

**Keystone Development Trust**

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

**Annual Report and Financial Statements**

**Year Ended  
31 March 2015**

**Company number: 4346470  
Charity number: 1093162**

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2015**

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## **KEYSTONE DEVELOPMENT TRUST**

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### **Trustees and Advisors**

#### **Trustees**

Robert Catton (Chair) – *Appointed 15.01.2015*  
Mark Allison  
Brenda Canham  
Sheila Childerhouse - *Resigned 26.02.2015, Appointed 19.11.2015*  
Robert King  
Charlie Moss  
Clive Wadham-Smith – *Resigned 26.02.2015, Appointed 19.11.2015*  
Monique Stevenson  
Ryan Windsor – *Appointed 11.06.2014*

#### **Chief Executive**

Neil Stott – to 31.03.2015  
(Acting) Clive Smith and Sheila Childerhouse 01.04.2015 to 31.10.2015  
Dr Louise Humphries – from 01.11.2015

#### **Secretary**

Alan Flack

#### **Registered office**

Keystone Innovation Centre, Croxton Road, Thetford, Norfolk, IP24 1JD

#### **Registered Charity number**

1093162

#### **Company number**

4346470

#### **Auditors**

RSM 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**

### **Trustees Report and Financial Statements for the year ended 31 March 2015**

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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 2015. 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 nine 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.

Neil Stott, held the role of Chief Executive since 2004, left Keystone on 31 March 2015, during the month of February Clive Smith and Sheila Childerhouse resigned as Trustees and were appointed by the Trustees as acting joint Chief Executive's. This appointment was for a time limited period whilst the succession strategy was reviewed and implemented.

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

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these are detailed on pages 8 to 12. The availability of funding dictates what projects can be delivered.

#### 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 (16.2% / 15.4%) and are of pensionable age (21.4% / 19.1%) live in Breckland

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compared to the Norfolk average.

- Figures from the Police.uk Crime map show that Thetford has a higher reported crime per 1000 residents compared to the Breckland district.
- West Thetford exhibits a number of indicators of poverty. The Abbey ward is in the top 10% of lower super output areas of the most deprived wards nationally for income, employment and multiple deprivation. (2015 DCLG report)
- 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). In recent years that decline has been halted and over the period from 2011 to 2014 results for students attaining 5 or more GCSE's in grades A\*-C (including English and Maths) has increased from 28% to 50% (now only 3% below the county average and 6% below the national average). The Inspiration Trust that runs The Thetford Academy has put a substantial amount of money into the school with the new build bringing the two previous schools in the town together under one roof and their continuing work to raise educational standards.
- Unemployment in Thetford is higher than both the Breckland (3.0%) and UK (3.9%) averages at 4.2% (figures May 2011 Jobcentre plus) Three wards in Breckland had rates higher than 5%, two of which are in Thetford. Though the number of claimants in the 12 months to May 2011 had decreased by over 80.
- 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.

#### About Thetford

- During the year we have seen the final stretch of the A11 become dualled so journey times from Thetford to Mildenhall, Cambridge and beyond have reduced. This will also be a catalyst to the future growth of the town by making it more attractive to businesses, now it is less than an hour to London, and half an hour to Norwich and Cambridge. The dualling of the last stretch has also helped Keystone as the contractors rented the top floor of the Innovation Centre for the period the work was carried out over.
- The town has seen the creation of a new bus station. And development started in the summer of 2015 to see a new cinema and restaurant complex be built by the riverside which will bring new jobs to the area.

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### Trustees Report and Financial Statements for the year ended 31 March 2015

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- Thetford has a great history, a historic market town in rural Norfolk, Thetford was once the capital of the Iceni tribe of East Anglia. It is possible that Queen Boudicca (Boadicea) had her residence here. Thetford was one of the largest and most influential cities in early medieval England, and at one time boasted 20 churches.
- Thetford has had a turbulent past; the Danish leader Sein Forkbeard sacked and burned the town in 1004. In the 12th century a Cluniac priory was later established in Thetford. Though the priory was disbanded during Henry VIII's Dissolution of the Monasteries, the remains of the monastic buildings are still an impressive sight. During the Saxon era Thetford had its own mint, and was the centre of a bishopric.
- A resident of Thetford was using a metal detector on Gallows Hill in 1979 when he made a remarkable discovery; a horde of coins, jewels, ornaments, and silver spoons known as the Thetford Treasure. The treasure trove is now on exhibit at the British Museum in London, but details of the trove and its discovery are displayed at the Ancient House Museum in Thetford. The museum is housed in a 15th century building, now restored. However, the most impressive and valuable remains in the town are two very different sites: at Castle Hill the tallest medieval earthwork in England, though the Norman castle that once surmounted the mound has disappeared, the ramparts raised by the Iceni still tower over the landscape, now eclipsed by the Norman motte, while at Gallows Hill, the flat land hides the remains of an impressive but mysterious Iron Age site.
- A real life character associated with Thetford is Thomas Paine, the 18th century writer whose ideas about democracy played a great role in the American and French Revolutions. Paine was a native of Thetford, and worked here as an excise man before emigrating to America. A statue of Paine stands on White Street.
- The founders of traction engines and agro crop science were from Victorian Thetford. Thetford was transformed by the development of various industries in the 19th century. Companies such as Burrells, Fisons and Bidwells employed hundreds of people and changed the face of Thetford with new industrial buildings.
- Fans of the television series Dad's Army will recognise Thetford, as the series was filmed here. Today visitors can enjoy a trip to the museum in Thetford, a trail around Thetford to allow visitors to walk in the footsteps of the characters, as well as the statue of the infamous Captain Mainwaring.

