



**Keystone Development Trust**

**(A company limited by guarantee and not  
having a share capital)**

**Annual Report and Financial Statements**

**Year Ended  
31 March 2013**

**Company number: 4346470**

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2013**

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**Trustees and Advisors**

**Trustees**

Sheila Childerhouse (Joint Chair)  
Clive Wadham-Smith (Joint Chair)  
Mark Allison (Vice Chair)  
Pat Brown – Retired 28.11.12  
Brenda Canham  
Robert King  
Charlie Moss  
Pat Pearson – Retired 17.12.13  
Monique Stevenson – Appointed 28.11.12  
Stuart Wright – Retired 28.11.12  
Ryan Windsor – Appointed 11.06.13

**Chief Executive**

Neil Stott

**Secretary**

Alan Flack

**Registered office**

The Limes, 32 Bridge Street, Thetford, Norfolk, IP24 3AG

**Registered Charity number**

1093162

**Company number**

4346470

**Auditors**

Baker Tilly UK Audit LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk,  
IP32 7FA

**Bankers**

HSBC Bank Plc, 36 King Street, Thetford, Norfolk, IP24 2AS

## **KEYSTONE DEVELOPMENT TRUST**

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### **TRUSTEES REPORT**

#### **Structure, Governance and Management**

The Trustees submit their annual report and the audited financial statements of the charity for the year ended 31 March 2013. The charity is constituted as a company limited by guarantee. The financial statements are the full statutory financial statements of the charitable company and should be read in conjunction with the Annual Report.

Keystone Development Trust is a company limited by guarantee and a charity governed by Memorandum and Articles of Association. The directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. There are currently eight Trustees drawn from various backgrounds within the Keystone area of benefit. Details of Trustees, and other company information, are contained on page 2.

Trustees are appointed by a recruitment process which includes advertising and interview. The Chair is appointed by the Trustees. New Trustees receive a briefing on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the decision making processes, the business plan and recent financial performance of the charity. Trustees are also encouraged to attend appropriate external training events where these will help them to better understand their role.

The Board of Trustees administers the charity. The Board meets bi-monthly and there is a sub-committee covering finance and audit which meets twice during the year. A Chief Executive is appointed by the Trustees to manage the day to day operations of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the Trustees, for operational matters including finance, employment and operations.

The Trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular monitoring so that the necessary steps can be taken to mitigate those risks.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set and does not seek to exclude any section of the community. We have delivered projects across all sections of the community and these are detailed on pages 6 to 10. The availability of funding dictates what projects can be delivered.

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### Objectives and Activities

Keystone Development Trust delivers diverse social projects through generating income from its own not for *private* profit social enterprises as well as public and other funds. Keystone is a *community regeneration charity* which was launched in 2003.

Keystone aims to deliver projects which fill local people with **passion**, keep money in their **pockets** and create great **places** to live. The Trust aims to deliver;

- **Work** and preparation for work
- **Fun**
- Community led **homes**
- **Extra help** for those in the greatest need

Keystone delivers social projects within Norfolk and Suffolk, including Thetford, Brandon, Mildenhall, Newmarket and surrounding villages. Keystone works within an area with many tensions and social challenges. The Trust delivers community development projects predominantly with communities and neighbourhoods which are excluded or deprived, social enterprises and property development (social and commercial). The Trust is increasingly being commissioned to deliver social projects across a wider area. Keystone's social enterprises operate in local, regional and national markets.

The Keystone vision is:

'To improve the quality of life and opportunities for people who live, study and work in the Keystone area through sustainable, community led regeneration. Working closely with partner organisations and communities, Keystone aims to ensure that the area is safe, healthy, inclusive, socially and economically vibrant.'

The Keystone aim is:

'To build community capital, the collective skills, knowledge and experience, facilities and organisations which ensure greater returns in the quality of life for all, and to anchor community capital locally to ensure sustainable returns.'

In achieving this Keystone Development Trust aims to address issues which significantly affect the quality of life of the communities which it serves. It seeks to identify needs through research, consultation and discussion with partners and other organisations. Some of the current issues facing the area include:

- A significantly higher than average number of people both less than 16 years old and older than 60.
- The wards of Thetford-Abbey and Thetford-Saxon have twice the Norfolk average for the percentage of households consisting of lone parents living with dependent children.

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### Trustees Report and Financial Statements for the year ended 31 March 2013

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- Figures from the Breckland Crime and Disorder Reduction Partnership show that 4 of Thetford's Wards are in the top 6 Breckland wards for reported crime.
- West Thetford exhibits a number of indicators of poverty. One of the Thetford Abbey Super Output Areas is in the top quintile of most deprived wards nationally for income, employment and multiple deprivation.
- Thetford has had persistent educational problems for a number of years. Poor educational performance feeds into other problems such as poverty and the performance of the local economy. Low educational attainment also contributes to the number of young people who become NEET (Not in Education, Employment or Training). Indicators of poor educational standards include:
  - The 2001 census shows that only 9% of people in Thetford have achieved a level 4/5 qualification (first degree and above) compared to 20% in England
- According to local health workers teenage conceptions have trebled in Thetford in the past five years.
- Unemployment in West Thetford is higher than both the Breckland and UK averages.
- Fast growing migrant worker communities from Portugal and Eastern Europe. This has led to worker exploitation, pressure on public services and tensions between communities.

Keystone works to develop projects and activities which can address these issues.

The objectives that we set for the last year were:

- **To tackle financial exclusion** - through support, advice, training and job creation
- **To combat social exclusion** - through empowering individuals, groups and communities
- **To protect the environment** – through recycling, local procurement and saving historic buildings
- **To generate wealth** - through property and social enterprise development

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During 2012/13 our main projects and programmes have been:

- **Green Ventures Bikes**  
The Green Ventures Bike project funding came to an end on 31 March 2011, throughout the last two years the project has relied on generating sales to continue. During the year the project collected 1,319 bikes from donations and household waste recycling centres in Suffolk, equating to around 20 Tonnes of bikes diverted from landfill.
- **Keystone Community Finance**, The scheme set up with Norfolk Credit Union and has seen continued growth in its use with a collection point being at The Limes during META opening.
- **META (Mobile Europeans Taking Action)** is a project providing information, support and guidance to Portuguese and Eastern European migrant workers in the area. A drop in surgery operates and works with key agencies to tackle issues and provide a voice for migrant workers. META received £62,000 (in 2012 year end for deliverables in 2013 year end) of funding from the Cabinet Office to develop the Drop-in Centre into an Advice Service. This is in addition to the £12,500 received from The Lloyds TSB Foundation in the year. The Centre's opening hours expanded in June from 15 hours per week to 23 hours per week, to include one evening per week and two Saturdays per month, in addition to 'Partnership Days' whereby external specialist services were invited to offer an outreach service at The Limes with META staff providing language and cultural support.

