



**Keystone Development Trust**

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

**Annual Report and Financial Statements**

**Year Ended  
31 March 2014**

**Company number: 4346470**

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2014**

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**Contents**

**Page**

2	Trustees and Advisors
3 -15	Trustees' Report
16 - 17	Report of the Independent Auditors
18	Statement of financial activities
19	Balance sheet
20	Cash flow statement
21 - 36	Notes forming part of the financial statements

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2014**

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**Trustees and Advisors**

**Trustees**

Sheila Childerhouse (Joint Chair)  
Clive Wadham-Smith (Joint Chair)  
Mark Allison (Vice Chair)  
Brenda Canham  
Robert Catton – *Appointed 20.11.14*  
Robert King  
Charlie Moss  
Pat Pearson – *Retired 17.12.2013*  
Monique Stevenson  
Ryan Windsor – *Appointed 11.06.2013*

**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**

**Trustees Report and Financial Statements for the year ended 31 March 2014**

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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 2014. 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.

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.

## KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2014

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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.

## KEYSTONE DEVELOPMENT TRUST

### Trustees Report and Financial Statements for the year ended 31 March 2014

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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).
- 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

## KEYSTONE DEVELOPMENT TRUST

### Trustees Report and Financial Statements for the year ended 31 March 2014

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During 2013/14 our main projects and programmes have been:

- **Green Ventures Bikes**

The Green Ventures Bike project funding ceased on 31 March 2011. For the last two years the project has relied on generating sales. During the year the project collected 1,470 bikes from donations and household waste recycling centres in Suffolk, equating to around 22 Tonnes of bikes diverted from landfill. Since the project started over 6,500 bikes have been collected equating to around 100 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 historically been run alongside the META drop in project. As Meta currently does not operate from The Limes, Keystone are in discussions with Breckland Advice Project partners with a view to relocating the Keystone branch of Norfolk Credit Union to Thetford CAB. A merger between Norfolk Credit Union and the two other main local Credit Unions is also underway.

- **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. Funding for this project reduced on 1 April 2013 and the continuation of it was supported by funding from Breckland Council and the Trusts reserves which enabled the project to operate through to the end of June 2013. The service continues with the new Breckland Advice funding as detailed below. The enhanced services created in previous years and the additional staff training and service accreditation has made META more attractive for further investment

- **Breckland Advice Project**, A new funding bid was secured in partnership with the Citizens Advice Bureau which commenced from October 2013 and since then the META service has operated with the CAB in both Thetford and Dereham and a service to open in Watton soon. META staff have completed Gateway (advisory) training which will allow their formal transition from providing translation support to a full advice service.

The impact of META translation services and the support provided has been praised by CAB Managers. The CAB are due to make a key appointment for a Project Co-ordinator, to further aid the transition and development of the broader community advice service.

- **ESOL (English for speakers of other languages) lessons**, at the start of the year courses at two locations in Brandon and Mildenhall with funding from Suffolk County Council Realise Futures came to a successful end meeting targets set. Further funding was secured to continue to deliver Beginners' ESOL lessons in Brandon (funded by Realise Futures through a Big Lottery Reaching Communities grant) and improver courses with learners achieving formal

## KEYSTONE DEVELOPMENT TRUST

### Trustees Report and Financial Statements for the year ended 31 March 2014

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accreditation on the improver courses. Funding was also secured to deliver courses in Thetford (funded by Norfolk Community Foundation) one class per week commenced from June. Numbers of learners were high meaning that the target of learners in Brandon was exceeded, and also in Thetford where the target was 60 learners. Further funding through Realise Futures and a Big Lottery Reaching Communities Grant will see META deliver additional ESOL classes in Autumn 2014.

- **Stop Smoking**, Keystone was re-commissioned to provide its migrant Stop Smoking Service until 31 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 year the project achieved 64 quits. Following this Keystone has been re-commissioned to provide the service until 31 March 2015.

- **Keystone Area Voluntary Organisation**, With funding from Forest Heath District Council and the Suffolk Community Foundation KAVO delivered a range of support services to voluntary organisations in Brandon in 2013. Regular newsletters and e-bulletins were sent to 69 Suffolk organisations keeping members up to date with voluntary sector developments, funding opportunities and training events, as well as enabling these community groups to promote their activities and recruit volunteers.

