

The Keppleway Trust

Trustees' report and consolidated
financial statements

Registered charity number 1015762

30 September 2009

Contents

Reference and administrative details	3
Trustees' report	4 - 7
Independent Auditors' report	8
Consolidated statement of financial activities	9
Trust statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12 - 23

Reference and administrative details

Registered charity number	1015762
Chairman	The Reverend JR Libby
Trustees	The Reverend JR Libby The Reverend PD Greene ME Browne JCH Taylor JH Powley G Denham G Gedling
Project Director	P Sanders
Solicitors	Cartmell Shepherd, Carlisle
Bankers	Barclays Bank plc, Kendal, Cumbria
Registered auditors	Moore and Smalley LLP, Kendal
Registered address	Keppleway Broughton-in-Furness Cumbria LA20 6HE

Trustees' report

The Trustees present their annual report for the year ended 30 September 2009 under the Charities Act 1993, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP 2005.

Reference and Administrative Information

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

Structure, governance and management

Governing Document

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

Governing body

The charity is governed by its trustees, of whom there are currently seven. They are responsible for the administration of the objects of the Trust, having overall control and holding the legal, financial and management responsibility of the charity. They meet at least quarterly, but also receive a weekly report from the Project Director.

Recruitment, appointment, induction and training of new Trustees

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

Group structure and relationships

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

Risk Management

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

Objects, aims, objectives and activities

Charitable Objective

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

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

Trustees' report *(continued)*

Achievement and performance

This is our eleventh full year of operation. Although group sizes generally are smaller than some years ago (there is a recognition in the industry that there has been a fall in school numbers / class sizes) we have held, and increased slightly, our residential group bookings and activity days on last year. And whilst there has been a moderate decrease in our non-residential activity days this has been more than compensated by the slight increase in our residential bookings and therefore our overall occupancy levels from 2008.

The plan is to continue to improve our occupancy through competitive pricing and following our ongoing marketing strategy and 'Open Days'.

We monitor guest satisfaction through our guest and group leader comment sheets, which provide us with a good evaluation of the services we offer. These often highlight the accessibility of the Centre, the friendliness and professionalism of the staff, the safety of the activities provided and the quality of the food.

"The freedom that the students are given encourages them to develop their independence in a safe environment. Making this a wonderful experience for all." – college tutor

"My favourite was canoeing. The rain was pouring down the whole time at the lake but we felt like we'd had an adventure." – primary school pupil

"Fab food - meal on Sat night was excellent & great value for money." – adult guest from a family party

"Supportive instructors allowing guests with all levels of disability to take part." – special needs group leader.

At the beginning of 2009 we remodelled our dining room: creating a new servery, replacing the flooring and redecorating it adding to the improvements in seating done last year. This was following funding from the Frieda Scott, Hadfield and Proven Family trusts and has been very well received by returning guests.

"Dining Room - lovely refurbishment."

The pilot Disability Awareness Training package to local schools (funded by the Sir John Fisher Foundation) has been well received and it is planned to expand this, funding dependent, next year.

Our international link with Burundi following the visit here by Bishop Eraste Bigirimana in February 2007 and the visit to Burundi by our Project Director and Stephen McIlhenny in June 2008 has gone from strength to strength. We had the Project Coordinator Evariste Hatungimana here for three months from May – July to train him and we have successfully raised the funding to send two of our staff Stephen and Lucy McIlhenny, with equipment, out to Burundi next year. The link will help establish a project similar to Keppleway in Burundi called the Bethesda Project. The two projects share a Common Ethos founded on a commitment to bring disabled and able-bodied people together as equal partners.

People Development

We would like once again 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 regular supervision, staff meetings and training continues. This year we introduced two trainees to the outdoor industry and enabled them to gain nationally recognised qualifications in safety and recovery, archery, orienteering, canoeing, climbing and mountain leading. Other staff have completed various courses including: fundraising, food hygiene, first aid etc and one of our managers continues with the Foundation Degree in Outdoor Studies. Various staff have also attended industry relevant conferences in residential, outdoor and Christian areas of work and mission.