The funding also enabled three members of the META team to obtain an NVQ Level 3 qualification in Information, Advice and Guidance, provide some top-up English language tuition for a fourth META project worker, and enable all staff to become Level 1 immigration advisors, accredited by the national OISC (Office of the Immigration Services Commissioner). The new-look META service will be supported by membership of Advice UK.

Keystone's application for Advice UK Membership was successful and the Drop-in service now has full access to their range of services.

As well as enhancing services offered to clients for the year 2012/13, the additional staff training and service accreditation will make META more able to attract further investment next year and beyond

A work club was set up, supported by members of the META team and volunteers, and was supported by volunteers speaking a range of languages. The Thetford Adult Work Club supported 142 clients since the beginning of the Cabinet Office funding stream in June 2012. Outcomes achieved by clients from June onwards with the help of Work Club are:

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### Trustees Report and Financial Statements for the year ended 31 March 2013

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- 4 clients obtained permanent full-time work
  - 1 client obtained permanent part-time work
  - 3 clients benefitted from casual agency work
  - 3 clients secured volunteering positions
- **ESOL (English for speakers of other languages) lessons**, have been provided free to Suffolk residents at two locations in Brandon and Mildenhall with funding from Suffolk County Council Realise Futures. The classes have proved to be a great success, with 87 students having enrolled since the classes started in August. Students of many different nationalities attend the classes, which are conducted only in English, and feedback has been very positive.
  - **Stop Smoking**, Keystone was re-commissioned to provide its migrant stop smoking service both into 2013 and then again until March 2014. The contract is now held with Norfolk County Council due to the transfer of statutory public health responsibilities from NHS Norfolk to the Council.

During the contract which ran to March 2013, the project achieved 34 smoking quits against a target of 35, a level of performance which both the Trust and Public Health were happy with.

- **Keystone Area Voluntary Organisation, KAVO**, funded by Forest Heath District Council and The Suffolk Foundation has achieved many things with local organisations. During the year KAVO training courses and networking meetings have benefitted over 90 volunteers and employees, representing at least 53 local community organisations, enabling them to increase their skills, connections and funding potential.

The Brandon Voluntary Forum has now helped to lever in over £28,000 of external funding for Forest Heath based community groups with more applications pending.

Forum meetings are held on a regular basis throughout the year. The forums have included connecting local service providers together in Brandon and the surrounding areas and to enable them to think about sharing services and contacts more effectively

A successful Fundraising Focus event was held on Saturday 23rd February at Brandon Leisure Centre with guest speakers from Suffolk Foundation, SAVO, Forest Heath District Council and Keystone, attended by representatives from 18 local community groups who were also given the opportunity to share their own successful fundraising ideas.

Regular newsletters for KAVO members are published and distributed throughout the year.



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- **Work Clubs**, Keystone has built on its' successful pilot of work clubs in schools in partnership with Suffolk County Council. In the academic year to September 2012 of the 183 students worked with 84% have gone on to positive destinations and are not at risk of becoming NEET. The project exceeded targets despite numerous problems with the GCSE papers nationwide.

New funding was agreed for the academic year from September 2012 to 2013, including an extended programme of delivery within Thurston Community College funded by the Skills2Wow programme with the aim of providing intensive support and guidance to Year 11 learners as well as Year 10 students.

A new Schools Work Club pilot began in Thetford Academy starting at the beginning of February, funded by the May Gurney Foundation through the Norfolk Community Foundation.

A new prospectus promoting Keystone's School Work Club model has been designed with a view to marketing the programme to secondary schools within Norfolk, Suffolk and Cambridgeshire.

The Brandon Work Club assisted 19 local people with their employment, education and training needs and the feedback given reinforces the value and success of the 'Keystone Approach'.

- **Cambridge Adult Work Club**, With funding from Cambridge City Council Keystone Development Trust launched a work club in Cambridge in May 2012. The design and implementation of the sessions was based on the Keystone work club model and Keystone Approach previously piloted by the Trust in Norfolk and Suffolk.

At each session new clients were registered and received support tailored to their individual needs, including practical help with a CV or understanding an application form. Support also involved spending time listening to clients' concerns in order to be able to equip them with the appropriate tools (whether skills or attitude to find employment).

As part of the programme Keystone arranged interview skills and confidence training courses and clients were encouraged to consider volunteering.

The Cambridge Work Club provided a safe place for those seeking employment to voice their concerns and receive support without feeling judged or worrying that they might say the wrong thing and jeopardise their benefits.

The Cambridge Work Club provided valuable support to those truly furthest from the work place and by the end of the project (May 2013) the Cambridge Work Club had supported 27 members with over half (15) clients returning for multiple sessions.

- **A\*SPIRE**, The A\*spire project, funded by Children in Need for three years to 31 December 2014, provides an open-access, free monthly event for 9-15 year

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olds. Each month a local professional is invited to lead a fun, inclusive two-hour workshop, with activities based around their occupation or area of expertise

The A\*spire project has almost seventy young people signed up. During the year;

- CSI delivered a fun two hour session around forensic dentistry, fingerprinting, and finger dusting. Twenty four young people, mainly from the Abbey Estate arrived and were provided with the full CSI kit;
- Banham Zoo gave the young people the opportunity to handle real live animals;
- Norwich Kiddy Cook, got the children involved with making seasonal dishes.

A\*spire has built relationships with local Schools, the Benjamin Foundation, Thetford Town Council and Thetford Library.