KAVO also organized a Brandon and District Voluntary Forum (BVF) 'Active Citizenship' event held on Saturday 28th September 2013 on Brandon Market Hill to coincide with the Grand Opening of the Brandon Centre, a community hub managed by Keystone and the new home of the BVF. Thirteen organisations, including Community Action Suffolk and Brandon Pre-school Playgroup, booked stalls at the event co-hosted by Suffolk County Council and Forest Heath District Council, and all reported being very busy with more than 2,000 Brandon Residents attending the event overall. A free 'Organizational Risks' workshop for KAVO was delivered in October, led by Hazel Pidsley, Chief Officer, Bury St Edmunds Volunteer Centre which took place at the new Brandon Centre.

Unfortunately in 2013 long term funding from Forest Heath District Council for KAVO to deliver the Brandon Voluntary Forum came to an end, with the council restructuring and choosing to offer support in house. Following the withdrawal of this funding KAVO successfully applied to Brandon Councillors who pledged support from their locality budgets to enable KAVO to continue delivering the Brandon Voluntary Forum until July 2014.

- **Keystone School 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 2013 **93.3%** of students engaged in Keystone led Suffolk School Work Clubs proceeded to a positive destination.



## KEYSTONE DEVELOPMENT TRUST

### Trustees Report and Financial Statements for the year ended 31 March 2014

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New funding was agreed for the academic year from September 2013 to 2014, 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 10 learners as well as Year 11 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. As part of this programme of delivery summer workshops were delivered to referred students who all received their own personalised support pack for later reference. Positive relationships developed with the Thetford Academy has led to Keystone seeking and securing additional funding to deliver in three Norfolk schools in the 2014/1015 academic year.

A 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.

- **Moving Thetford Forward**, In 2013 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. The outcomes of other bids submitted are still awaited. A funding bid workshop with representatives from The Big Lottery and The Norfolk Community Foundation was held on Friday 18<sup>th</sup> October 2013 with ten representatives from local groups attending and reporting positively on the event and their future ability to apply for funding.
- **Adult Work Clubs**, With funding from Cambridge City Council Keystone Development Trust launched a work club in Cambridge in May 2013. 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. This project came to a close in May 2014.

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.

## KEYSTONE DEVELOPMENT TRUST

### Trustees Report and Financial Statements for the year ended 31 March 2014

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The Cambridge Work Club provided valuable support to those truly furthest from the work place and by the end of the project in May 2014 the Cambridge Work Club had supported 27 members, 6 went on into employment, 2 into volunteering, 7 into courses increasing skills to make them more employable, and 1 into further education.

The Brandon Work Club that ran to the end of the previous financial year assisted 19 local people with their employment, education and training needs and the feedback given reinforces the value and success of the 'Keystone Approach'.

- **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 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;

- A film animation session for the teenagers, who entered their film into a BBC Young Film Makers' competition.
  - A residential trip to Hilltop Outdoor Centre in North Norfolk. Where the young people engaged in team challenges and activities such as crate stacking, low ropes, zip wires, archery, climbing and abseiling.
  - A day trip to visit the Fire Service. The experience included taking part in a tower rescue, finding objects in a dark house and using the fire hoses. There was also a careers presentation given about possible routes into the fire service.
  - A journalism activity based around solving a crime mystery was held by a journalist who writes for national papers, which involved asking questions, conducting interviews, looking for clues, a mock press conference and a news presentation
  - A Doctor came and talked about her profession and did activities based on the human body and first aid
- **A\*SPIRE After school club**, this was set up with funding received from the Breckland Youth Advisory Board, aimed at children aged 7-13. The project is being delivered in partnership with local group Community Spirit. The funding covered the period from June 2013 to March 2014.

At the first two sessions of the after school club 37 children registered to join the club: 23 children attended the first session and 34 the second.

With funding for this project ending on 31 March the project which had become firmly established continues being directly managed by Community Spirit. It is down to the fantastic contribution of a number of volunteers that this project was possible in the first place and has become sustainable.

## KEYSTONE DEVELOPMENT TRUST

### Trustees Report and Financial Statements for the year ended 31 March 2014

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- **Cafe One** is a social enterprise dedicated to providing healthy, local, seasonal and fair trade food with as few food miles as possible. During the year changes were made, including the closure of the sandwich round and restructuring of staff, all this has helped the café turn around its performance. 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.
- **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 year end was 89% occupied. The centre now houses 11 businesses throughout the three floors supporting over 100 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 730 conferences were held, equating to a 42% 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 70%. The factory has 12 businesses within supporting over 30 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.