Management Development

In line with good practice, we continue to develop our internal systems, support our staff, implement, review and amend our policies in order to deliver the best possible service to our guests. Specifically, we amended our 'Child Protection Policy' and added to it elements relating to the safeguarding of adults. The new 'Child Protection and Safeguarding Adults Policy And Procedures' was adopted in May 2009. Our current five-year Project Plan 'Reach for the Future 2006 – 2010' is monitored on an ongoing basis by our Management Team and annually by trustees. We were successfully reassessed, for the second time, as an Investor in People organisation in March 2009.

We produce our Prayer Diary quarterly and issued our annual K News in May 2009.

Trustees' report *(continued)*

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.

Financial review and results for the year

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

Investment Policy

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

Reserves Policy

The 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 period. The aim is to gradually build up reserves to the target level over the next few years.

Future Development

We look forward to continuing to work through our current Project Plan by:

- Improving our sustainability by increasing our bookings through our 'Open Days' and 'Marketing Strategy' focusing on: 'special needs' groups, families and the 'out of season' period and continuing with sponsored events such as the Great North Run and seeking grant and individual donations
- Continually reviewing and developing our policies and good practice guidelines
- Continuing to develop the skills of our staff through training, specifically our trainees
- Developing our on site activities and expanding our range of activities offered, specifically fencing
- Continuing to maintain and improve the residential facilities, specifically improving our Recreation Lounge
- Expanding our Disability Awareness Training package to schools
- Continuing to develop our link with the Bethesda Project in Burundi, specifically sending out two of our staff, Stephen and Lucy McIlhenny, to help establish it
- Seeking funding for our planned Capital Development
- Paying off some of our individual loans
- Keeping our supporters informed and hopefully improving this by producing our K News bi annually and issuing regular Burundi Bethesda Project Newsheets.

Trustees' report *(continued)*

Statement of trustees' responsibilities - unincorporated charity

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

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

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

The trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, [the Charity (Accounts Reports) Regulations 2008] and trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.



The Reverend J R Libby
Chairman of the Trustees

Independent auditors' report to the Trustees of The Keppleway Trust

We have audited the group and parent trust financial statements of the Keppleway Trust for the year ended 30 September 2009 on pages 9 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept sufficient accounting records, if the financial statements are not in agreement with those accounting records or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Opinion

In our opinion, the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's and the group's affairs as at 30 September 2009 and of their incoming resources and application of resources for the year then ended; and
- have been prepared in accordance with the Charities Act 1993. The information given in the Trustees' Annual Report is consistent with the financial statements.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the uncertainty as to adequacy of the Trust's funding. In view of the significance of this uncertainty we consider that it should be drawn to your attention.

Moore and Smalley LLP

.....

Chartered Accountants
Statutory Auditor

Kendal House, Muley Moss Business Village, Oxenholme Road, Kendal, Cumbria LA97RL

Consolidated statement of financial activities
for the year ended 30 September 2009

	Notes	2009		2008
		Restricted funds	Unrestricted funds	Total
		£	£	£
Incoming resources				
Incoming resources from generated funds				
Voluntary donations and gifts	2	9,074	88,317	97,391
Activities for generating funds:				
Trading turnover		-	1,453	1,453
Incoming resources from charitable activities				
Grants received for operational costs	3	12,625	50,000	62,625
Accommodation and activities income		-	242,973	242,973
Other incoming resources		-	3,121	3,121
Total incoming resources		21,699	385,864	407,563
Resources expended				
Costs of generating funds				
Fundraising trading		-	416	416
Fundraising costs		-	38,806	38,806
Charitable activities				
Provision of accommodation and activities		2,756	347,974	350,730
Governance costs		-	21,718	21,718
Total resources expended	4	2,756	408,914	411,670
Net incoming resources/(resources expended) before transfers		18,943	(23,050)	(4,107)
Taxation		-	-	-
Unrealised loss on investment		-	-	-
Transfers between funds	14	(17,340)	17,340	-
Net incoming resources/(resources expended)		1,603	(5,710)	(4,107)
Fund balance brought forward	14	16,156	(111,324)	(95,168)
Fund balance carried forward	13, 14	17,759	(117,034)	(99,275)

