

**The Keppleway Trust**

Trustees' report and consolidated  
financial statements

Registered charity number 1015762

30 September 2007

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## 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	Lonsdale and Partners, Kendal
Registered address	Kepplewray Broughton-in-Furness Cumbria LA20 6HE

## **Trustees' report**

The Trustees present their annual report for the year ended 30 September 2007 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.

## **Trustees' report** *(continued)*

### **Achievement and performance**

This is our eighth full year of operation. 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. Comments made include the following:

"I really enjoyed coming here. I have been two 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." *Girl with disabilities*

"Kepplewray 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 provide us with a wide and detailed analysis of the services we offer. These often compliment us on the accessibility of the Centre, the friendliness and professionalism of the staff, the safety of the activities provided and the quality of the food.

"At Kepplewray, people of all abilities can share and enjoy together opportunities for adventure, challenging activities, learning and relaxation. Kepplewray, I heartily recommend you!" *Youth leader*

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 ongoing provision.

### **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. A considerable amount of staff training has taken place. 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.

### **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. 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 were successfully reassessed as an Investor in People organisation in January 2006. We continue to produce our biannual magazine K News and our quarterly prayer diary for our supporters.

### **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 30<sup>th</sup> 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.

## Trustees' report (*continued*)

### 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. As a first step towards this we have opened a deposit account.

### 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.
- 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.
- Continuing with a wide range of staff training
- Undertaking improvements to the building including developing accessible bathroom facilities and renewing the Dining Room provision.

### Accounting and Reporting Responsibilities

The Charities Act 1993 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;

Follow applicable accounting standards and the Charities SORP, disclosing and explaining and departures in the accounts, and

Prepare the accounts on the going concern basis unless it is inappropriate to assume that the Charity will continue in operation.

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 charity law. They are also responsible for safeguarding the assets of the group and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of error, 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

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### **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 2007 on pages 8 to 22. These financial statements have been prepared under the historical cost convention with the exception of investments which are stated at valuation and the accounting policies set out therein.

This report is made solely to the charity's trustees, as a body, in accordance with Regulations made under the Charities Act 1993. 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 auditors' report and for no other purpose. In those circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for the audit report, or for the opinions we have formed.

#### *Respective responsibilities of trustees and auditors*

As described in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

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 properly prepared in accordance with the Charities Act 1993, and whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements. We also report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and transactions with the charity are not disclosed.

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 of the charity's and the group's affairs as at 30 September 2006 and of their incoming resources and application of resources in the year then ended and have been properly 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.

### **Lonsdale & Partners**

Chartered Accountants



.....  
Kendal

Registered Auditor

House  
Murley Moss Business Village  
Kendal, Cumbria. LA9  
7RL

**Consolidated statement of financial activities**  
*for the year ended 30 September 2007*

	Notes	Restricted funds	2007 Unrestricted funds	Total	2006 Total
		£	£	£	£
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary donations and gifts	2	-	122,379	122,379	94,528
Activities for generating funds:					
Trading turnover		-	2,692	2,692	7,005
Incoming resources from charitable activities					
Grants received for operational costs	3	11,250	2,500	13,750	57,281
Accommodation and activities income		-	224,923	224,923	211,423
Other incoming resources		-	2,843	2,843	2,456
<b>Total incoming resources</b>		<b>11,250</b>	<b>355,337</b>	<b>366,587</b>	<b>372,693</b>
<b>Resources expended</b>					
Costs of generating funds					
Fundraising trading		-	718	718	1,335
Fundraising costs		-	32,894	32,894	29,549
Charitable activities					
Provision of accommodation and activities		7,884	319,389	327,273	343,386
Governance costs		-	24,479	24,479	17,667
<b>Total resources expended</b>	4	<b>7,884</b>	<b>377,480</b>	<b>385,364</b>	<b>391,937</b>
Net incoming resources/(resources expended) before transfers		3,366	(22,143)	(18,777)	(19,244)
Taxation		-	(146)	(146)	(1,322)
Unrealised loss on investment		-	-	-	-
Transfers between funds	14	(19,437)	19,437	-	-
Net incoming resources/(resources expended)		<b>(16,071)</b>	<b>(2,852)</b>	<b>(18,923)</b>	<b>(20,566)</b>
Fund balance brought forward	14	34,039	(62,572)	(28,533)	(7,967)
Fund balance carried forward	13,14	17,968	(65,424)	(47,456)	(28,533)