Shi (9 Years) – Abbey Neighbourhood Estate

*"I am always going to come here; it's so fun just to hang out. I'm glad you started doing this cause I would be bored all the time! I can't wait until next time."*

- **Community Organisers**, During 2012 Keystone continued to host Community Organisers as part of the national program delivered by Locality. In the summer both the Trust's Cambridge and Thetford based Community Organisers graduated from the program, having completed intensive study alongside work in the field. Whilst continuation funding was not obtained to continue the project at a local level, many positive activities took place with the support of the Trust's Community Organisers and new groups which will be self-sustaining were established. As part of the project over five hundred people were listened to in their community and networks of over two hundred people willing to be engaged in action were established.
- The **Local Food Group** is a social enterprise dedicated to providing healthy, local, seasonal and fair trade food with as few food miles as possible. The Local Food Group consists of a cafe, a sandwich round and provides food to conferences and external functions. It is financed from the sales it generates.
- **Keystone Research and Consultancy** undertook a range of contracts across the UK for local government and third sector clients to contribute to core charitable costs.
- **Keystone Buildings:-**  
The **Innovation Centre**; the centre has seen an increase in tenants and at the

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year end was 95% occupied. The figure has increased due to the top floor open plan suite being let on a 2 year lease. The centre now houses 10 businesses throughout the three floors all of which cover various business sectors including healthcare, gas and oil, training and professional services. The ground floor of the building is hired out for meetings and conferences during the year over 622 conferences were held, equating to a 34% occupancy of the rooms, the Trust will look to build on this over the coming years. The building is key to the Trust's future in providing an income to the Trust's core. In the long term the building will also provide an income for project work to be carried out in the area.

The **Enterprise Factory**, during the year the Enterprise factory's occupancy rate dropped to 72%. The market for serviced factory space in the area has dropped, the Trust are looking at alternative ways in which to make the building more attractive to potential customers. One step has seen the reduction in the amount of manned reception hours at the building, which has enabled the trust to keep the building operating and making the offer for customers more affordable. Over the coming year it is hoped that unit one (3,000+sqft) will be able to be rented out along with office one (846sqft) which will have a big impact on the running of the building. Within the building is the Trusts Bike Recycling project Green Ventures and other business sectors in the building include printing, design, electrical, building and work with children.

**The Limes**; The Limes is the Trust's headquarters and home to the META project. During the last financial year the Garden was transformed using a Lottery grant and remains an attractive sight for those that visit. The building is also rented out to other tenants to ensure that the building operates from a sound financial base. We have tried to attract tenants to the building that are delivering similar services to the public.

**The Abbey Neighbourhood Centre**; the centre is used by local residents and associations on a regular basis. Over the last year the building has seen increased usage.

**Riversdale**; is rented to the Riversdale Management Committee providing them with a base to house many local voluntary organisations.

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### **Achievements and Performance**

This section of the report details progress against the objectives set in last year's annual report.

#### **To tackle financial exclusion**

- The Credit Union continues to run with The Limes being a collection point where the public can join, pay in and obtain loans on their account.
- Affordable hire rates for community facilities
- Provision of managed workspace to generate employment opportunities
- Sustainable work opportunities through social enterprises
- Provision of affordable second hand bikes

#### **To combat social exclusion**

- META provides information and guidance to migrant workers assisting them to integrate into the community.
- Keystone Area Voluntary Organisations (KAVO) helps voluntary organisations to identify their training needs and assists them in various aspects in the day to day running of their voluntary organisations including help with applying for funding and meeting their mission.
- Accessible and affordable community facilities

#### **To protect the environment**

- All the buildings provide paper recycling facilities to tenants and staff which are well used.
- The bike recycling project saved 20 tonnes of bikes from going into landfill.
- The Local Food Group also reduces its impact on the environment by using locally produced, seasonal or fair trade food to sell on to its customers reducing food miles and supporting local producers by using their food.

#### **To generate wealth**

Keystone has built up a property portfolio to generate income to sustain the premises, contribute to Charitable core costs and support other voluntary organisations through a community grants scheme.

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Factors which affect the delivery of our objectives include:

#### **Ability to secure external funding**

The Trust is reliant on external funding to undertake most of its community and youth work. It does not receive any significant regular contributions from local authorities and most funding has to be secured through competitive processes. In future years we aim for some of the income generated from the Trust's buildings to be used for delivering projects and as a source of match funding, often crucial to successful bids.

#### **Success of Trust social enterprises**

If the Trust's social enterprises are successful then they will help to consolidate the core of the charity, by helping to spread the core management costs and offer local employment.

#### **Reputation with the local community**

The success that Keystone has had in engaging local people is partly due to the trust that it has built up with the local community. Our ability to engage with 'hard to reach groups' is fundamental to our work and needs to be maintained in the future. The reputation of the work we do with migrant communities has been recognised nationally and is reflected from the calls we receive enquiring about the services we deliver.

#### **Relationship with strategic partners**

Our relationship with other key players in the area affects what role we have and our ability to secure funding to undertake new project activity. Partners include local authorities, housing associations and health authorities.

#### **Relationship with delivery partners**

Within some projects Keystone are responsible for managing partners who deliver certain parts of a project. In such a situation it is essential that a good relationship is maintained not only to ensure successful delivery of the current project but to build partnerships for future funding bids.

### **Financial Review**

Total income for the year amounted to £774,532. Expenses in relation to governance costs were £17,006 and the total costs in furtherance of the charity's objects amounted to £953,436. Unrestricted funds carried forward at the end of the year amounted to £91,460 of which £75,589 has been designated to future expenditure and restricted funds amounted to £4,905,296.

The main sources of grant income during the year were from the Suffolk County Council and Suffolk Foundation in delivering projects working with Schools, Forest Heath District Council in delivering the Brandon Centre and KAVO, NHS Norfolk delivering a Smoking Cessation project, Lankelly Foundation for work building partnerships, Thurston School to deliver work clubs, Lloyds TSB Foundation for META, Realise Futures for delivering ESOL classes and Children In Need for delivering youth

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events. This funding enabled the organisation to undertake specific project work in order to deliver the objectives. Full details of amounts received from funders is shown on page 25.

The Trust has many volunteers that help in the running of the projects and the charity, During the year 658 (2012 - 1,020) hours were given by volunteers to the Trust with an estimated value of £4,755 (2011 - £6,995). Without the help of the volunteers many of the projects run would not be able to continue in the same format they do today. These figures are not included within the accounts.

#### **Going Concern**

The Charity has a diverse range of income generating activities including income generated from charitable activities such as rental income from the properties owned but also grant funding, voluntary, investment and fundraising income.

Whilst the Charity receives its income from a wide range of sources, many of the income streams are inherently volatile. The Charity has policies in place to manage these risks including specific investment and reserves policies which are explained elsewhere in the Trustees annual report.

The Trustees have considered the financial position of the Charity, the level of free reserves and the 2013 to 2015 budget and accompanying cash flow forecast. The forecasts and projections, taking into account known changes in activity show that the Charity can continue to operate with the support of its bank in the form of an overdraft facility. This has been agreed in March 2014 for a period of 12 months. Following the finance committee reviews throughout the year a number of cost savings have been identified and have been implemented and others being reviewed over the coming months together with ways of increasing the Trust's income from its buildings and services that it delivers. As a consequence, the Trustees believe the Charity is well placed to manage its business risks successfully through these difficult and uncertain times.

The trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Reserves Policy**

The Trustees aim is to hold unrestricted reserves at a level to cover at least three months basic running costs to ensure the core activities of the charity carry on into the future. Unrestricted undesignated reserves have increased during the year by £1,870 to leave a surplus of £15,871 – (2012 - £14,001). The current level of reserves are below the target. The Trust is continuing to work to maximise unrestricted income from various sources in order to build up a level of reserve which enables activity to continue.

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#### **Investment Policy**

The Trustees have a policy of investing all available funds overnight in order to maximise the interest receivable. The nature of the funding received does not make it appropriate, at the present time, to commit funds to longer term investments.

#### **Plans for Future Periods**

The financial year 2013/14 will be another significant one for the Trust. The Trust's funded income has fluctuated over the years and in 2012/13 received 35% of its total income from funders and 65% from generating income through properties, social enterprises and consultancy. Keystone is likely to undertake fewer projects in the near future as they will have to be funded through Trust income or new grants. The Trust's key priorities for the current year include:

- **To tackle financial exclusion** - through support, advice, training and job creation
- **To combat social exclusion** - through empowering individuals, groups and communities
- **To protect the environment** – through recycling, local procurement and saving historic buildings
- **To generate wealth** - through property and social enterprise development

The Trustees continually review the future operations and financial position of the Trust on a regular basis.

## KEYSTONE DEVELOPMENT TRUST

### Trustees Report and Financial Statements for the year ended 31 March 2013

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#### Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Trustees is aware:

- there is no relevant audit information of which the auditors are unaware; and
- all steps which they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information, have been taken.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's web site. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

#### Auditors

A resolution to confirm the appointment of Baker Tilly UK Audit LLP as auditors will be proposed at the Annual General Meeting.

This report was approved by the Trustees on 18 March 2014

  
MARK ALLISON  
Sheila Childerhouse  
Vice Joint Chair

  
Clive Wadham-Smith  
Joint Chair



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### **Trustees Report and Financial Statements for the year ended 31 March 2013**

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#### **Independent auditor's report to the members of Keystone Development Trust**

We have audited the financial statements of Keystone Development Trust for the year ended 31 March 2013 on pages 18 to 36. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

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**Trustees Report and Financial Statements for the year ended 31 March 2013**

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**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

*Baker Tilly UK Audit LLP*

CLAIRE SUTHERLAND (Senior Statutory Auditor)  
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Abbotsgate House  
Hollow Road  
Bury St Edmunds  
Suffolk  
IP32 7FA

*20 March 2014*

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**Statement of financial activities (including income and expenditure account) for the year ended 31 March 2013**

	Note	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2013 £	Total 2012 £
<b>Incoming resources</b>						
Incoming resources from charitable activities	2a	303,185	271,972	-	<b>575,157</b>	638,970
Incoming resources from generated funds:						
Activities for generating funds		198,735	-	-	<b>198,735</b>	159,188
Investment income		76	-	-	<b>76</b>	126
Voluntary income	2b	-	64	-	<b>64</b>	52
Other Incoming Resources	6	-	-	500	<b>500</b>	4,550
<b>Total incoming resources</b>		<b>501,996</b>	<b>272,036</b>	<b>500</b>	<b>774,532</b>	<b>802,886</b>
<b>Resources expended</b>						
Charitable activities						
Children and Youth		-	78,763	352	<b>79,115</b>	47,856
Keystone Communities		-	153,585	192	<b>153,777</b>	178,980
Keystone Enterprise		70,158	564	1,042	<b>71,764</b>	52,192
Keystone Property		280,356	4,500	114,235	<b>399,091</b>	433,284
Keystone Resources		7,418	64,288	319	<b>72,025</b>	75,163
Costs for activities for generating funds		177,664	-	-	<b>177,664</b>	175,291
Governance costs	3b	17,006	-	-	<b>17,006</b>	16,295
<b>Total resources expended</b>	3a	<b>552,602</b>	<b>301,700</b>	<b>116,140</b>	<b>970,442</b>	<b>979,061</b>
<b>Net incoming/(outgoing) resources before transfers</b>	6	<b>(50,606)</b>	<b>(29,664)</b>	<b>(115,640)</b>	<b>(195,910)</b>	<b>(176,175)</b>
Transfers between funds		(3,031)	592	2,439	-	-
Fund balances at 31 March 2012		145,097	120,607	4,926,962	<b>5,192,666</b>	5,368,841
<b>Fund balances at 31 March 2013</b>		<b>91,460</b>	<b>91,535</b>	<b>4,813,761</b>	<b>4,996,756</b>	<b>5,192,666</b>

The above figures all relate to continuing operations and include all income and expenditure and gains and losses arising during the year. The notes on pages 21 to 36 form part of these financial statements.

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2013**

**Balance sheet as at 31 March 2013**

**Company Registration No 4346470**

		2013		2012	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8	4,970,919		5,082,377	
Investments:					
Investments	9	2		2	
Programme related investment	9	250		250	
			<b>4,971,171</b>		<b>5,082,629</b>
<b>Current assets</b>					
Stock	10	8,369		7,039	
Debtors	11	141,075		148,733	
Cash at bank and in hand		83,919		162,081	
			<b>233,363</b>		<b>317,853</b>
<b>Creditors: amounts falling due</b>					
Within one year	12	(207,778)		(207,816)	
<b>Net current assets</b>			<b>25,585</b>		<b>110,037</b>
<b>Net assets</b>			<b>4,996,756</b>		<b>5,192,666</b>
<b>Funds</b>					
Unrestricted funds:					
- General	14		15,871		14,001
- Designated	14		75,589		131,096
Restricted funds:					
- Income	15		91,535		120,607
- Capital	16		4,813,761		4,926,962
			<b>4,996,756</b>		<b>5,192,666</b>

The financial statements were approved by the Trustees and authorised for issue on 18 March 2014.

  
 Sheila Childerhouse  
 VICE-Joint Chair

  
 Clive Wadham-Smith  
 Joint Chair

The notes on pages 21 to 36 form part of these financial statements.