Trust statement of financial activities
for the year ended 30 September 2009

	Notes	2009 Restricted funds £	2009 Unrestrict- ed funds £	Total £	2008 Total £
Incoming resources					
Incoming resources from generated funds					
Voluntary donations and gifts		9,074	82,477	91,551	79,803
Investment Income – Gift aid from subsidiary		-	1,000	1,000	5,500
Incoming resources from charitable activities					
Grants received for operational costs	3	12,625	50,000	62,625	20,442
Accommodation and activities income		-	242,973	242,973	229,003
Other incoming resources		-	3,121	3,121	5,993
Total incoming resources		21,699	379,571	401,270	340,741
Resources expended					
Costs of generating funds					
Fundraising costs		-	38,806	38,806	33,867
Charitable activities					
Provision of accommodation and activities		2,756	345,166	347,922	331,029
Governance costs		-	18,298	18,298	23,515
Total resources expended		2,756	402,270	405,026	388,411
Net incoming resources/(resources expended) before transfers		18,943	(22,699)	(3,756)	(47,670)
Transfers between funds	14	(17,340)	17,340	-	-
Net incoming resources before other recognised gains and losses		1,603	(5,359)	(3,756)	(47,670)
Gain on investment asset		-	-	-	-
Net movement in funds		1,603	(5,359)	(3,756)	(47,670)
Fund balance brought forward		16,156	(87,485)	(71,329)	(23,659)
Fund balance carried forward	13, 14	17,759	(92,844)	(75,085)	(71,329)

Balance sheet
at 30 September 2009

	Note	Group		Charity	
		30 Sept 2009	30 Sept 2008	30 Sept 2009	30 Sept 2008
		£	£	£	£
Fixed assets					
Tangible assets	8	757,761	758,435	38,170	37,851
Investments	9	-	-	116,000	116,000
		<u>757,761</u>	<u>758,435</u>	<u>154,170</u>	<u>153,851</u>
Current assets					
Investments	9	390	390	-	-
Stock of finished goods		4,024	4,252	2,418	2,418
Debtors	10	7,537	5,919	7,537	5,860
Cash at bank and in hand		21,813	430	14,943	430
		<u>33,764</u>	<u>10,991</u>	<u>24,898</u>	<u>8,708</u>
Creditors: amounts falling due within one year	11	(58,569)	(86,030)	(117,422)	(79,663)
Net current (liabilities)/assets		<u>(24,805)</u>	<u>(75,039)</u>	<u>(92,524)</u>	<u>(70,955)</u>
Total assets less current liabilities		<u>732,956</u>	<u>683,396</u>	<u>61,646</u>	<u>82,896</u>
Creditors: amounts falling due after more than one year	12	(832,231)	(778,564)	(136,731)	(154,225)
Net (liabilities)/assets		<u>(99,275)</u>	<u>(95,168)</u>	<u>(75,085)</u>	<u>(71,329)</u>
Income funds					
Restricted funds	13, 14	17,759	16,156	17,759	16,156
Unrestricted funds	13, 14	(117,034)	(111,324)	(92,844)	(87,485)
		<u>(99,275)</u>	<u>(95,168)</u>	<u>(75,085)</u>	<u>(71,329)</u>

These financial statements were approved by the board of Trustees on 22 January 2010 and were signed on its behalf by:



The Reverend JR Libby
Trustee

Notes

(forming part of the financial statements)

1. Accounting policies

Basis of preparation

These accounts are prepared under the Charities Act 1993 on the historical cost convention as modified by the adoption of current cost for investment assets and in accordance with the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005), issued in March 2005 and applicable accounting standards. The accounts consolidate the financial statements of the charity and its wholly owned non-charitable subsidiary trading company, Keppleway Limited. The results of the subsidiary are consolidated on a line by line basis.

Going concern

The financial statements have been prepared on a going concern basis which the Trustees believe to be appropriate for the following reasons. The Trustees have prepared projected cash flow information for the sixteen month period to 31 March 2011. On the basis of this projected cash flow information the Trustees consider that the Trust will continue to meet its liabilities as and when they fall due in the foreseeable future and therefore believe it is appropriate to prepare the financial statements on a going concern basis.

The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

Funds

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

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

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

Investment income and gains are allocated to the appropriate fund.

Incoming resources

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

- Accommodation and activity income are recognised when the party has stayed at the premises and the service has been provided. If a stay spans the year end, income will be accrued for the proportion of the stay falling into the earlier year.