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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 2014/15 our main projects and programmes have been:

- **Green Ventures Bikes**, This project continues through the self generation of income from sales of bikes, repairs and accessories. During the year the project collected 807 bikes from donations and household waste recycling centres in Suffolk, equating to around 12 tonnes of bikes diverted from landfill. Since the project started over 7,300 bikes have been collected equating to around 110 tonnes. The shop located within the Keystone Factory at 39 Brunel Way, Thetford offers a wide range of products including; new bikes, accessories, used spares, repairs and bike services.
- **Keystone Community Finance**, This has been run alongside the META Breckland Advice Project. New Credit Union points have been opened at Dereham and Thetford.
- **Breckland Advice Project**, The Breckland Advice Project aims to explore innovative ways to transform the delivery of social welfare advice in Breckland. Funded through the Lottery operated Advice Transitions Fund the project has established two advice hubs in Thetford and Dereham. META staff are fully trained as Citizens' Advice Bureau Advisors with migrant communities having improved access to multi agency and specialist advice. October 2014 saw the anniversary of the 1<sup>st</sup> year of delivering the joint service, it has been calculated that in the project's first year an extra 323 people received free advice.

The project has increased access through developing a greater number of delivery channels through email and Skype which reduces time and cost of travel to clients.

- **ESOL (English for speakers of other languages) lessons**, Twenty weeks of Pre- Entry and Entry Level ESOL delivery in Brandon, (funded by Realise Futures through a Big Lottery Reaching Communities grant), commenced in Easter 2015. The classes are held twice per week in the evenings and cater for 30 students. Classes are held in the Library at the Brandon Centre.
- **Stop Smoking**, Keystone continues to deliver a Level 2 Stop Smoking Service, commissioned by Norfolk's Public Health department, to migrant workers in Thetford and the surrounding area. The service operates five days a week and is staffed by NHS-trained advisors who are themselves migrant workers. The service is delivered in the Polish, Lithuanian and Russian languages. The service has been commissioned for another year to March 2016. Within the last year of delivery the two smoking cessation advisors have supported 75 clients to successfully quit smoking.

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- **Keystone School Work Clubs**, Keystone delivered its school work clubs model across 5 schools in Suffolk up to the 30 September 2014. Unfortunately Keystone did not manage to secure a contract for the delivery of the model from September 2014. For the students engaged in the programme to September 2014 94.9% proceeded to a positive destination (not become NEET).  
From the successful delivery of the Suffolk school work Keystone has secured grants to deliver to schools in **Norfolk across Thetford and Dereham and also in Cambridge and Ely.**

**The Norfolk School Work Clubs funded by the Equitable Charitable Trust and The Breckland Youth Advisory Board** commenced in September 2014, the schools involved are the Thetford Academy and in Dereham the Northgate and Neatherd High Schools

At each school fortnightly school work club sessions are delivered. Through these sessions the project aims to raise young people's aspirations and achievement by providing advice and information about job and training opportunities, involving their families and getting support from local employers, voluntary and community groups. The sessions are designed to complement existing school initiatives to support students to develop essential life skills and increase their understanding of their different options after Year 11. Good links with the school's Career Advisors has ensured additional support has been received in CV writing and college and apprenticeship applications. Student strengths and behaviours are also to be reassessed using the Keystone Competency Star to identify the distance travelled and outcomes achieved.

There is also the opportunity for up to fifteen students to participate in National Citizen Service Activities and there are plans for a social action project during the summer months. A number of work club students are also being supported to take part in 'The Tenner Challenge', a nationwide competition, run by Young Enterprise where young people are loaned £10 for one month and challenged to turn their enterprising ideas into a reality.

Currently there are 56 students engaged in the programme at the three schools.

**Cambridge School Work Clubs a one year funded programme to December 2014 was extended to March 2015, the delivery** saw a well developed and received programme of guest speakers from the local business community to inspire and inform the students engaged on the programme. The focus concentrated on skills for business, interview presentation techniques and future apprenticeship opportunities and work placements. School exam results generally showed marked improvement. The team worked closely with Youth Support Services representatives where the young people have left mainstream education, in assessing the ongoing needs of the students.

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Seven (of the original 71) young people received one to one support to access training opportunities, work experience placements and apprenticeships, including taking part in photography courses, FA refereeing courses and securing an apprenticeship at a local stables.