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2013**

**Cash flow statement for the year ended 31 March 2013**

	Note	2013	2012
		£	£
<b>Reconciliation of net movement in funds to net cash outflow from operating activities</b>			
Net movement in funds		(195,910)	(176,175)
Net interest payable		146	565
Depreciation		116,140	122,275
Profit on disposal of assets		(500)	(4,550)
Decrease in debtors		7,657	2,090
Increase in Stock		(1,330)	(2,362)
Increase / (decrease) in creditors		19,522	(21,520)
<b>Net cash outflow from operating activities</b>		<b>(54,275)</b>	<b>(79,677)</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		76	126
Interest paid		(222)	(691)
		<b>(146)</b>	<b>(565)</b>
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets and Investments		(4,682)	(4,789)
Proceeds from sale of tangible assets		500	4,550
		<b>(4,182)</b>	<b>(239)</b>
<b>Financing</b>			
Loan repaid		(19,559)	(20,574)
<b>Decrease in cash in the year</b>	19	<b>(78,162)</b>	<b>(101,055)</b>
Cash at bank and in hand at 1 April 2012	20	162,081	263,136
<b>Cash at bank and in hand at 31 March 2013</b>	20	<b>83,919</b>	<b>162,081</b>

**Notes forming part of the financial statements for the year ended 31 March 2013**

**1 Accounting policies**

*Basis of accounting*

The financial statements are prepared under the historical cost convention, and have been prepared in accordance with the Companies Act 2006 and applicable accounting and financial reporting standards including the Statement of Recommended Practice (SORP) - 'Accounting and Reporting by Charities', (revised 2005).

*Going concern*

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adapt the going concern basis of accounting in preparing the financial statements. Further information is included on page 13.

*Group Accounts*

The charitable company is exempt from the requirement to prepare group accounts under SORP 2005 on the basis that, in the Trustee's opinion, the results of the dormant subsidiary undertaking is not material to the group. These financial statements therefore present information about the Charitable company as an individual undertaking and not about its group.

*Company status*

The charity is a company limited by guarantee. The members of the company are the Trustees, as named on page 2. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

*Incoming resources*

All incoming resources are included in the Statement of Financial Activity when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy. Donations in kind are recorded at their estimated value where material. Income is shown gross of all expenditure.

Rental income is recognised on an accrual basis with reference to the period to which the income relates.

No amounts are included in the financial statements for services donated by volunteers.

*Resources expended*

Expenditure is recognised on an accruals basis and when a liability is incurred. Expenditure is shown exclusive of VAT where applicable. Direct charitable expenditure and costs of generating funds are allocated to the function in which they arise. Costs relating to premises are attributed to projects based on the number of people based in them, all other costs attributed to projects are based on incurred costs which are identifiable to each specific project.

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2013**

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**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**1 Accounting policies (*Continued*)**

Support costs which cannot be attributed to specific projects are apportioned on the following basis:-

<u>Cost</u>	<u>Apportionment</u>
Staff costs	Time spent on the project
Premises costs	Employee numbers
Communications	Employee numbers
Postage & stationery etc	Employee numbers
Finance & professional fees	Employee numbers

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Grants payable are charged in the year in which the offer is conveyed to the recipient, except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled.

*Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less depreciation. Tangible fixed assets costing more than £500 are capitalised.

Depreciation is provided at rates calculated to write off the cost, less estimated residual values, of all fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:-

Freehold buildings	- over 50 years
Machinery and office equipment	- over 5 years
Vehicles	- over 4 years
Computer hardware and software	- over 3 years

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of individual assets against the higher of realisable value and value in use.

*Fixed asset investments*

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

*Stock*

Stock and finished goods are stated at the lower of cost and net realisable value. Consumable stock value is determined using the first-in, first-out basis.

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2013**

**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**1 Accounting policies (Continued)**

*Funds*

Restricted funds are funds where the purpose for which they can be used has been restricted by the provider.

Unrestricted funds are funds which can be used for any of the charity's operations at the Trustees' discretion.

The funds held in each of the categories are further described in notes 14-17.

*Government grants*

Government grants are credited to income in the period in which they are received unless the grant carries pre-conditions that require the income to be deferred into a future period.

*Pension costs*

A number of the charitable company's employees contribute to a stakeholder pension scheme. Contributions by the charitable company to this scheme are charged to the profit and loss account when due.

*Taxation*

The charitable company is not liable for assessment to taxation on its results to the extent that they are applied to its charitable objectives. Recoverable income tax is accrued within the financial statements.

**2 Incoming resources**

Set out below is a summary of the incoming resources by category together with the resources expended on the category for the year.

	Balance at 1 April 2012 £	Incoming Resources £	Resources expended £	Transfers £	Balance at 31 March 2013 £
Children and Youth	20,315	103,794	(79,115)	-	44,994
Keystone	87,411	90,377	(153,777)	616	24,627
Communities					
Keystone Enterprise	(11,404)	238,129	(233,436)	11,483	4,772
Keystone Property	5,044,889	246,454	(399,091)	(11,093)	4,881,159
Keystone Resources	51,455	95,778	(105,023)	(1,006)	41,204
	<b>5,192,666</b>	<b>774,532</b>	<b>(970,442)</b>	<b>-</b>	<b>4,996,756</b>

Included within transfers are adjustments for internal rent charged to projects as follows:-

Keystone Enterprise	(£52,810)
Keystone Communities	(£753)
Keystone Resources	(£868)
Keystone Property	£54,431



**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2013**

**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**2a Incoming resources from charitable activities**

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2013 £	Total 2012 £
<b>Incoming resources from Charitable activities:</b>					
<b>Grants</b>					
Children and Youth	-	103,794	-	<b>103,794</b>	60,950
Keystone Communities	-	90,178	-	<b>90,178</b>	221,462
Keystone Enterprise	-	500	-	<b>500</b>	-
Keystone Property	-	4,500	-	<b>4,500</b>	-
Keystone Resources	-	73,000	-	<b>73,000</b>	25,000
	<u>-</u>	<u>271,972</u>	<u>-</u>	<u>271,972</u>	<u>307,412</u>
<b>Other income</b>					
Children and Youth	-	-	-	-	-
Keystone Communities	199	-	-	<b>199</b>	210
Keystone Enterprise	56,417	-	-	<b>56,417</b>	28,889
Keystone Property	241,451	-	-	<b>241,451</b>	295,874
Keystone Resources	5,118	-	-	<b>5,118</b>	6,585
	<u>303,185</u>	<u>-</u>	<u>-</u>	<u>303,185</u>	<u>331,558</u>
<b>Total</b>					
Children and Youth	-	103,794	-	<b>103,794</b>	60,950
Keystone Communities	199	90,178	-	<b>90,377</b>	221,672
Keystone Enterprise	56,417	500	-	<b>56,917</b>	28,889
Keystone Property	241,451	4,500	-	<b>245,951</b>	295,874
Keystone Resources	5,118	73,000	-	<b>78,118</b>	31,585
	<u>303,185</u>	<u>271,972</u>	<u>-</u>	<u>575,157</u>	<u>638,970</u>