Notes (continued)

1. Accounting policies (continued)

Incoming resources (continued)

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

Resources expended

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

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

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

Tangible fixed assets and depreciation

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

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

Freehold property	see below
Leasehold improvements	see below
Fixtures and fittings	10%/20%
Equipment	20%/25%
Motor vehicles	25%

The trustees consider that freehold properties/leasehold improvements are maintained in such a state of repair that their residual value is at least equal to their net book value. As a result, the corresponding depreciation would not be material and therefore is not charged to the SOFA.

The trustees perform annual impairment reviews in accordance with the requirements of FRS 11 to ensure that the recoverable amount is not lower than the carrying value.

Operating leases

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

Investments

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

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

Notes (continued)

1. Accounting policies (continued)

Stock

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

Related party transactions

The Trustees have taken advantage of the exemption in FRS8, paragraph 3(c), and have not disclosed related party transactions with its subsidiary undertaking.

Pensions: Defined Contribution

The Charity contributes to individual pension schemes for staff. Contributions to the scheme are charged in the SOFA as they become payable.

2. Donations and gifts

	2009	2008
	£	£
Individuals	79,845	60,836
Donated facilities	10,820	13,500
Charitable foundations	6,226	10,167
Corporate donors	500	2,700
	<u>97,391</u>	<u>87,203</u>

The charity is indebted to individuals (mainly trustees) for providing interest free loans to the group. The value placed on this contribution by the Trustees is £10,820 (2008: £13,500). (Trust £4,980 (2008 £6,100)). The income equivalent is recognised within incoming resources as a donation, and an equivalent charge is included within interest payable.

3. Grants received for operational costs

	2009	2008
	£	£
BNFL	-	10,000
Cumbria County Council	50,000	-
Cumbria Community Foundation	3,000	-
Environment Agency	2,500	-
Social Enterprise	-	1,000
Sellafield Snowball Charity	-	1,399
Hadfield Trust	2,000	2,091
Sir John Fisher	3,500	2,000
At Work	-	1,292
Laing Trust	-	1,000
Other small grants	1,625	1,660
	<u>62,625</u>	<u>20,442</u>

Notes (continued)

4. Total resources expended

	Staff costs	Other direct costs	Other allocated costs	2009	2008
	£	£	£	£	£
Fundraising trading	-	416	-	416	1,601
Fund raising costs	34,533	4,273	-	38,806	33,867
Provision of accommodation and activities	191,485	144,665	14,580	350,730	331,810
Governance	13,606	8,112	-	21,718	27,767
Total resources expended	<u>239,624</u>	<u>157,466</u>	<u>14,580</u>	<u>411,670</u>	<u>395,045</u>

Other direct costs include:

	2009	2008
	£	£
Auditors' remuneration - audit services	7,642	9,396
- other	470	460
Depreciation	9,201	8,640
Interest payable	33,844	39,475
	<u>51,157</u>	<u>57,971</u>

5. Trustees' remuneration

The Trustees received no remuneration or reimbursement of expenses during the year, either from the charity, or from Keppleway Limited in their capacity as directors (2008: Nil).

Notes (continued)

6. Staff numbers and costs

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

	2009 £	2008 £
Wages and salaries	202,389	188,326
Social security costs	15,270	13,838
Pension costs	9,118	9,492
Group total	<u>227,777</u>	<u>211,656</u>

There were no employees receiving more than £60,000 in the year (2008: none).

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

	Number of employees	
	2009	2008
Cost of generating funds	1	1
Charitable activities	8	6
Management and administration of the charity	4	4
Group total	<u>13</u>	<u>11</u>

Keppleway Limited has a total of 4 (2008: 4) directors of whom 2 (2008: 2) are also Trustees of the charity.

7. Pensions

Defined Contribution Scheme: The pension charge for the period represents contributions payable by the group to the personal pension plans of certain employees, and amounted to £9,118 (2008: £9,492). There were no amounts outstanding at the period end (2008: nil).