## **KEYSTONE DEVELOPMENT TRUST**

### **Trustees Report and Financial Statements for the year ended 31 March 2014**

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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.
- 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 22 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.

## **KEYSTONE DEVELOPMENT TRUST**

### **Trustees Report and Financial Statements for the year ended 31 March 2014**

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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 £764,158. Expenses in relation to governance costs were £17,833 and the total costs in furtherance of the charity's objects amounted to £885,101. Unrestricted funds carried forward at the end of the year amounted to £129,904 of which £79,636 has been designated to future expenditure and restricted funds amounted to £4,728,076.

The main sources of grant income during the year were from the Suffolk County Council in delivering projects working with Schools and the Brandon Centre, Forest Heath District Council in delivering the Brandon Centre and KAVO, NHS Norfolk delivering a Smoking Cessation project, The Lottery Advice Fund in delivering a joint project with the Citizen's Advice Bureau integrating the META work, Community Learning and Skills Development in delivering ESOL classes, Children In Need for

## **KEYSTONE DEVELOPMENT TRUST**

### **Trustees Report and Financial Statements for the year ended 31 March 2014**

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delivering youth events through A\*Spire and The Breckland Youth Advisory Board for delivering additional youth event sessions. 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 512 (2013 - 658) hours were given by volunteers to the Trust with an estimated value of £3,717 (2013 - £4,755). 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 2014 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 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 £34,397 to leave a surplus of £50,268 – (2013 - £15,871). 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.

## **KEYSTONE DEVELOPMENT TRUST**

### **Trustees Report and Financial Statements for the year ended 31 March 2014**

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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 2014/15 will be another significant one for the Trust. The Trust's funded income has fluctuated over the years and in 2013/14 received 21% of its total income from funders and 79% 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 2014

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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 20 November 2014.

**Robert King**  
Trustee



**Clive Wadham-Smith**  
Joint Chair



## **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 2014 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/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 2014 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.

**KEYSTONE DEVELOPMENT TRUST**

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

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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; 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.

*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

*12 December 2014*

**KEYSTONE DEVELOPMENT TRUST**

**Statement of financial activities (including income and expenditure account) for the year ended 31 March 2014**

	Note	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2014 £	Total 2013 £
<b>Incoming resources</b>						
Incoming resources from charitable activities	2a	373,526	164,117	-	<b>537,643</b>	575,157
Incoming resources from generated funds:						
Activities for generating funds		226,003	-	-	<b>226,003</b>	198,735
Investment income		40	-	-	<b>40</b>	76
Voluntary income	2b	-	471	-	<b>471</b>	64
Other Incoming Resources	6	-	-	1	<b>1</b>	500
<b>Total incoming resources</b>		<b>599,569</b>	<b>164,588</b>	<b>1</b>	<b>764,158</b>	<b>774,532</b>
<b>Resources expended</b>						
Charitable activities						
Children and Youth		-	85,291	352	<b>85,643</b>	79,115
Keystone Communities		284	90,575	192	<b>91,051</b>	153,777
Keystone Enterprise		65,083	17	-	<b>65,100</b>	71,764
Keystone Property		293,104	-	114,236	<b>407,340</b>	399,091
Keystone Resources		(11,703)	55,700	319	<b>44,316</b>	72,025
Costs for activities for generating funds		191,651	-	-	<b>191,651</b>	177,664
Governance costs	3b	17,833	-	-	<b>17,833</b>	17,006
<b>Total resources expended</b>	3a	<b>556,252</b>	<b>231,583</b>	<b>115,099</b>	<b>902,934</b>	<b>970,442</b>
<b>Net incoming/(outgoing) resources before transfers</b>	6	<b>43,317</b>	<b>(66,995)</b>	<b>(115,098)</b>	<b>(138,776)</b>	<b>(195,910)</b>
Transfers between funds		(4,873)	4,874	(1)	-	-
Fund balances at 31 March 2013		91,460	91,535	4,813,761	4,996,756	5,192,666
<b>Fund balances at 31 March 2014</b>		<b>129,904</b>	<b>29,414</b>	<b>4,698,662</b>	<b>4,857,980</b>	<b>4,996,756</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**  
Balance sheet as at 31 March 2014

