

THE
KEPPLEWRAY
PROJECT

Trustees' Annual Report
30 September 2006



INVESTOR IN PEOPLE



Trustee's Annual Report and Consolidated Financial Statements 30 September 2006

Chairperson's Note

The Trustees present their report and the consolidated financial statements for the year ended 30 September 2006. The report and consolidated financial statements have been prepared in accordance with the governing instrument and statutory requirements, taking account of the SORP regulations.

Structure, Governance and Management

The Project is founded on a commitment to bring disabled and non-disabled people together as equal partners. The charitable trust delivers the charitable objectives, whilst the company limited by guarantee owns the property. The structure, governance and management of the Project are controlled through the Project Management Group and the Senior Management Team. The Project first opened to guests in May 1998.

Governing Instrument

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.

Project Management Group

The Keppleway Trust including Powers Granted by the Trust Deed

There are currently seven trustees responsible for encouraging the distinctive ethos of the charity. They are responsible for the administration of the objects of the Trust, having overall control and holding the final legal, financial and management responsibility of the charity. 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.

They meet at least quarterly.

Rev John Libby (Chair)	Vicar, Rural Dean, former Merchant Banker
Julia Powley	Church Lay Minister, Chartered Accountant
Marian Browne	Speech and Language Therapist
Christine Taylor	Head of Company Relations
Giles Denham	Director in Civil Service
Rev Paul Greene	Safeguarding Adults & Direct Payments Manager, also Associate Vicar (NSM)
Geoff Gedling	Training Manager

Statement of Trustees' Responsibilities

Law applicable to charities in England and Wales 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 group at the end of the year and of its financial activities during the year then ended. In preparing those financial statements, the Trustees 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.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ensure that the financial statements comply with the Charities Act 1993. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Kepplewray Ltd

This company is wholly owned by the Trust. There are currently four directors of the company responsible for its administration and overall control of the legal, financial and management liability. None of the directors held any shares in the company at any time during the year. No rights to subscribe for shares in the company were granted to any of the directors or to their immediate families, or exercised by them, during the financial year. They meet at least quarterly.

Rob Burch (Chair)	Product Manager
Julia Powley (Co Sec)	Church Lay Minister, Chartered Accountant
Rev John Libby	Vicar, Rural Dean, former Merchant Banker
Charlie Brown	Chair of Cambridge Venture Management

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements 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 for that period. In preparing those financial statements, the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

By order of the board

Officers (Trust and Ltd)

Peter Sanders	Kepplewray Project Director
Denise Elvy	PMG Minute Secretary

Advisors (Trust and Ltd)

Rob Bianchi	Outdoor Adventure Development Ministries
Rick Townson	Disability Issues Consultant
David Feltham	Buildings Development Advisor

Senior Management Team

The senior staff form a Management Team, responsible for the day to day oversight, management and monitoring of our Project. They operate an 'On Call' Duty Manager system coupled with an 'On Call Procedure for Staff' which equips our staff to competently deal with any likely issues to arise in operating a fully accessible and inclusive Centre, enhancing our service to guests. They act to ensure: good working practices, proper financial controls, maintenance of property and the supervision of staff and volunteers. They meet weekly.

Peter Sanders
Andy Giles
Peter Fox
Denise Elvy

Project Director
Activity Services Manager
Residential & Training and Audit Services Manager
Support Services Manager

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 and will adjust systems when and where required.

Lease Agreement with Keppleway Limited

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.

Objectives and Activities

Objects

The main objects of the Trust are 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. The Project, through its company, Keppleway Limited, purchased the property, Keppleway, in the Lake District, from which the Trust delivers its charitable objectives.

Achievement and Performance

This is our eighth full year of operation and whilst we have essentially had the same number of groups booking we have seen a decrease in our guest bed night occupancy level because a block booking budgeted for eight weeks was reduced to only three and the numbers in some of the groups returning this year have been less.

A total of 5,480 guest bed nights were achieved representing 1,914 individuals (7,058 and 2,217 respectively for last year). We had 126 empty nights, which compares with 105 last year. For the quarter 01 July 05 – 30 September 05 we achieved a total of 1,907 guest bed nights representing 414 individuals and 15 empty nights (not including Sundays). Again, as in previous years, many of these bookings have been repeats but have also included some new guest groups indicating our ability to maintain our guest satisfaction and attract new custom.