Notes (continued)

8. Tangible fixed assets

Group	Freehold land and buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2008	735,318	156,883	38,776	930,977
Additions	-	8,527	-	8,527
At 30 September 2009	735,318	165,410	38,776	939,504
Depreciation				
At 1 October 2008	-	134,511	38,031	172,542
Charge for year	-	8,701	500	9,201
At 30 September 2009	-	143,212	38,531	181,743
Net book value				
At 30 September 2009	735,318	22,198	245	757,761
At 30 September 2008	735,318	22,372	745	758,435

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

Charity	Leasehold improvements	Equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2008	16,576	90,957	38,776	146,309
Additions	-	-	-	-
Disposals	-	8,527	-	8,527
At 30 September 2009	16,576	99,484	38,776	154,836
Depreciation				
At 1 October 2008	-	70,427	38,031	108,798
Charge for year	-	-	-	-
Disposals	-	7,708	500	8,208
At 30 September 2009	-	78,135	38,531	116,666
Net book value				
At 30 September 2009	16,576	21,350	245	38,170
At 30 September 2008	16,576	20,530	745	37,851

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

Notes (continued)

9. Investments

Fixed asset investments: Investments in subsidiary undertaking

	2009 £	2008 £
Charity		
Ordinary £1 shares in Keppleway Limited		
Cost at 1 October 2008 and 30 September 2009	116,000	116,000
	<u> </u>	<u> </u>
Net book value		
At 30 September 2008 and 30 September 2009	116,000	116,000
	<u> </u>	<u> </u>

Current asset investments

	2009 £	2008 £
Group		
3,000 UK, unlisted shares in Keycom plc At market value at 30 September 2009	390	390
	<u> </u>	<u> </u>
At historical cost	3,600	3,600
	<u> </u>	<u> </u>

10. Debtors

	2009 £	2008 £
Group		
Trade debtors	6,438	4,158
Other debtors	1,099	1,761
	<u> </u>	<u> </u>
	7,537	5,919
	<u> </u>	<u> </u>
	£	£
Charity		
Trade debtors	6,438	4,099
Other debtors	1,099	1,761
Owed by group company	-	-
	<u> </u>	<u> </u>
	7,537	5,860
	<u> </u>	<u> </u>

Notes *(continued)*

11. Creditors: amounts falling due within one year

	2009 £	2008 £
Group		
Bank loans and overdrafts	11,840	32,915
Trade creditors	18,889	24,151
Other taxation and social security	16,159	11,481
Accruals	11,681	17,483
Other loans	-	-
	58,569	86,030
	58,569	86,030

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

	2009 £	2008 £
Charity		
Bank overdraft	-	18,125
Loans repayable in one year	11,840	10,497
Trade creditors	16,201	21,929
Other taxation and social security	8,819	2,924
Accruals	9,681	15,483
Owed to group company	70,881	10,705
	117,422	79,663
	117,422	79,663

Notes (continued)

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

	2009	2008
	£	£
Group		
Bank loan	568,031	506,864
Other loans	264,200	271,700
	<u>832,231</u>	<u>778,564</u>
	<u><u>832,231</u></u>	<u><u>778,564</u></u>
 Analysis of loans		
	£	£
Wholly repayable within five years:		
By instalments	29,871	41,022
Other than by instalments	101,700	112,700
Not wholly repayable within five years:		
By instalments	550,000	480,000
Other than by instalments	162,500	159,000
	<u>844,071</u>	<u>792,722</u>
Included in current liabilities	11,840	14,158
	<u>832,231</u>	<u>778,564</u>
	<u><u>832,231</u></u>	<u><u>778,564</u></u>

The Barclays Bank loan (£550,000) is repayable over twenty five years and will be repaid in full by December 2033. It bears interest at 2% over base rate. The bank loan from Charity Bank (£29,871) bears interest at 6%. It is repayable over ten years and will be repaid in full by July 2011. The bank loans are secured by a fixed charge over the freehold property of Keppleway Limited.

Other loans totalling £262,400 are interest free.

The Directors have received assurance from the lenders of loan balances totalling £157,500, confirming that they will not request payment within the next five years.

The aggregate amount of secured liabilities at 30 September 2009 amounted to £579,871 (30 Sept 2008: £539,779).