**Trust statement of financial activities**  
*for the year ended 30 September 2007*

	Notes	Restricted funds £	Unrestrict ed funds £	2007 Total £	2006 Total £
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary donations and gifts		-	114,979	114,979	87,128
Investment Income – Gift aid from subsidiary		-	28,000	28,000	36,000
Incoming resources from charitable activities					
Grants received for operational costs	3	11,250	2,500	13,750	57,281
Accommodation and activities income		-	224,923	224,923	211,423
Other incoming resources		-	2,843	2,843	2,456
<b>Total incoming resources</b>		<b>11,250</b>	<b>373,245</b>	<b>384,495</b>	<b>394,288</b>
<b>Resources expended</b>					
Costs of generating funds					
Fundraising costs		-	32,894	32,894	29,549
Charitable activities					
Provision of accommodation and activities		7,884	341,540	349,424	368,528
Governance costs		-	20,579	20,579	15,101
<b>Total resources expended</b>		<b>7,884</b>	<b>395,013</b>	<b>402,897</b>	<b>413,178</b>
Net incoming resources/(resources expended) before transfers		3,366	(21,768)	(18,402)	(18,890)
Transfers between funds	14	(19,437)	19,437	-	-
Net incoming resources before other recognised gains and losses		(16,071)	(2,331)	(18,402)	(18,890)
Gain on investment asset		-	-	-	25,000
Net movement in funds		(16,071)	(2,331)	(18,402)	6,110
Fund balance brought forward		34,039	(39,296)	(5,257)	(11,367)
Fund balance carried forward	13,14	17,968	(41,627)	(23,659)	(5,257)

**Balance sheet**  
*at 30 September 2007*

	Note	Group		Charity	
		30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8	<b>754,564</b>	745,952	<b>32,830</b>	20,261
Investments	9	-	-	<b>116,000</b>	116,000
		<u><b>754,564</b></u>	<u>745,952</u>	<u><b>148,830</b></u>	<u>136,261</u>
<b>Current assets</b>					
Investments	9	<b>390</b>	390	-	-
Stock of finished goods		<b>5,604</b>	4,029	<b>3,276</b>	1,707
Debtors	10	<b>7,814</b>	8,417	<b>19,393</b>	17,828
Cash at bank and in hand		<b>273</b>	73	<b>273</b>	73
		<u><b>14,081</b></u>	<u>12,909</u>	<u><b>22,942</b></u>	<u>19,608</u>
<b>Creditors:</b> amounts falling due within one year	11	<b>(121,231)</b>	(131,888)	<b>(59,707)</b>	(71,606)
<b>Net current (liabilities)/assets</b>		<u><b>(107,150)</b></u>	<u>(118,979)</u>	<u><b>(36,765)</b></u>	<u>(51,998)</u>
<b>Total assets less current liabilities</b>		<u><b>647,414</b></u>	<u>626,973</u>	<u><b>112,065</b></u>	<u>84,263</u>
<b>Creditors:</b> amounts falling due after more than one year	12	<b>(694,870)</b>	(655,506)	<b>(135,724)</b>	(89,520)
<b>Net (liabilities)/assets</b>		<u><b>(47,456)</b></u>	<u>(28,533)</u>	<u><b>(23,659)</b></u>	<u>(5,257)</u>
<b>Income funds</b>					
Restricted funds	13,14	<b>20,360</b>	34,039	<b>17,968</b>	34,039
Unrestricted funds	13,14	<b>(67,816)</b>	(62,572)	<b>(41,627)</b>	(39,296)
		<u><b>(47,456)</b></u>	<u>(28,533)</u>	<u><b>(23,659)</b></u>	<u>(5,257)</u>

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

**The Reverend JR Libby**  
*Trustee*

## Notes

*(forming part of the financial statements)*

### 1. Accounting policies

#### ***Basis of preparation***

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, Kepplewray Limited. The results of the subsidiary are consolidated on a line by line basis. The group is exempt from the requirement of FRS1 (revised) to prepare a cash flow statement as it is entitled to the filing exemptions as a small group.