Included within incoming resources from charitable activities is rental income received under operating leases of £129,377 (2012: £178,675)

**KEYSTONE DEVELOPMENT TRUST****Trustees Report and Financial Statements for the year ended 31 March 2013****Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

Below is a table listing funders and what projects they have funded during the year

<b>Funder</b>	<b>Project</b>	<b>Amount</b>
<b>Children and Youth</b>		
Suffolk County Council	Brandon Aspirations	£1,500
Suffolk County Council	Pupils With Prospects	£32,287
Suffolk Foundation	Pupils With Prospects	£31,781
Children In Need	A*Spire	£12,169
May Gurney Foundation Fund	Thetford Work Club	£4,557
Thurston School	Thurston School Work Club	£21,500
		<b><u>£103,794</u></b>
<b>Keystone Communities</b>		
Norfolk Constabulary	META Drop In	£1,224
Lloyds TSB Foundation	META Drop In	£12,500
Other Income	META Drop In	£155
Suffolk County Council	ESOL Classes	£3,960
Realise Futures	ESOL Classes	£12,280
Norfolk Community Foundation	ESOL Classes	£3,643
Other Income	ESOL Classes	£883
Norfolk NHS	Smoking Cessation	£25,750
TCHC	META Works	£4,936
Forest Heath District Council	KAVO	£6,380
Suffolk Foundation	KAVO	£3,250
Locality	Community Organisers	£2,217
Cambridge City Council	Cambridge Adult Work Club	£8,000
Norfolk NHS	Thetford Healthy Town	£5,000
		<b><u>£90,178</u></b>
<b>Keystone Enterprise</b>		
Thetford Academy	Green Ventures Bikes	<b><u>£500</u></b>
<b>Keystone Property</b>		
Forest Heath District Council	St Johns Community Centre	<b><u>£4,500</u></b>
<b>Keystone Resources</b>		
Forest Heath District Council	Brandon Hub	£40,000
Suffolk County Council	Brandon Hub	£8,000
Lankelly Foundation	Core Business Support	£25,000
		<b><u>£73,000</u></b>
<b>Funding Split by Funder</b>		
Forest Heath District Council		£50,880
Suffolk County Council		£45,747
Suffolk Foundation		£35,031
Norfolk NHS		£30,750
Lankelly Foundation		£25,000
Thurston School		£21,500
Lloyds TSB Foundation		£12,500
Realise Futures		£12,280
Children In Need		£12,169
Forest Heath District Council		£10,880
Cambridge City Council		£8,000
TCHC		£4,936
May Gurney Foundation Fund		£4,557
Norfolk Community Foundation		£3,643
Locality		£2,217
Norfolk Constabulary		£1,224
Thetford Academy		£500
Other		£1,038
		<b><u>£271,972</u></b>

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2013**

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**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**2b Incoming resources from generated funds**

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2013 £	Total 2012 £
<b>Activities for generating funds</b>					
Keystone Enterprise	181,148	-	-	181,148	152,690
Keystone Resources	17,587	-	-	17,587	6,498
	<u>198,735</u>	<u>-</u>	<u>-</u>	<u>198,735</u>	<u>159,188</u>
<b>Investment Income – Bank Interest</b>					
Keystone Property	3	-	-	3	1
Keystone Resources	73	-	-	73	125
	<u>76</u>	<u>-</u>	<u>-</u>	<u>76</u>	<u>126</u>
<b>Gifts and Donations</b>					
Keystone Communities	-	-	-	-	30
Keystone Enterprise	-	64	-	64	22
	<u>-</u>	<u>64</u>	<u>-</u>	<u>64</u>	<u>52</u>

A further breakdown of incoming resources between restricted income, restricted capital and unrestricted funds is given in notes 14, 15 and 16.

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2013**

**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**3a Total resources expended**

	Staff Costs	Depreciation	Support Costs (note 3b)	Grants	Other direct costs	Total 2013	Total 2012
	£	£	£	£	£	£	£
<b>Unrestricted funds</b>							
Charitable activities							
Children and Youth	-	-	-	-	-	-	-
KeystoneCommunities	-	-	-	-	-	-	6
Keystone Enterprise	40,408	-	2,207	-	27,543	<b>70,158</b>	52,170
Keystone Property	57,763	-	50,557	-	172,036	<b>280,356</b>	316,733
Keystone Resources	2,562	-	6,755	-	(1,899)	<b>7,418</b>	44,269
Governance	-	-	6,573	-	10,433	<b>17,006</b>	16,295
Costs of generating funds							
Keystone Enterprise	74,764	-	16,093	-	70,815	<b>161,672</b>	145,349
Keystone Resources	1,618	-	11,154	-	3,220	<b>15,992</b>	24,379
	<u>177,115</u>	<u>-</u>	<u>93,339</u>	<u>-</u>	<u>282,148</u>	<u><b>552,602</b></u>	<u>599,201</u>
<b>Restricted Revenue funds</b>							
Charitable activities							
Children and Youth	36,349	-	14,106	-	28,308	<b>78,763</b>	47,695
KeystoneCommunities	90,334	-	26,950	-	36,301	<b>153,585</b>	178,974
Keystone Enterprise	-	-	-	-	564	<b>564</b>	22
Keystone Property	-	-	-	-	4,500	<b>4,500</b>	-
Keystone Resources	1,651	-	59,603	-	3,034	<b>64,288</b>	30,894
	<u>128,334</u>	<u>-</u>	<u>100,659</u>	<u>-</u>	<u>72,707</u>	<u><b>301,700</b></u>	<u>257,585</u>
<b>Restricted Capital funds</b>							
Charitable activities							
Children and Youth	-	352	-	-	-	<b>352</b>	161
KeystoneCommunities	-	192	-	-	-	<b>192</b>	-
Keystone Enterprise	-	1,042	-	-	-	<b>1,042</b>	5,563
Keystone Property	-	114,235	-	-	-	<b>114,235</b>	116,551
Keystone Resources	-	319	-	-	-	<b>319</b>	-
	<u>-</u>	<u>116,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u><b>116,140</b></u>	<u>122,275</u>
<b>Total 2013</b>	<b>305,449</b>	<b>116,140</b>	<b>193,998</b>	<b>-</b>	<b>354,855</b>	<b>970,442</b>	
Total 2012	295,658	122,275	167,088	4,100	389,940	979,061	