Notes (continued)

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

	2009	2008
	£	£
Charity		
Other loans	118,700	123,700
Bank loans	18,031	30,525
	<u>136,731</u>	<u>154,225</u>
	<u><u>136,731</u></u>	<u><u>154,225</u></u>
Analysis of loans	£	£
Wholly repayable within five years		
By instalments	29,871	41,022
Other than by instalments	91,700	96,700
Not wholly repayable within five years		
By instalments	-	-
Other than by instalment	27,000	27,000
	<u>148,571</u>	<u>164,722</u>
Included in current liabilities	11,840	10,497
	<u>136,731</u>	<u>154,225</u>
	<u><u>136,731</u></u>	<u><u>154,225</u></u>

The Trust has a ten year loan with the Charity Bank which will be repaid in full by January 2011. The loan bears interest at 6% and is secured by a charge over the freehold property of Keppleway Limited.

13. Analysis of group net assets between funds

	Restricted funds	Unrestricted funds	Total funds
	£	£	£
Group			
Tangible fixed assets	-	757,761	757,761
Investments	-	390	390
Current assets	17,759	15,615	33,374
Current liabilities	-	(58,569)	(58,569)
Long term liabilities	-	(832,231)	(832,231)
	<u>17,759</u>	<u>(117,034)</u>	<u>(99,275)</u>
	<u><u>17,759</u></u>	<u><u>(117,034)</u></u>	<u><u>(99,275)</u></u>

Notes (continued)

14. Statement of funds - Group

	General funds £	Restricted funds £	Total £
At beginning of year	(111,324)	16,156	(95,168)
Incoming resources	385,864	21,699	407,563
Resources expended	(408,914)	(2,756)	(411,670)
Transfers	17,340	(17,340)	-
	<u>(117,034)</u>	<u>17,759</u>	<u>(99,275)</u>

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

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

15. Subsidiary company

The charity owns the whole of the issued share capital of Keppleway Limited, a company registered in England. The subsidiary owns the property leased to the charity, from which the charity's activities take place, and also runs disability awareness training. All activities of the company have been consolidated on a line by line basis in the SOFA. Most of the net profit is gifted to the charity.

Notes (continued)

15. Subsidiary company (continued)

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

Keppleway Limited

	Total 2009	Total 2008
	£	£
Turnover	37,104	48,536
Cost of sales	(416)	(1,601)
Gross profit	36,688	46,935
Administrative expenses	(36,157)	(45,844)
Net profit	531	1,091
Tax paid	-	(251)
Unrealised loss on investments	-	-
	531	840
The aggregate of the assets, liabilities and funds was:		
Assets	799,338	733,572
Liabilities	(741,544)	(676,309)
	57,794	57,263

16. Related party transactions

Reverend JR Libby, a trustee, and Mrs D Libby are owed £65,000 by the group at the end of the year (2008: £65,000). In addition, there are subsisting loans of £92,500 (2008: £89,000) from JH Powley, £15,000 (2008: £15,000) from JCH Taylor, and £6,700 (2008: £8,700) from G Denham, who are trustees. These loans are provided interest free. See note 2 for details of these donated facilities.

17. Taxation

As a charity, Keppleway Trust is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

18. Control

There is no single controlling party of the Trust.

19. Operating Lease

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

Detailed Trust income and expenditure account
for the year ended 30 September 2009

	2009 £	2008 £
Incoming resources		
Donations	41,769	33,705
Grants received	62,625	20,442
Gift aid and covenant income	37,227	33,260
Gift aid from subsidiary	1,000	5,500
Accommodation income	242,973	229,003
Other income	3,121	5,993
Events	12,555	12,838
Total incoming resources	401,270	340,741
Direct charitable expenditure		
Salaries	227,777	211,657
Freelancers	8,265	8,619
Training		
Expenses	3,582	1,233
Staff costs	239,624	221,509
Rental	41,441	51,223
Rates and premises cost	21,244	20,086
Repairs and maintenance	7,913	6,188
Accommodation provision costs	61,138	55,206
Establishment costs	131,736	132,703
Total direct charitable expenditure	371,360	354,212
Other expenditure		
Advertising	2,421	2,061
Professional fees	1,852	525
Fundraising costs	4,273	2,586
Telephone, postage and carriage	4,312	4,985
Audit and accountancy	4,692	5,604
Bank charges and interest	5,042	4,622
Loan interest	7,139	8,912
Depreciation	8,208	7,490
Administrative expenses	29,393	31,613
Total expenses	405,026	388,411
Net movement in funds	(3,756)	(47,670)

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