Company Registration No 4346470

		2014		2013	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8	4,854,603		4,970,919	
Investments:					
Investments	9	-		2	
Programme related investment	9	250		250	
			<b>4,854,853</b>		<b>4,971,171</b>
<b>Current assets</b>					
Stock	10	5,667		8,369	
Debtors	11	153,321		141,075	
Cash at bank and in hand		53,230		83,919	
			<b>212,218</b>		<b>233,363</b>
<b>Creditors: amounts falling due</b>					
<b>  Within one year</b>	12	<b>(209,091)</b>		<b>(207,778)</b>	
<b>Net current assets</b>			<b>3,127</b>		<b>25,585</b>
<b>Net assets</b>			<b>4,857,980</b>		<b>4,996,756</b>
<b>Funds</b>					
Unrestricted funds:					
- General		50,268		15,871	
- Designated		79,636		75,589	
	14		<b>129,904</b>		<b>91,460</b>
Restricted funds:					
- Income	15		29,414		91,535
- Capital	16		4,698,662		4,813,761
			<b>4,857,980</b>		<b>4,996,756</b>

The financial statements were approved by the Trustees and authorised for issue on 20 November 2014

Robert King  
Trustee




Clive Wadham-Smith  
Joint Chair

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

**KEYSTONE DEVELOPMENT TRUST**  
**Cash flow statement for the year ended 31 March 2014**

	Note	2014	2013
		£	£
<b>Reconciliation of net movement in funds to net cash outflow from operating activities</b>			
Net movement in funds		(138,776)	(195,910)
Net interest payable		(40)	146
Depreciation		116,316	116,140
Profit on disposal of assets		(1)	(500)
Loss on disposal of investment		2	-
(Increase) / decrease in debtors		(12,246)	7,657
Decrease / (Increase) in Stock		2,702	(1,330)
Increase in creditors		1,313	19,522
<b>Net cash outflow from operating activities</b>		<b>(30,730)</b>	<b>(54,275)</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		40	76
Interest paid		-	(222)
		<b>40</b>	<b>(146)</b>
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets and Investments		-	(4,682)
Proceeds from sale of tangible assets		1	500
		<b>1</b>	<b>(4,182)</b>
<b>Financing</b>			
Loan repaid		-	(19,559)
<b>Decrease in cash in the year</b>	19	<b>(30,689)</b>	<b>(78,162)</b>

## KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2014

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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 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

Notes forming part of the financial statements for the year ended 31 March 2014 (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 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 2014 (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 2013 £	Incoming Resources £	Resources expended £	Transfers £	Balance at 31 March 2014 £
Children and Youth	44,994	61,717	(85,643)	(7)	21,061
Keystone Communities	24,627	75,933	(91,051)	4,641	14,150
Keystone Enterprise	4,772	252,719	(219,628)	(28,114)	9,749
Keystone Property	4,881,159	302,436	(407,340)	29,594	4,805,849
Keystone Resources	41,204	71,353	(99,272)	(6,114)	7,171
	<u>4,996,756</u>	<u>764,158</u>	<u>(902,934)</u>	<u>-</u>	<u>4,857,980</u>

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

Keystone Enterprise	(£46,163)
Keystone Communities	(£240)
Keystone Resources	(£4,190)
Keystone Property	£50,593



**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2014 (cont.)

**2a Incoming resources from charitable activities**

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2014 £	Total 2013 £
<b>Incoming resources from Charitable activities:</b>					
<b>Grants</b>					
Children and Youth	-	61,717	-	61,717	103,794
Keystone Communities	-	75,330	-	75,330	90,178
Keystone Enterprise	-	-	-	-	500
Keystone Property	-	-	-	-	4,500
Keystone Resources	-	27,070	-	27,070	73,000
	<u>-</u>	<u>164,117</u>	<u>-</u>	<u>164,117</u>	<u>271,972</u>
<b>Other income</b>					
Children and Youth	-	-	-	-	-
Keystone Communities	149	-	-	149	199
Keystone Enterprise	64,405	-	-	64,405	56,417
Keystone Property	302,436	-	-	302,436	241,451
Keystone Resources	6,536	-	-	6,536	5,118
	<u>373,526</u>	<u>-</u>	<u>-</u>	<u>373,526</u>	<u>303,185</u>
<b>Total</b>					
Children and Youth	-	61,717	-	61,717	103,794
Keystone Communities	149	75,330	-	75,479	90,377
Keystone Enterprise	64,405	-	-	64,405	56,917
Keystone Property	302,436	-	-	302,436	245,951
Keystone Resources	6,536	27,070	-	33,606	78,118
	<u>373,526</u>	<u>164,117</u>	<u>-</u>	<u>537,643</u>	<u>575,157</u>