- **Moving Thetford Forward**, In 2014 Keystone was awarded a small grant from Moving Thetford Forward for KAVO to support Thetford voluntary organisations with finding funding. Support was offered to a range of groups including Thetford Players who were successful with their bid to the Norfolk Community Foundation to provide a sign language interpreter for their annual pantomime production. Funding finished in May 2014 for this project.
- **A\*SPIRE**, The A\*spire project, which was originally funded to 31 December 2014 has now received confirmation that it will be funded for a further 3 years to 31 March 2018 by Children in Need. There was a short period where the project had no secured funding so Keystone continued the delivery through its own reserves. Funding for the new sessions will lead to an enhanced delivery to those aged between 9 and 15. The project will provide activity and support sessions and informal mentoring to young people with a focus on practical life skills for younger members and support to pursue potential future career related opportunities for older members.

During the year sessions have included guest professionals from:-

fitness - learning about important factors for their own health

micro-biology – learning about appropriate responses to a virus outbreak, conducting experiments such as extracting DNA from blueberries.

Trips have also been organised to the following:-

Norwich City Football Club at Carrow Road, twenty youngsters enjoyed the trip on the train, followed by a tour of the stadium which included the opportunity to see inside the dressing rooms and re-enact a press conference in the media suite and learned about the hundreds of different jobs people have within the club.

The Ancient House Museum where staff and volunteers held a range of activities focused on Tudor Times, including how they worked, played and ate. One activity was to write with quill pens and ink.

A "Theatre Experience" with the Well Made Theatre Co, involved playing theatre games, looking at scripts and understanding how the stage operates.

The Thomas Paine Hotel to learn about hospitality

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There were also trips to Norwich Castle and a Pantomime at the Theatre Royal in Norwich and the group organised a Christmas Fayre with carol singing planned and delivered by the young people themselves.

- **Thetford Arts Therapy Café**, the project started in March 2015 delivering 'out of service' provision for drug and alcohol rehabilitation. Based at the Abbey Community Centre it provides a drop-in community facility offering arts and crafts activities where individuals who are overcoming difficulties can encourage and support each other at a vulnerable time. It will aid transition from dependency back into mainstream society, through building on levels of confidence and self-esteem needed for independent living and provides 'second stage' support from in-service treatment. The service also makes provision for people with mental health issues and sees collaboration with various support agencies to ensure the appropriate expertise is available.

The project is funded by The Norfolk Community Foundation safer Norfolk Fund, Shadwell Community Trust, Norfolk County Council Public Health DAAT (Drug and Alcohol Addiction Team) and Breckland Council to the end of 2015.

- **Participatory Budget Fund**, Keystone administered the Thetford and surrounding parishes Pride in Breckland Participatory Budget Fund in 2015, giving community initiatives the opportunity to apply for up to £1,000 of grant funding. Over fifty people attended the event held at the Keystone Innovation Centre to have their say in deciding how the £10,000 funding was allocated. Eleven community projects received funding after securing the most votes from the public.
- **Cafe One** is a social enterprise dedicated to providing healthy, local, seasonal and fair trade food with as few food miles as possible. The café is situated on the ground floor at the Innovation Centre and is open to the public and tenants Monday to Friday, it also provides all of the refreshments to the conference venue. Over the period the café has introduced many new lines to the menu with a particular emphasis on using local suppliers.
- **Keystone Research and Consultancy** undertook a range of contracts across the UK for local government and third sector clients these included; Social Incubator East, The project launched in June 2014. Up to 80 aspiring entrepreneurs will join Cambridge Judge Business School faculty, Keystone, Future Business and Foundation East to develop ideas and 25 will move to develop ideas and receive additional support through the project and partners..

Research focusing on migrant experiences of and access to health services, and a second piece on maternity services. This research builds on local surveys undertaken by Keystone in 2012 and will hopefully further evidence the need for more appropriate support to migrant communities. staff spoke to nearly one hundred members of the migrant community and it is hoped this research will inform further work and the focus for funding applications.

- **Keystone Buildings:-**

The **Innovation Centre**; the centre has seen an increase in tenants and at the year end was 68% occupied. The centre now houses 12 businesses throughout the three floors supporting over 80 jobs, all of which cover various business sectors including healthcare, gas and oil, training and professional services. The ground floor houses the café and conference centre, these rooms are hired out by the Trust for meetings and conferences, during the year over 700 conferences were held, equating to a 46% occupancy of the rooms, the Trust is continuing to build on this, helping generate income to support Keystone projects. The building is key to the Trust's future in providing an income to the Trust's core and support community projects.

The **Enterprise Factory**, at the year end the Enterprise factory's occupancy rate was 78%. The factory has 13 businesses within supporting over 40 jobs. 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. 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.

**The Brandon Centre**, Keystone manages the building on a day to day basis for Suffolk County Council. The centre is home to the library, children services a playgroup and the police. Many services are delivered out of the building to the local community in Brandon.

**St Johns's Mildenhall Development**, during the year Keystone acquired a community centre and two 3 bedroom houses on the Estate. The houses are rented to private tenants with the income generated going towards the cost of running the community centre. The buildings were transferred in December, and the community centre opened in March 2015.

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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 META Team Leader supporting members to 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.
- 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 12 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.

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

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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 £928,191. Expenses in relation to governance costs were £15,733 and the total costs in furtherance of the charity's objects amounted to £873,618. Unrestricted funds carried forward at the end of the year amounted to £134,881 of which £75,562 has been designated to future expenditure and restricted funds amounted to £4,761,939.

