funds	1,954,163	(1,954,163)	-
Net movement in funds	2,797,994	(1,463,080)	1,334,914
Reconciliation of funds:			
Total funds brought forward	8,422,436	1,140,789	9,563,225
Total funds carried forward	11,220,430	(322,291)	10,898,139