Included within incoming resources from charitable activities is rental income received under operating leases of £167,910 (2013: £129,377)

**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2014 (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	Pupils With Prospects	£28,000
Children in Need	A*Spire	£9,255
Thurston School	Thurston School Work Club	£9,212
Youth Advisory Board	Additional A*spire sessions	£7,000
Future Business Cambridge LEP	Cambridge Work Club	£8,250
		<b><u>£61,717</u></b>
<b>Keystone Communities</b>		
Breckland Council	META	£5,000
Anglia Community leisure	META	£1,150
Other Income	META	£14
Lottery Advice Fund	META Advice Project with CAB	£17,670
Community Learning & Skills Dev.	ESOL Classes	£10,000
Realise Futures	ESOL Classes	£1,168
Other Income	ESOL Classes	£145
Norfolk NHS	Smoking Cessation	£23,600
Moving Thetford Forward	KAVO	£3,750
Forest Heath District Council	KAVO	£10,320
Other income	KAVO	£8
Locality	Community Organisers	£969
Resources for Change	Breaking new ground	£1,200
Suffolk County Council	Breaking new ground	£336
		<b><u>£75,330</u></b>
<b>Keystone Resources</b>		
Forest Heath District Council	Brandon Hub	£20,400
Suffolk County Council	Brandon Hub	£6,670
		<b><u>£27,070</u></b>
<b>Funding Split by Funder</b>		
Suffolk County Council		£35,006
Forest Heath District Council		£30,720
Norfolk NHS		£23,600
Lottery Advice Fund		£17,670
Community Learning & Skills Dev.		£10,000
Children in Need		£9,255
Thurston School		£9,212
Future Business Cambridge LEP		£8,250
Breckland Youth Advisory Board		£7,000
Breckland Council		£5,000
Moving Thetford Forward		£3,750
Resources for Change		£1,200
Realise Futures		£1,168
Anglia Community leisure		£1,150
Locality		£969
Other		£167
		<b><u>£164,117</u></b>

**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2014 (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 14, 15 and 16.

	<b>Unrestricted Funds £</b>	<b>Restricted Income Funds £</b>	<b>Restricted Capital Funds £</b>	<b>Total 2014 £</b>	<b>Total 2013 £</b>
<b>Activities for generating funds</b>					
Keystone Enterprise	188,296	-	-	188,296	181,148
Keystone Resources	37,707	-	-	37,707	17,587
	<u>226,003</u>	<u>-</u>	<u>-</u>	<u>226,003</u>	<u>198,735</u>
<b>Investment Income – Bank Interest</b>					
Keystone Property	1	-	-	1	3
Keystone Resources	39	-	-	39	73
	<u>40</u>	<u>-</u>	<u>-</u>	<u>40</u>	<u>76</u>
<b>Gifts and Donations</b>					
Keystone Communities	-	454	-	454	-
Keystone Enterprise	-	17	-	17	64
	<u>-</u>	<u>471</u>	<u>-</u>	<u>471</u>	<u>64</u>