**KEYSTONE DEVELOPMENT TRUST**

**Trustees Report and Financial Statements for the year ended 31 March 2013**

**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**3b Analysis of Support costs**

	Staff costs	Premises costs	Communications	Postage, stationery etc	Office costs	Finance and prof. fees	Total
	£	£	£	£	£	£	£
Children and Youth	12,083	602	78	120	366	857	14,106
Keystone Communities	22,181	1,499	144	219	648	2,259	26,950
Keystone Enterprise	14,514	1,158	120	175	510	1,823	18,300
Keystone Property	41,047	2,924	275	426	1,273	4,612	50,557
Keystone Resources	68,002	2,856	275	416	1,281	4,682	77,512
Governance	6,220	109	10	16	47	171	6,573
<b>Total 2013</b>	<b>164,047</b>	<b>9,148</b>	<b>902</b>	<b>1,372</b>	<b>4,125</b>	<b>14,404</b>	<b>193,998</b>
Total 2012	141,701	7,584	913	1,350	2,890	12,650	167,088

**Analysis of Governance costs**

	2013 £	2012 £
Audit fees	9,018	9,001
Staff costs	6,220	5,822
Apportionment of support costs (excluding staff time)	353	359
Room Hire	1,415	1,113
<b>Total Governance costs</b>	<b>17,006</b>	<b>16,295</b>

**4 Staff costs**

	2013 £	2012 £
Wages and salaries	428,196	397,832
Social security costs	28,208	28,740
Pension costs	13,092	10,787
	<b>469,496</b>	<b>437,359</b>

The average number of persons employed during the year, including part time employees, calculated on full time equivalent basis was:

	2013 Number	2012 Number
Charitable activities	21	22

No Trustees' received emoluments or were reimbursed for expenses incurred during the year. During the year 1 employee was paid more than £60,000.

	2013 Number	2012 Number
£60,001 - £70,000	1	-

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2013**

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**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**5 Pensions and benefits**

The charitable company operates a stakeholder pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge of £13,092 (2012 - £10,787) represents contributions payable by the charitable company to the fund for the year. At the year end contributions totalling £6 (2012 - £3,388) were payable to the fund and are included in creditors.

**6 Net outgoing resources before transfers**

	2013 £	2012 £
Net outgoing resources are stated after charging/ (crediting):		
Depreciation	116,140	122,275
Profit on sale of assets	(500)	(4,550)
Provision for bad debts	3,606	19,419
Auditors remuneration - audit services	8,950	8,950
- other services	1,068	1,051
	<u>116,140</u>	<u>122,275</u>

The charitable income and net incoming resources for the year are attributable to the charitable company's continuing principal activity as described on page 4. All of the income is generated within the United Kingdom.

**7 Interest payable**

	2013 £	2012 £
On bank loans and overdrafts	222	691
	<u>222</u>	<u>691</u>

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2013**

**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**8 Tangible fixed assets**

	Freehold land and buildings £	Machinery and office equipment £	Computer hardware and software £	Vehicles £	Total £
<b>Cost</b>					
At 1 April 2012	5,826,604	337,400	54,168	46,347	6,264,519
Additions	-	4,682	-	-	4,682
Disposals	-	(10,066)	(5,956)	-	(16,022)
<b>At 31 March 2013</b>	<b>5,826,604</b>	<b>332,016</b>	<b>48,212</b>	<b>46,347</b>	<b>6,253,179</b>
<b>Depreciation</b>					
At 1 April 2012	750,655	333,080	52,060	46,347	1,182,142
Charge for the year	113,593	1,845	702	-	116,140
Relating to disposals	-	(10,066)	(5,956)	-	(16,022)
<b>At 31 March 2013</b>	<b>864,248</b>	<b>324,859</b>	<b>46,806</b>	<b>46,347</b>	<b>1,282,260</b>
<b>Net book value</b>					
<b>At 31 March 2013</b>	<b>4,962,356</b>	<b>7,157</b>	<b>1,406</b>	<b>-</b>	<b>4,970,919</b>
At 31 March 2012	5,075,949	4,320	2,108	-	5,082,377

Included within freehold land and buildings is £147,108 (2012 - £147,108) relating to freehold land which has not been depreciated.

Land and buildings includes an amount of £200,000 relating to an asset donated during 2005. The value is based on a professional valuation carried out on 14<sup>th</sup> December 2004 by Merrifields Chartered Surveyors. Vehicle cost includes an amount of £25,000 relating to assets donated. The values are based on the market value of the vehicles at the capitalisation date.

£4,792,539 (2012 - £4,902,114) of the net book value of the freehold property is rented out to 3<sup>rd</sup> parties. During the year depreciation of £109,575 was charged relating to those properties. These properties are also owner occupied and the element of each property that meets the definition of an investment property has not been separately presented. The Trustees believe that any partial apportionment would not present a true and fair view

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2013**

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**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**9 Investments**

Investments in subsidiary undertakings

	2013 £	2012 £
Net book value at 1 April 2012 and 31 March 2013	<u>2</u>	<u>2</u>

The above investment comprises the following:-

- 2 £1 shares in Keystone Social Enterprises Limited a company incorporated in England and Wales on 11 October 2001 wholly owned by the Trust. The company is dormant.

Programme related investments:

	2013 £	2012 £
Net book value at 1 April 2012 and 31 March 2013	<u>250</u>	<u>250</u>

The investment represents 250 ordinary £1 shares in Foundation East (formerly Suffolk Regeneration Trust), a not for profit organisation operating across Suffolk, Norfolk, Essex and Cambridgeshire, providing support to businesses, social enterprises and individuals that cannot get a bank loan.

**10 Stock**

	2013 £	2012 £
Consumables	6,752	7,039
Finished goods	1,617	-
	<u>8,369</u>	<u>7,039</u>

**11 Debtors**

	2013 £	2012 £
Trade debtors	108,973	93,008
Prepayments	21,338	23,953
Accrued income	10,764	31,772
	<u>141,075</u>	<u>148,733</u>



**KEYSTONE DEVELOPMENT TRUST**  
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**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**12 Creditors: amounts falling due within one year**

	2013 £	2012 £
Loan	-	19,559
Trade creditors	39,542	52,688
Other creditors	65,399	41,358
Other tax and social security	14,498	5,992
Accruals	16,722	27,394
Deferred income (note 13)	71,617	60,825
	<u>207,778</u>	<u>207,816</u>

**13 Deferred income**

	2013 £	2012 £
Balance at 1 April 2012	60,825	100,805
Amount released to incoming resources	(59,102)	(65,222)
Amount deferred in year	69,894	25,242
	<u>71,617</u>	<u>60,825</u>

Deferred income comprises grants received in advance for projects to be carried out in future accounting periods, rents for periods in advance and rental deposits held.