#### ***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 fifteen month period to 31 December 2008. 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

	2007	2006
	£	£
Individuals	84,635	65,043
Donated facilities	11,200	9,367
Charitable foundations	23,244	15,062
Corporate donors	3,300	5,056
	<u>122,379</u>	<u>94,528</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 £11,200 (2006 £9,367). (Trust £3,800 (2006 £1,967)). 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

	2007	2006
	£	£
May Hearnshaw Trust	2,000	-
BNFL	2,176	-
Percy Bilton	1,840	-
H and A Bridges	1,500	-
Hedley Foundation	2,750	-
Frieda Scott Trust	-	7,500
ChangeUp Accessibility	-	10,000
Sir John Fisher Foundation	-	20,000
Cumbria County Council – training bursaries	1,700	2,730
Enterprise 4 Inclusion	-	12,000
Other small grants	1,784	5,051
	<u>13,750</u>	<u>57,281</u>

**Notes** (continued)

**4. Total resources expended**

	Staff costs	Other direct costs	Other allocated costs	2007	2006
	£	£	£	£	£
Fundraising trading	-	718	-	<b>718</b>	<b>1,335</b>
Fund raising costs	28,657	4,237	-	<b>32,894</b>	<b>29,549</b>
Provision of accommodation and activities	169,038	140,265	17,970	<b>327,273</b>	<b>343,386</b>
Governance	12,007	12,472	-	<b>24,479</b>	<b>17,667</b>
Total resources expended	<u>209,702</u>	<u>157,692</u>	<u>17,970</u>	<b><u>385,364</u></b>	<b><u>391,937</u></b>

Other direct costs include:

	2007	2006
	£	£
Auditors' remuneration - audit services	<b>8,122</b>	6,363
- other	<b>450</b>	430
Depreciation	<b>11,968</b>	14,246
Interest payable	<b>40,061</b>	36,829
	<b><u>60,541</u></b>	<u>57,868</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 (2006: Nil).

## Notes (continued)

### 6. Staff numbers and costs

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

	<b>2007</b>	2006
	<b>£</b>	£
Wages and salaries	<b>180,471</b>	191,428
Social security costs	<b>13,476</b>	14,462
Pension costs	<b>7,854</b>	7,723
Group total	<b><u>201,801</u></b>	<u>213,613</u>

There were no employees receiving more than £60,000 in the year (2006: none).

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

	<b>Number of employees</b>	
	<b>2007</b>	2006
Cost of generating funds	<b>1</b>	1
Charitable activities	<b>8</b>	9
Management and administration of the charity	<b>4</b>	5
Group total	<b><u>13</u></b>	<u>15</u>

Kepplewray Limited has a total of 4 (2006: 4) directors of whom 2 (2006: 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 £7,854 (2006: £7,723). There were no amounts outstanding at the period end (2006: nil).

**Notes** (continued)

**8. Tangible fixed assets**

<b>Group</b>	<b>Freehold land and buildings</b>	<b>Fixtures, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 1 October 2006	718,742	146,366	38,776	903,884
Additions	16,576	4,004	-	20,580
Disposals	-	(5,998)	-	(5,998)
At 30 September 2007	735,318	144,372	38,776	918,466
<b>Depreciation</b>				
At 1 October 2006	-	120,992	36,940	157,932
Charge for year	-	11,418	550	11,968
Disposals	-	(5,998)	-	(5,998)
At 30 September 2007	-	126,412	37,490	163,902
<b>Net book value</b>				
<b>At 30 September 2007</b>	<b>735,318</b>	<b>17,960</b>	<b>1,286</b>	<b>754,564</b>
At 30 September 2006	718,742	25,374	1,836	745,952

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

<b>Charity</b>	<b>Leasehold improvements</b>	<b>Equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	£	£	£	£
<b>Cost</b>				
At 1 October 2006	-	80,440	38,776	119,216
Additions	16,576	4,004	-	20,580
Disposals	-	(5,998)	-	(5,998)
At 30 September 2007	16,576	78,446	38,776	133,798
<b>Depreciation</b>				
At 1 October 2006	-	62,015	36,940	98,955
Charge for year	-	7,461	550	8,011
Disposals	-	(5,998)	-	(5,998)
At 30 September 2007	-	63,478	37,490	100,968
<b>Net book value</b>				
<b>At 30 September 2007</b>	<b>16,576</b>	<b>14,968</b>	<b>1,286</b>	<b>32,830</b>
At 30 September 2006	-	18,425	1,836	20,261