The main sources of grant income during the year were from;

- The Lottery Advice Fund in delivering a joint project with the Citizen's Advice Bureau integrating the META work
- Norfolk County Council Public Health in delivering a Smoking Cessation project and an Art Therapy Café
- Breckland Youth Advisory Board, Equitable Charitable Trust, Suffolk County Council, The Cambridge LEP in delivering school work clubs across Norfolk, Suffolk and Cambridgeshire
- Forest Heath District Council in delivering the Brandon Centre
- Orbit Homes in delivering the St John's project in Mildenhall
- Breckland Council in delivering the Participatory budget event and the Art Therapy cafe
- Children In Need for delivering youth events through A\*Spire
- Norfolk Community Foundation through the 'Safer Norfolk Fund' and Shadwell Community Trust' Fund to deliver the Art Therapy cafe

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 27.

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The Trust has many volunteers that help in the running of the projects and the charity, During the year 971 (2014 - 512) hours were given by volunteers to the Trust with an estimated value of £6,829 (2014 - £3,717). 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 2015 to 2016 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 was agreed in March 2015 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 £9,051 to leave a surplus of £59,319 – (2014 - £50,268). 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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### Trustees Report and Financial Statements for the year ended 31 March 2015

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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 2015/16 will be another significant one for the Trust. The Trust's funded income has fluctuated over the years and in 2014/15 received 26% of its total income from funders and 74% 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.

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**Statement of Trustees' Responsibilities**

The trustees (who are also directors of Keystone Development Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

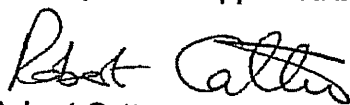
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

**Auditors**

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

This report was approved by the Trustees on 17 December 2015



Robert Catton  
Chair



Sheila Childerhouse  
Trustee

## **KEYSTONE DEVELOPMENT TRUST**

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

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We have audited the financial statements of Keystone Development Trust for the year ended 31 March 2015 on pages 20 to 38. 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 17, 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/auditscopeukprivate>

#### **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 2015 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.

#### **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.

**KEYSTONE DEVELOPMENT TRUST**

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

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**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; or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Trustees' report.

RSM UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP),  
Statutory Auditor

Chartered Accountants

Abbotsgate House

Hollow Road

Bury St Edmunds

Suffolk

IP32 7FA

22 December 2015

**KEYSTONE DEVELOPMENT TRUST**
**Statement of financial activities (including income and expenditure account) for the year ended 31 March 2015**

	Note	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>						
Incoming resources from charitable activities	2a	353,846	232,433	-	<b>586,279</b>	537,643
Incoming resources from generated funds:						
Activities for generating funds	2b	211,176	-	-	<b>211,176</b>	226,003
Investment income	2b	29	-	-	<b>29</b>	40
Voluntary income	2b	-	-	130,707	<b>130,707</b>	471
Other Incoming Resources	6	-	-	-	-	1
<b>Total incoming resources</b>		<b>565,051</b>	<b>232,433</b>	<b>130,707</b>	<b>928,191</b>	<b>764,158</b>
<b>Resources expended</b>						
Charitable activities						
Children and Youth		-	81,488	352	<b>81,840</b>	85,643
Keystone Communities		391	89,475	191	<b>90,057</b>	91,051
Keystone Enterprise		59,562	-	-	<b>59,562</b>	65,100
Keystone Property		311,701	17,347	114,234	<b>443,282</b>	407,340
Keystone Resources		(1,723)	24,653	320	<b>23,250</b>	44,316
Costs of activities for generating funds		173,665	-	-	<b>173,665</b>	191,651
Investment Management costs		-	1,962	-	<b>1,962</b>	-
Governance costs	3b	15,733	-	-	<b>15,733</b>	17,833
<b>Total resources expended</b>	3a	<b>559,329</b>	<b>214,925</b>	<b>115,097</b>	<b>889,351</b>	<b>902,934</b>
<b>Net incoming/(outgoing) resources before transfers</b>	6	<b>5,722</b>	<b>17,508</b>	<b>15,610</b>	<b>38,840</b>	<b>(138,776)</b>
Transfers between funds	13,14	(745)	745	-	-	-
Fund balances at 31 March 2014		129,904	29,414	4,698,662	4,857,980	4,996,756
<b>Fund balances at 31 March 2015</b>		<b>134,881</b>	<b>47,667</b>	<b>4,714,272</b>	<b>4,896,820</b>	<b>4,857,980</b>

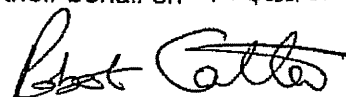
The above figures all relate to continuing operations and include all income and expenditure and gains and losses arising during the year. The notes on pages 23 to 38 form part of these financial statements.