“I really enjoyed coming here, I have been 2 times so far and wish to come again. Unfortunately I am leaving school so cannot come again but I hope other people enjoy it like I did.” Disabled girl.

New bookings have primarily come from personal recommendations, via our web site or through the 'Open Days' held in 2005, which proved successful in attracting new guests. We again offered three family focussed breaks this year, which attracted a number of families with one or more members with a disability. Several family focused organisations such as ASBAH, National Deaf Children's Society and Wigan Social Services have similarly valued our inclusive and accessible accommodation and activities.

“Keppleway catered very well for a wide range of learning need and ability. The activity staff were skilled and worked well with the range of students we brought.” Adult carer.

We monitor guest satisfaction through our guest comment and group leader comment sheets, which provides us with a wide and detailed analysis of the services we offer. The majority of these are complimentary and often refer to the accessibility of the Centre, the friendliness and professionalism of the staff, the safety of the activities provided and the quality of the food. This was identified in recent market research and feedback from our ‘Open Days’.

“At Keppleway people of all abilities and disabilities can share and enjoy together opportunities for adventure, challenging activities, learning and relaxation. Keppleway, I heartily recommend you!” Youth Leader.

Naturally we are very encouraged by this. We also record our non-residential guest numbers and we totalled 999 person sessions this year and for the quarter 01 July 05 – 30 September 05 totalled 420. This compares with 1194 last year.

The ‘Christmas Activity Days’ marketed to local schools in the winter period have proved very popular and we plan to continue with these as part of our regular ongoing provision.

School Meals Service

We have continued to deliver the school meals service to the primary school next door. Though not part of our main objects it was felt appropriate in maintaining good community relations to deliver this service and we derive a modest income from it. This is the third year of service and it has continued to be positively received.

Broughton Community Transport

The Project continues to act as the managing agent for the Broughton Community Transport scheme, which gives Keppleway access to a second fully accessible minibus. This scheme has again seen growth in this it’s third year of operation and we have automatic representation of two Keppleway staff on its committee.

Principle Activities of the Company

The principal activities of the company during the year were:

1. The leasing and servicing of The Keppleway Centre to the Keppleway Trust for the provision of fully inclusive education and activity programmes for disabled and non-disabled people.
2. The provision of training in disability issues, access auditing and access consultancy.

People Development

We would like to register our particular thanks to the staff team, including volunteers, for their commitment and hard work, often over and above the call of duty. Our commitment to their development through training, regular supervision, team meetings and whole staff meetings continues. All staff and volunteers meet daily for prayer and communication.

“Great centre with lots to do. The staff are also great. Activity staff push you to the limit but in a fun and exciting way.” Group Leader.

Over the year there have been a number of departures and arrivals of staff and the further development of volunteers in the work. A considerable amount of staff training has been undertaken again this year developing staff’s skills to meet the Project’s requirements.

Most notably we have been able to offer, in conjunction with St. Martin's College Ambleside, a Graduate Apprenticeship Scheme. This has facilitated two trainees being introduced and qualified into the outdoor industry. We will continue with our staff developmental programme of training and qualification next year and hope to repeat the Graduate Apprenticeship Scheme.

The Project continues to be student friendly and we have received several work experience placements and specific work parties to assist with activities, administration and maintenance of the building and garden.

Management Development

In line with good practice we continue to: develop our internal systems, support our staff, implement, review and amended our policies in order to deliver the best possible service to our guests. Our new five year Project Plan – 'Reach for the Future 2006 – 2010' came into effect in July 2006 and our 'Action Plans' will be reviewed annually to monitor progress.

We are an 'Investor In People' organisation and were successfully reassessed in January 2006.

We continue to produce our biannual magazine K News and our quarterly prayer diary for our supporters.

Cartmell Shepherd (Carlisle) provides any legal expertise required and Lonsdale & Partners are our auditors.