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

	<b>Total £</b>
<b>Charity</b>	
Ordinary £1 shares in Keppleway Limited	
<b>Cost</b> at 1 October 2006 and 30 September 2007	116,000
	<hr/>
<b>Net book value</b>	
<b>At 30 September 2006 and 30 September 2007</b>	<b>116,000</b>
	<hr/> <hr/>

#### Current asset investments

	<b>2007 £</b>	<b>2006 £</b>
<b>Group</b>		
3,000 UK, unlisted shares in Keycom plc		
At market value at 30 September 2007	<b>390</b>	390
	<hr/>	<hr/>
At historical cost	<b>3,600</b>	3,600
	<hr/>	<hr/>

### 10. Debtors

	<b>2007 £</b>	<b>2006 £</b>
<b>Group</b>		
Trade debtors	<b>5,919</b>	8,065
Other debtors	<b>1,895</b>	352
	<hr/>	<hr/>
	<b>7,814</b>	8,417
	<hr/>	<hr/>
	<b>£</b>	<b>£</b>
<b>Charity</b>		
Trade debtors	<b>4,286</b>	2,976
Other debtors	<b>1,896</b>	352
Owed by group company	<b>13,211</b>	14,500
	<hr/>	<hr/>
	<b>19,393</b>	17,828
	<hr/>	<hr/>

**Notes** (continued)

**11. Creditors: amounts falling due within one year**

	<b>2007</b>	2006
	£	£
<b>Group</b>		
Bank loans and overdrafts	<b>63,697</b>	62,066
Trade creditors	<b>16,188</b>	25,277
Other taxation and social security	<b>21,259</b>	13,368
Accruals	<b>19,087</b>	31,177
Other loans	<b>1,000</b>	-
	<b><u>121,231</u></b>	<u>131,888</u>

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

	<b>2007</b>	2006
	£	£
<b>Charity</b>		
Bank overdraft	<b>2,299</b>	1,716
Loans repayable in one year	<b>11,496</b>	9,894
Trade creditors	<b>14,905</b>	22,337
Other taxation and social security	<b>12,637</b>	9,048
Accruals	<b>17,087</b>	23,986
Owed to group company	<b>1,283</b>	4,625
	<b><u>59,707</u></b>	<u>71,606</u>

**Notes** *(continued)*

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

	<b>2007</b>	2006
	<b>£</b>	£
<b>Group</b>		
Bank loan	<b>452,170</b>	469,506
Other loans	<b>242,700</b>	186,000
	<u><b>694,870</b></u>	<u>655,506</u>
	<u><u><b>694,870</b></u></u>	<u><u>655,506</u></u>
 Analysis of loans		
	<b>£</b>	£
Wholly repayable within five years:		
By instalments	<b>51,520</b>	-
Other than by instalments	<b>84,700</b>	23,000
Not wholly repayable within five years:		
By instalments	<b>417,640</b>	484,884
Other than by instalments	<b>159,000</b>	163,000
	<u><b>712,860</b></u>	<u>670,884</u>
Included in current liabilities	<b>17,990</b>	15,378
	<u><b>694,870</b></u>	<u>655,506</u>
	<u><u><b>694,870</b></u></u>	<u><u>655,506</u></u>

The Barclays Bank loan (£417,640) is repayable over twenty five years and will be repaid in full by January 2029. It bears interest at 2.5% over base rate. The bank loan from Charity Bank (£51,520) 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 £243,700 are interest free.

The Directors have received assurance from the lenders of loan balances totalling £159,000, confirming that they will not request payment within the next five years.

The aggregate amount of secured liabilities at 30 September 2007 amounted to £515,867 (30 Sept 2006: £531,572).