**KEYSTONE DEVELOPMENT TRUST**  
Balance sheet as at 31 March 2015

Company Registration No 4346470

		2015		2014	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7	4,738,289		4,854,603	
Investments:					
Investment assets	8	130,707		-	
Programme related investment	8	250		250	
			4,869,246		4,854,853
<b>Current assets</b>					
Stock	9	5,276		5,667	
Debtors	10	87,863		153,321	
Cash at bank and in hand		69,426		53,230	
			162,565		212,218
<b>Creditors: amounts falling due</b>					
Within one year	11	(134,991)		(209,091)	
<b>Net current assets</b>			27,574		3,127
<b>Net assets</b>			4,896,820		4,857,980
<b>Funds</b>					
Unrestricted funds:					
- General		59,319		50,268	
- Designated		75,562		79,636	
	13		134,881		129,904
Restricted funds:					
- Income	14		47,667		29,414
- Capital	15		4,714,272		4,698,662
			4,896,820		4,857,980

The financial statements were approved by the Trustees, authorised for issue and signed on their behalf on 17 December 2015 by



**Robert Catton**  
Chair



**Sheila Childerhouse**  
Trustee

The notes on pages 23 to 38 form part of these financial statements.

**KEYSTONE DEVELOPMENT TRUST**  
**Cash flow statement for the year ended 31 March 2015**

	Note	2015		2014	
		£	£	£	£
<b>Reconciliation of net movement in funds to net cash outflow from operating activities</b>					
Net movement in funds		38,840		(138,776)	
Net interest payable		(29)		(40)	
Depreciation		116,315		116,316	
Profit on disposal of assets		-		(1)	
Loss on disposal of investment		-		2	
Gain on investment acquisition		(130,707)		-	
Decrease / (increase) in debtors		65,458		(12,246)	
Decrease in Stock		391		2,702	
(Decrease) / increase in creditors		(74,100)		1,313	
		<u>          </u>		<u>          </u>	
<b>Net cash in / (out) flow from operating Activities</b>			<b>16,168</b>		<b>(30,730)</b>
<b>Returns on investments and servicing of finance</b>					
Interest received		29		40	
		<u>          </u>		<u>          </u>	
			<b>29</b>		<b>40</b>
<b>Capital expenditure</b>					
Assets purchased		(1)		-	
Proceeds from sale of tangible assets		-		1	
		<u>          </u>		<u>          </u>	
			<b>(1)</b>		<b>1</b>
<b>Increase/(decrease) in cash in the year</b>	<b>19</b>		<b>16,196</b>		<b>(30,689)</b>
			<u>          </u>		<u>          </u>

## KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2015

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### 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 adopt the going concern basis of accounting in preparing the financial statements. Further information is included on page 15.

#### *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

Notes forming part of the financial statements for the year ended 31 March 2015 (cont.)

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### 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 valued at market value based on a discounted cash flow basis.

Programme related 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

Notes forming part of the financial statements for the year ended 31 March 2015 (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 2014	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2015
	£	£	£	£	£
Children and Youth	21,061	74,535	(81,840)	516	<b>14,272</b>
Keystone	14,150	94,215	(90,058)	(11)	<b>18,296</b>
Communities					
Keystone Enterprise	9,749	245,197	(213,088)	(31,532)	<b>10,326</b>
Keystone Property	4,805,849	455,971	(445,242)	28,711	<b>4,845,289</b>
Keystone Resources	7,171	58,273	(59,123)	2,316	<b>8,637</b>
	<u>4,857,980</u>	<u>928,191</u>	<u>(889,351)</u>	<u>-</u>	<u><b>4,896,820</b></u>

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

Keystone Enterprise	(£44,069)
Keystone Communities	(£240)
Keystone Resources	(£2,618)
Keystone Property	£46,927

## KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2015 (cont.)

### 2a Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources from Charitable activities:</b>					
<b>Grants</b>					
Children and Youth	-	74,535	-	<b>74,535</b>	61,717
Keystone Communities	-	89,662	-	<b>89,662</b>	75,330
Keystone Enterprise	-	-	-	-	-
Keystone Property	-	33,756	-	<b>33,756</b>	-
Keystone Resources	-	22,246	-	<b>22,246</b>	27,070
	<b>-</b>	<b>220,199</b>	<b>-</b>	<b>220,199</b>	164,117
<b>Other income</b>					
Children and Youth	-	-	-	-	-
Keystone Communities	138	4,415	-	<b>4,553</b>	149
Keystone Enterprise	54,471	-	-	<b>54,471</b>	64,405
Keystone Property	291,330	177	-	<b>291,507</b>	302,436
Keystone Resources	7,907	7,642	-	<b>15,549</b>	6,536
	<b>353,846</b>	<b>12,234</b>	<b>-</b>	<b>366,080</b>	373,526
<b>Total</b>					
Children and Youth	-	74,535	-	<b>74,535</b>	61,717
Keystone Communities	138	94,077	-	<b>94,215</b>	75,479
Keystone Enterprise	54,471	-	-	<b>54,471</b>	64,405
Keystone Property	291,330	33,933	-	<b>325,263</b>	302,436
Keystone Resources	7,907	29,888	-	<b>37,795</b>	33,606
	<b>353,846</b>	<b>232,433</b>	<b>-</b>	<b>586,279</b>	537,643