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**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**14 Unrestricted funds**

	Balance at 1 April 2012	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2013
	£	£	£	£	£
Children and Youth	-	-	-	-	-
Keystone	1,945	199	-	-	2,144
Communities					
Keystone Enterprise	(12,537)	237,565	(231,830)	11,574	4,772
Keystone Property					
General	25,434	241,454	(280,356)	17,992	4,524
Designated	102,794	-	-	(31,615)	71,179
Keystone Resources:-					
General	(841)	22,778	(18,737)	1,231	4,431
Designated	28,302	-	(21,679)	(2,213)	4,410
	<u>145,097</u>	<u>501,996</u>	<u>(552,602)</u>	<u>(3,031)</u>	<u>91,460</u>

The Property Designated fund relates to building reserves for future repairs to buildings. Other transfers relate to internal rent charged to projects during the year\* and transfers of unrestricted funds to restricted project funding\*\*.

**15 Restricted income funds**

	Balance at 1 April 2012	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2013
	£	£	£	£	£
Children and Youth	12,680	103,794	(78,763)	-	37,711
KeystoneCommunities	84,891	90,178	(153,585)	616	22,100
Keystone Enterprise	-	564	(564)	-	-
Keystone Property	-	4,500	(4,500)	-	-
Keystone Resources	23,036	73,000	(64,288)	(24)	31,724
	<u>120,607</u>	<u>272,036</u>	<u>(301,700)</u>	<u>592</u>	<u>91,535</u>

Transfers relate to internal rent charges made to projects during the year\* and balances transferred from unrestricted funds to restricted projects\*\*.

**16 Restricted capital funds**

	Balance at 1 April 2012	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2013
	£	£	£	£	£
Children and Youth	7,635	-	(352)	-	7,283
Keystone	575	-	(192)	-	383
Communities					
Keystone Enterprise	1,133	-	(1,042)	(91)	-
Keystone Property	4,916,661	500	(114,235)	2,530	4,805,456
Keystone Resources	958	-	(319)	-	639
	<u>4,926,962</u>	<u>500</u>	<u>(116,140)</u>	<u>2,439</u>	<u>4,813,761</u>

Transfers relate to the reclassifying of assets to the fund in which they are used on a day to day basis and to match capital expenditure in the year.

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**Trustees Report and Financial Statements for the year ended 31 March 2013**

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Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)

**17 Analysis of net assets between funds**

	<b>Tangible Fixed Assets and Investments</b>	<b>Net Current Assets</b>	<b>Total</b>
	£	£	£
<b>Unrestricted funds</b>			
Keystone Communities	-	2,144	2,144
Keystone Enterprise	4,772	-	4,772
Keystone Property			
General	152,638	(148,114)	4,524
Designated	-	71,179	71,179
Keystone Resources:-			
General	-	4,431	4,431
Designated	-	4,410	4,410
	<u>157,410</u>	<u>(65,950)</u>	<u>91,460</u>
<b>Restricted income funds</b>			
Children and Youth	-	37,711	37,711
Keystone Communities	-	22,100	22,100
Keystone Resources	-	31,724	31,724
	<u>-</u>	<u>91,535</u>	<u>91,535</u>
<b>Restricted capital funds</b>			
Children and Youth	7,283	-	7,283
Keystone Communities	383	-	383
Keystone Enterprise	-	-	-
Keystone Property	4,805,456	-	4,805,456
Keystone Resources – General	639	-	639
	<u>4,813,761</u>	<u>-</u>	<u>4,813,761</u>
<b>Total funds 2013</b>	<b><u>4,971,171</u></b>	<b><u>25,585</u></b>	<b><u>4,996,756</u></b>
<b>Total funds 2012</b>	<b><u>5,082,629</u></b>	<b><u>110,037</u></b>	<b><u>5,192,666</u></b>

**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**17 Analysis of net assets between funds (continued)**

**Children and Youth**

To provide youth and children's activities in the local area through projects such as A\*spire, together with projects working with schools to help years 10 and 11 students around their choices in relation to work and further education.

**Keystone Communities**

The funds provide support for communities and groups to help themselves build the capacity of neighbourhoods through projects like META and community finance.

**Keystone Enterprise**

Supports the development of social enterprises in the local area, together with starting up and running the Trusts own enterprises that include Green Ventures, a furniture recycling business as well as the new bike recycling project and the Local Food Group.

**Keystone Property**

A diverse portfolio of buildings owned by the Trust through which income is generated and space provided to projects for them to carry out their work.

**Keystone Resources**

The Trusts core team that provides advice and support to the organisation and third parties through services such as finance, human resources and facilities management.

A more detailed review of each fund can be found in the Trustees report.

**Transfers between funds**

During the year transfers have been made between funds as set out in notes 14-16. They relate to transferring internal rent and charges between projects, allocating funding to certain projects in the coming year and reclassifying assets to the fund in which they are used.

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2013**

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**Notes forming part of the financial statements for the year ended 31 March 2013 (cont.)**

**18 Related party transactions**

Clive Wadham-Smith (Trustee) is also a director and shareholder of Ante Limited, a legal services company.

During the year, Keystone Development Trust entered into the following transactions on an arms length basis:

	<b>2013</b>	2012
	£	£
Purchases from Ante Limited - (Professional services)	<b>2,250</b>	2,206
Amounts outstanding at the year end	<b>200</b>	226

**19 Reconciliation of net cashflow to movement in net funds/ (debt)**

	<b>2013</b>	2012
	£	£
Decrease in cash in the year	<b>(78,162)</b>	(101,055)
Repayment of loans	<b>19,559</b>	20,574
Movement in net funds in the year	<b>(58,603)</b>	(80,481)
Net funds at start of year	<b>142,522</b>	223,003
<b>Net funds at end of year</b>	<b>83,919</b>	142,522

**20 Analysis of net funds**

	<b>At start of year</b>	<b>Cashflow</b>	<b>At end of year</b>
	£	£	£
Cash at Bank and in hand	162,081	(78,162)	<b>83,919</b>
Debt due within one year	(19,559)	19,559	-
<b>Total</b>	<b>142,522</b>	<b>(58,603)</b>	<b>83,919</b>