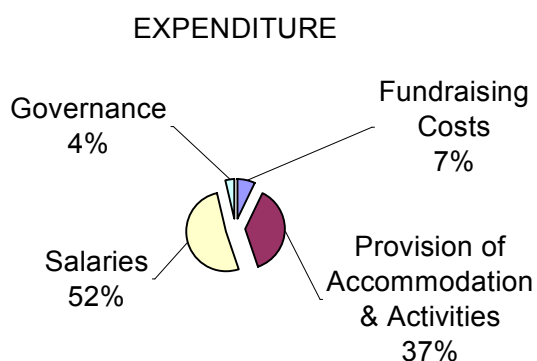
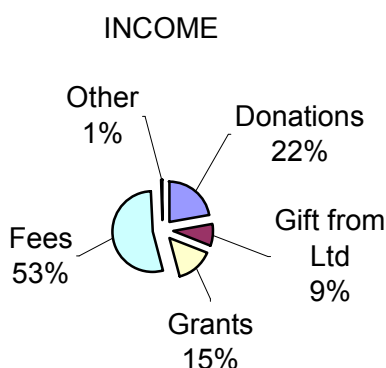
Financial Review

Our financial year runs from 01 October to 30 September and our accounts for both the charity and the company are audited annually.

Funding Sources

Fees, donations, grants from trusts and fundraising events. The company has again been able to make a reasonable gift to its parent – The Keppleway Trust out of its trading profits.

The graphs below show actual income and expenditure for the Trust for the financial year 2005-2006.



Proposed dividend and transfer to reserves

The company's profit after taxation is £855 and has been transferred to company reserves. The directors do not recommend the payment of a dividend.

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 Trust aims to hold reserves of between three and six months' operating costs. However, as the charity is still in its developmental stage, there are no reserves at the end of this financial year. The aim is to gradually build up reserves to the target level over the next few years.

Thanks

Donations and grants are vital to the development of the Project. We are very grateful to all of our supporters and donors. We are also grateful to Barclays Bank and the Charity Bank for their ongoing support and encouragement.

Future Development

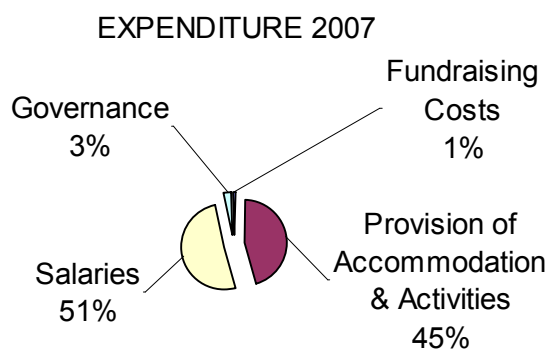
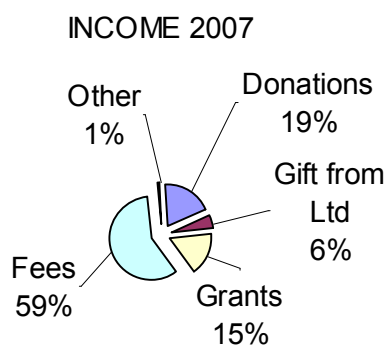
We look forward to working through the first year of our new Project Plan by:

- Improving our financial sustainability by increasing our bookings to 34 mid week and weekend bookings and by increasing donations
- Developing our whole Project rota and implementing a 'course director' for each group
- Promoting our: Youth Inclusion Project, Disability Awareness training, John Muir Discovery Award and developing our recycling programme
- Expanding the range of activities offered: evening activities, Christian teaching and disability awareness
- Our Activity Services Manager undertaking management training, the Deputy achieving APIOL Recognition, repeating the Graduate Apprenticeship Scheme. Our Residential Services staff undertaking the Welcome Host training. Our reception staff to undertaking the Welcome Line course, two of our Support Services staff completing the CLAIT Plus course, our Project Development Officer undertaking a fundraising course and the Support Services Manager undertaking the accounts technician training course
- Appointing a Youth Inclusion Worker
- Undertaking improvements to the building including developing the accessible bathroom facilities and renewing the Dining Room servery
- Submitting drawings for Capital Development for Planning approval
- Complying with the new HACCP regulations, reviewing and updating our Project Plan, Health & Safety and Child Protection policies

These factors will increase our guest appeal, overall capacity and flexibility, enabling 'shared' use more effectively, therefore increasing our financial viability and widening the arena of our inclusive vision.

Project Development

The development of our Project has been divided into our four service areas and our Project as a whole. The graphs below show the budget for income and expenditure for the financial year 2006 – 2007.



Auditors

A resolution proposing that Lonsdale & Partners be reappointed as auditors of the charity will be put to the Annual General Meeting of the Trust. Also in accordance with Section 385 of the Companies Act 1985, the same will be put to the Annual General Meeting of the company.

The Reverend J R Libby
Chairman of the Trustees

Date: 20 April 2007

Miss J Powley
Company Secretary

Date: 20 April 2007