Included within incoming resources from charitable activities is rental income received under operating leases of £168,953 (2014: £167,910)

**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2015 (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>		
Future Business Cambridge LEP	Cambridge Work Club	£25,750
Suffolk County Council	Pupils With Prospects	£20,000
Equitable Charitable Trust	Thetford Academy Work Club	£11,844
Breckland Youth Advisory Board	Dereham Schools Work Club	£10,000
Children in Need	A*Spire	£6,941
		<b><u>£74,535</u></b>
<b>Keystone Communities</b>		
Lottery Advice Fund	META Advice Project with CAB	£35,340
Norfolk NHS	Smoking Cessation	£24,150
Norfolk County Council Public Health	Art Therapy Cafe	£5,000
Norfolk Community Foundation	Art Therapy Cafe	£5,612
Breckland Council	Art Therapy Cafe	£2,500
Breckland Council	Participatory Budget	£12,000
Allia	Social Incubator East	£4,000
Moving Thetford Forward	KAVO	£1,060
		<b><u>£89,662</u></b>
<b>Keystone Property</b>		
Orbit Homes	St John's Community Centre	33,000
Forest Heath District Council	St John's Community Centre	756
		<b><u>£33,756</u></b>
<b>Keystone Resources</b>		
Forest Heath District Council	Brandon Hub	£21,936
Suffolk County Council	Brandon Hub	£310
		<b><u>£22,246</u></b>
<b>Funding Split by Funder</b>		
Lottery Advice Fund		£35,340
Orbit Homes		£33,000
Norfolk County Council Public Health		£29,150
Future Business Cambridge LEP		£25,750
Forest Heath District Council		£22,692
Suffolk County Council		£20,310
Breckland Council		£14,500
Equitable Charitable Trust		£11,844
Breckland Youth Advisory Board		£10,000
Children in Need		£6,941
Norfolk Community Foundation		£5,612
Allia		£4,000
Moving Thetford Forward		£1,060
		<b><u>£220,199</u></b>

**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2015 (cont.)

**2b Incoming resources from generated funds**

A further breakdown of incoming resources between restricted income, restricted capital and unrestricted funds is given in notes 13, 14 and 15.

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2015 £	Total 2014 £
<b>Activities for generating funds</b>					
Keystone Enterprise	190,726	-	-	190,726	188,296
Keystone Resources	20,450	-	-	20,450	37,707
	<u>211,176</u>	<u>-</u>	<u>-</u>	<u>211,176</u>	<u>226,003</u>
<b>Investment Income – Bank Interest</b>					
Keystone Property	-	-	-	-	1
Keystone Resources	29	-	-	29	39
	<u>29</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>40</u>
<b>Gifts and Donations</b>					
Keystone Communities	-	-	-	-	454
Keystone Enterprise	-	-	-	-	17
Keystone Property	-	-	130,707	130,707	-
	<u>-</u>	<u>-</u>	<u>130,707</u>	<u>130,707</u>	<u>471</u>

## KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2015 (cont.)

### 3a Total resources expended

	Staff Costs	Depreciation	Support Costs (note 3b)	Grants	Other direct costs	Total 2015	Total 2014
	£	£	£	£	£	£	£
<b>Unrestricted funds</b>							
Charitable activities							
Children and Youth	-	-	-	-	-	-	-
KeystoneCommunities	-	-	391	-	-	391	284
Keystone Enterprise	35,415	-	2,520	-	21,627	59,562	65,083
Keystone Property	46,846	-	67,484	-	197,371	311,701	293,104
Keystone Resources	(934)	-	6,515	-	(7,304)	(1,723)	(11,703)
Governance	-	-	6,748	-	8,985	15,733	17,833
Costs of generating funds							
Keystone Enterprise	63,116	1,218	17,287	-	71,904	153,525	154,528
Keystone Resources	4,186	-	14,343	-	1,611	20,140	37,123
	<u>148,629</u>	<u>1,218</u>	<u>115,288</u>	<u>-</u>	<u>294,194</u>	<u>559,329</u>	<u>556,252</u>
<b>Restricted Revenue funds</b>							
Charitable activities							
Children and Youth	45,403	-	19,089	-	16,996	81,488	85,291
KeystoneCommunities	53,313	-	18,584	10,000	7,578	89,475	90,575
Keystone Enterprise	-	-	-	-	-	-	17
Keystone Property	3,279	-	1,717	-	12,351	17,347	-
Keystone Resources	8,565	-	13,489	-	2,599	24,653	55,700
Investment							
Management Costs	-	-	-	-	1,962	1,962	-
	<u>110,560</u>	<u>-</u>	<u>52,879</u>	<u>10,000</u>	<u>41,486</u>	<u>214,925</u>	<u>231,583</u>
<b>Restricted Capital funds</b>							
Charitable activities							
Children and Youth	-	352	-	-	-	352	352
KeystoneCommunities	-	191	-	-	-	191	192
Keystone Enterprise	-	-	-	-	-	-	-
Keystone Property	-	114,234	-	-	-	114,234	114,236
Keystone Resources	-	320	-	-	-	320	319
	<u>-</u>	<u>115,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,097</u>	<u>115,099</u>
<b>Total 2015</b>	<u><b>259,189</b></u>	<u><b>116,315</b></u>	<u><b>168,167</b></u>	<u><b>10,000</b></u>	<u><b>335,680</b></u>	<u><b>889,351</b></u>	
Total 2014	<u>261,179</u>	<u>116,316</u>	<u>195,042</u>	<u>-</u>	<u>330,397</u>	<u>902,934</u>	

## KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2015 (cont.)

### 3b Analysis of Support costs

	Staff costs	Premises costs	Communications	Postage, stationery etc	Office costs	Finance and prof. fees	Total
	£	£	£	£	£	£	£
Children and Youth	15,765	1,101	85	102	487	1,549	<b>19,089</b>
Keystone Communities	15,917	1,085	85	98	461	1,329	<b>18,975</b>
Keystone Enterprise	15,192	1,687	128	143	712	1,945	<b>19,807</b>
Keystone Property	57,284	4,250	324	369	1,781	5,193	<b>69,201</b>
Keystone Resources	25,370	3,235	243	273	1,326	3,900	<b>34,347</b>
Governance	6,179	206	16	18	85	244	<b>6,748</b>
<b>Total 2015</b>	<b>135,707</b>	<b>11,564</b>	<b>881</b>	<b>1,003</b>	<b>4,852</b>	<b>14,160</b>	<b>168,167</b>
Total 2014	163,054	10,653	824	1,195	4,344	14,972	195,042

### Analysis of Governance costs

	2015 £	2014 £
Audit fees	<b>7,750</b>	9,726
Staff costs	<b>6,179</b>	6,198
Apportionment of support costs (excluding staff time)	<b>569</b>	427
Room Hire	<b>1,235</b>	1,482
<b>Total Governance costs</b>	<b>15,733</b>	17,833

### 4 Staff costs

	2015 £	2014 £
Wages and salaries	<b>363,912</b>	386,955
Social security costs	<b>22,268</b>	26,030
Pension costs	<b>8,716</b>	11,248
	<b>394,896</b>	424,233

The average number of persons employed during the year, including part time employees, was:

	2015 Number	2014 Number
Charitable activities		
Calculated on full time equivalent basis	<b>20</b>	20
Actual staff employed	<b>33</b>	33

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

	2015 Number	2014 Number
£60,001 - £70,000	-	1

Employer's pension contributions relating to the above were £nil (2014: £3,077)

## KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2015 (cont.)

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### 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 £8,716 (2014 - £11,248) represents contributions payable by the charitable company to the fund for the year. At the year end contributions totalling £13 (2014 - £13) were payable to the fund and are included in creditors.

### 6 Net outgoing resources before transfers

	2015	2014
	£	£
Net outgoing resources are stated after charging/ (crediting):		
Depreciation	<b>116,315</b>	116,316
Profit on sale of assets	-	(1)
Loss on sale of investment	-	2
Provision for bad debts	<b>(577)</b>	129
Auditors remuneration - audit services	<b>7,750</b>	7,950
- other services	<b>1,000</b>	1,000
	<u>          </u>	<u>          </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.



**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2015 (cont.)

**7 Tangible fixed assets**

	Freehold land and buildings £	Machinery and office equipment £	Computer hardware and software £	Vehicles £	Total £
<b>Cost</b>					
At 1 April 2014	5,826,604	310,927	35,318	36,347	6,209,196
Additions	1	-	-	-	1
Disposals	-	(14,555)	(18,268)	-	(32,823)
<b>At 31 March 2015</b>	<b>5,826,605</b>	<b>296,372</b>	<b>17,050</b>	<b>36,347</b>	<b>6,176,374</b>
<b>Depreciation</b>					
At 1 April 2014	977,841	305,790	34,615	36,347	1,354,593
Charge for the year	113,593	2,019	703	-	116,315
Relating to disposals	-	(14,555)	(18,268)	-	(32,823)
<b>At 31 March 2015</b>	<b>1,091,434</b>	<b>293,254</b>	<b>17,050</b>	<b>36,347</b>	<b>1,438,085</b>
<b>Net book value</b>					
<b>At 31 March 2015</b>	<b>4,735,171</b>	<b>3,118</b>	<b>-</b>	<b>-</b>	<b>4,738,289</b>
At 31 March 2014	4,848,763	5,137	703	-	4,854,603

Included within freehold land and buildings is £147,108 (2014 - £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.

£4,538,578 (2014 - £4,682,966) of the net book value of the freehold property is rented out to 3<sup>rd</sup> parties. During the year depreciation of £108,689 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

Notes forming part of the financial statements for the year ended 31 March 2015 (cont.)

### 8 Investments

#### Investment Assets

	2015 £	2014 £
Additions in the year	130,707	-
Market value as at 31 March 2015	130,707	-

The investment asset relates to two properties in Mildenhall that were purchased by Keystone Development Trust in the year. The properties have a restriction on the income that is generated from them in that all monies generated are to be used solely for the running of and maintenance of the properties and community centre in Mildenhall. The assets have been valued at market value by the Trustees on a discounted cash flow basis.