**Notes** (continued)

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

	2007 £	2006 £
<b>Charity</b>		
Other loans	94,700	38,000
Bank loans	41,024	51,520
	<u>135,724</u>	<u>89,520</u>
	<u><u>135,724</u></u>	<u><u>89,520</u></u>
Analysis of loans		
	£	£
Wholly repayable within five years		
Other than by instalments	68,700	7,000
Not wholly repayable within five years		
By instalments	51,520	61,414
Other than by instalment	27,000	31,000
	<u>147,220</u>	<u>99,414</u>
Included in current liabilities	11,496	9,894
	<u>135,724</u>	<u>89,520</u>
	<u><u>135,724</u></u>	<u><u>89,520</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 £
<b>Group</b>			
Tangible fixed assets	3,887	750,677	754,564
Investments	390	-	390
Current assets	13,691	-	13,691
Current liabilities	-	(121,231)	(121,231)
Long term liabilities	-	(694,870)	(694,870)
	<u>17,968</u>	<u>(65,424)</u>	<u>(47,456)</u>
	<u><u>17,968</u></u>	<u><u>(65,424)</u></u>	<u><u>(47,456)</u></u>

**Notes** *(continued)*

**14. Statement of funds - Group**

	<b>General funds</b>	<b>Restricted funds</b>	<b>Total</b>
	£	£	£
At beginning of year	(62,572)	34,039	(28,533)
Incoming resources	355,337	11,250	366,587
Resources expended	(377,626)	(7,884)	(385,510)
Transfers	19,437	(19,437)	-
	<u>(65,424)</u>	<u>17,968</u>	<u>(47,456)</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:

Kepplewray Limited

	<b>Total 2007</b>	Total 2006
	£	£
Turnover	72,692	77,005
Cost of sales	(718)	(1,335)
	<hr/>	<hr/>
Gross profit	71,974	75,670
Administrative expenses	(71,467)	(75,142)
	<hr/>	<hr/>
Net profit	507	528
Tax paid	(146)	(1,322)
Unrealised loss on investments	-	-
	<hr/>	<hr/>
	361	(794)
	<hr/> <hr/>	<hr/> <hr/>
The aggregate of the assets, liabilities and funds was:		
Assets	726,085	736,833
Liabilities	(669,662)	(680,771)
	<hr/>	<hr/>
	56,423	56,062
	<hr/> <hr/>	<hr/> <hr/>

### 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 (2006: £63,000). In addition, there are subsisting loans of £89,000 (2006: £89,000) from JH Powley, £15,000 (2006: £14,000) from JCH Taylor, £9,700 (2006: £8,000) from G Denham, and £2,000 (2006: £2,000) from Reverend P Greene, who are trustees. These loans are provided interest free. See note 2 for details of these donated facilities.

### 17. Taxation

As a charity, Kepplewray 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

Kepplewray Trust lease the premises from Kepplewray 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 2007*

	2007 £	2006 £
<b>Incoming resources</b>		
Donations	50,410	38,360
Grants received	13,750	57,281
Gift aid and covenant income	48,555	38,173
Gift aid from subsidiary	28,000	36,000
Accommodation income	224,923	211,423
Other income	2,843	2,456
Events	16,014	10,595
<b>Total incoming resources</b>	<b>384,495</b>	<b>394,288</b>
<b>Direct charitable expenditure</b>		
Salaries	201,801	213,613
Freelancers	7,294	3,328
Training		5,652
Expenses	607	1,203
<b>Staff costs</b>	<b>209,702</b>	<b>223,796</b>
Rental	82,250	82,250
Rates and premises cost	21,526	22,121
Repairs and maintenance	8,232	6,483
Accommodation provision costs	50,508	49,826
<b>Establishment costs</b>	<b>162,516</b>	<b>160,680</b>
<b>Total direct charitable expenditure</b>	<b>372,218</b>	<b>384,476</b>
<b>Other expenditure</b>		
Advertising	2,746	2,672
Professional fees	1,491	-
<b>Fundraising costs</b>	<b>4,237</b>	<b>2,672</b>
Telephone, postage and carriage	2,999	3,672
Audit and accountancy	4,672	4,227
Bank charges and interest	6,960	6,864
Loan interest	3,800	1,967
Depreciation	8,011	9,300
<b>Administrative expenses</b>	<b>26,442</b>	<b>26,030</b>
<b>Total other expenses</b>	<b>30,679</b>	<b>28,702</b>
<b>Net movement in funds</b>	<b>(18,402)</b>	<b>(18,890)</b>

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