#### Programme related investments:

	2015 £	2014 £
Net book value at 1 April 2014 and 31 March 2015	250	250

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.

### 9 Stock

	2015 £	2014 £
Consumables	4,655	4,991
Finished goods	621	676
	5,276	5,667

### 10 Debtors

	2015 £	2014 £
Trade debtors	58,434	86,803
Prepayments	17,930	57,158
Accrued income	11,499	9,360
	87,863	153,321

**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2015 (cont.)

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

	2015 £	2014 £
Trade creditors	35,515	71,213
Other creditors	37,108	58,709
Other tax and social security	14,489	17,144
Accruals	22,951	16,292
Deferred income (note 12)	24,928	45,733
	<u>134,991</u>	<u>209,091</u>

**12 Deferred income**

	2015 £	2014 £
Balance at 1 April 2014	45,733	71,617
Amount released to incoming resources	(45,733)	(51,617)
Amount deferred in year	24,928	25,733
	<u>24,928</u>	<u>45,733</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.

## KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2015 (cont.)

### 13 Unrestricted funds

	Balance at 1 April 2014	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2015
	£	£	£	£	£
Keystone Communities	1,769	138	(391)	(240)	1,276
Keystone Enterprise	9,749	245,197	(213,087)	(31,532)	10,327
Keystone Property					
General	34,993	291,330	(311,701)	32,785	47,407
Designated	79,636	-	-	(4,074)	75,562
Keystone Resources	3,757	28,386	(34,150)	2,316	309
	<u>129,904</u>	<u>565,051</u>	<u>(559,329)</u>	<u>(745)</u>	<u>134,881</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 to match expenditure with funds\*\*.

### 14 Restricted income funds

	Balance at 1 April 2014	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2015
	£	£	£	£	£
Children and Youth	14,130	74,535	(81,488)	516	7,693
Keystone Communities	12,190	94,077	(89,475)	229	17,021
Keystone Enterprise	-	-	-	-	-
Keystone Property	-	33,933	(19,309)	-	14,624
Keystone Resources	3,094	29,888	(24,653)	-	8,329
	<u>29,414</u>	<u>232,433</u>	<u>(214,925)</u>	<u>745</u>	<u>47,667</u>

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

### 15 Restricted capital funds

	Balance at 1 April 2014	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2015
	£	£	£	£	£
Children and Youth	6,931	-	(352)	-	6,579
Keystone Communities	191	-	(191)	-	-
Keystone Property	4,691,220	130,707	(114,234)	-	4,707,693
Keystone Resources	320	-	(320)	-	-
	<u>4,698,662</u>	<u>130,707</u>	<u>(115,097)</u>	<u>-</u>	<u>4,714,272</u>

**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2015 (cont.)

**16 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	-	1,276	1,276
Keystone Enterprise	2,337	7,990	10,327
Keystone Property			
General	152,636	(105,229)	47,407
Designated	-	75,562	75,562
Keystone Resources	-	309	309
	<u>154,973</u>	<u>(20,092)</u>	<u>134,881</u>
<b>Restricted income funds</b>			
Children and Youth	-	7,693	7,693
Keystone Communities	-	17,021	17,021
Keystone Properties	-	14,624	14,624
Keystone Resources	-	8,329	8,329
	<u>-</u>	<u>47,667</u>	<u>47,667</u>
<b>Restricted capital funds</b>			
Children and Youth	6,579	-	6,579
Keystone Property	4,707,694	(1)	4,707,693
	<u>4,714,273</u>	<u>(1)</u>	<u>4,714,272</u>
<b>Total funds 2015</b>	<b><u>4,869,246</u></b>	<b><u>27,574</u></b>	<b><u>4,896,820</u></b>
Total funds 2014	<u>4,854,853</u>	<u>3,127</u>	<u>4,857,980</u>

## **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, KAVO and the Adult work clubs.

### **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 bike recycling project and Cafe One.

### **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 13-15. They relate to transferring internal rent and charges between projects and allocating funding to certain projects in the coming year.

**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2015 (cont.)

**18 Related party transactions**

During February 2015 as detailed in the Trustees report Clive Wadham-Smith and Sheila Childerhouse resigned as Trustees and were appointed acting joint chief executives.

Clive Wadham-Smith 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>2015</b>	2014
	£	£
Purchases from Ante Limited - (Professional services)	<b>2,400</b>	2,400
Purchases from Ante Limited – (Acting Chief exec role)	<b>2,000</b>	-
Amounts outstanding at the year end	<b>1,200</b>	400

The following transactions were entered into with Sheila Childerhouse

Purchases from Sheila Childerhouse (Acting Chief Exec role)	<b>2,250</b>	-
Amounts outstanding at the year end	<b>2,250</b>	-

**19 Reconciliation of net cashflow to movement in net funds**

	<b>2015</b>	2014
	£	£
Increase / (decrease) in cash in the year	<b>16,196</b>	(30,689)
Movement in net funds in the year	<b>16,196</b>	(30,689)
Net funds at start of year	<b>53,230</b>	83,919
<b>Net funds at end of year</b>	<b>69,426</b>	53,230

**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	53,230	16,196	<b>69,426</b>