**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2014 (cont.)

<b>3a Total resources expended</b>	<b>Staff Costs</b>	<b>Depreciation</b>	<b>Support Costs (note 3b)</b>	<b>Grants</b>	<b>Other direct costs</b>	<b>Total 2014</b>	<b>Total 2013</b>
	£	£	£	£	£	£	£
<b>Unrestricted funds</b>							
Charitable activities							
Children and Youth	-	-	-	-	-	-	-
KeystoneCommunities	-	-	283	-	1	284	-
Keystone Enterprise	37,078	-	2,276	-	25,729	65,083	70,158
Keystone Property	47,590	-	49,128	-	196,386	293,104	280,356
Keystone Resources	(3,000)	-	6,131	-	(14,834)	(11,703)	7,418
Governance	-	-	6,625	-	11,208	17,833	17,006
Costs of generating funds							
Keystone Enterprise	69,379	1,217	16,893	-	67,039	154,528	161,672
Keystone Resources	2,027	-	30,986	-	4,110	37,123	15,992
	<u>153,074</u>	<u>1,217</u>	<u>112,322</u>	<u>-</u>	<u>289,639</u>	<u>556,252</u>	<u>552,602</u>
<b>Restricted Revenue funds</b>							
Charitable activities							
Children and Youth	44,111	-	17,651	-	23,529	85,291	78,763
KeystoneCommunities	57,032	-	19,386	-	14,157	90,575	153,585
Keystone Enterprise	-	-	-	-	17	17	564
Keystone Property	-	-	-	-	-	-	4,500
Keystone Resources	6,962	-	45,683	-	3,055	55,700	64,288
	<u>108,105</u>	<u>-</u>	<u>82,720</u>	<u>-</u>	<u>40,758</u>	<u>231,583</u>	<u>301,700</u>
<b>Restricted Capital funds</b>							
Charitable activities							
Children and Youth	-	352	-	-	-	352	352
KeystoneCommunities	-	192	-	-	-	192	192
Keystone Enterprise	-	-	-	-	-	-	1,042
Keystone Property	-	114,236	-	-	-	114,236	114,235
Keystone Resources	-	319	-	-	-	319	319
	<u>-</u>	<u>115,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,099</u>	<u>116,140</u>
<b>Total 2014</b>	<u><b>261,179</b></u>	<u><b>116,316</b></u>	<u><b>195,042</b></u>	<u><b>-</b></u>	<u><b>330,397</b></u>	<u><b>902,934</b></u>	
Total 2013	<u>305,449</u>	<u>116,140</u>	<u>193,998</u>	<u>-</u>	<u>354,855</u>	<u>970,442</u>	

**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2014 (cont.)

**3b Analysis of Support costs**

	Staff costs	Premises costs	Communications	Postage, stationery etc	Office costs	Finance and prof. fees	Total
	£	£	£	£	£	£	£
Children and Youth	14,582	1,077	91	134	472	1,295	<b>17,651</b>
Keystone Communities	16,552	1,068	85	105	445	1,414	<b>19,669</b>
Keystone Enterprise	14,510	1,469	115	171	619	2,285	<b>19,169</b>
Keystone Property	38,489	3,573	273	407	1,454	4,932	<b>49,128</b>
Keystone Resources	72,723	3,325	249	362	1,297	4,844	<b>82,800</b>
Governance	6,198	141	11	16	57	202	<b>6,625</b>
<b>Total 2014</b>	<b>163,054</b>	<b>10,653</b>	<b>824</b>	<b>1,195</b>	<b>4,344</b>	<b>14,972</b>	<b>195,042</b>
Total 2013	164,047	9,148	902	1,372	4,125	14,404	193,998

**Analysis of Governance costs**

	2014 £	2013 £
Audit fees	9,726	9,018
Staff costs	6,198	6,220
Apportionment of support costs (excluding staff time)	427	353
Room Hire	1,482	1,415
<b>Total Governance costs</b>	<b>17,833</b>	<b>17,006</b>

**4 Staff costs**

	2014 £	2013 £
Wages and salaries	386,955	428,196
Social security costs	26,030	28,208
Pension costs	11,248	13,092
	<b>424,233</b>	<b>469,496</b>

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

	2014 Number	2013 Number
Charitable activities	20	21

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

	2014 Number	2013 Number
£60,001 - £70,000	1	1

Employer's pension contributions relating to the above were £3,077 (2013: £3,652)

**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2014 (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 £11,248 (2013 - £13,092) represents contributions payable by the charitable company to the fund for the year. At the year end contributions totalling £13 (2013 - £6) were payable to the fund and are included in creditors.

**6 Net outgoing resources before transfers**

	2014	2013
	£	£
Net outgoing resources are stated after charging/ (crediting):		
Depreciation	116,316	116,140
Profit on sale of assets	(1)	(500)
Loss on sale of investment	2	-
Provision for bad debts	129	3,606
Auditors remuneration - audit services	7,950	8,950
- other services	1,000	1,068
	<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.

**7 Interest payable**

	2014	2013
	£	£
On bank loans and overdrafts	-	222
	<u>          </u>	<u>          </u>

**KEYSTONE DEVELOPMENT TRUST**  
**Notes forming part of the financial statements for the year ended 31 March 2014 (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 2013	5,826,604	332,016	48,212	46,347	6,253,179
Disposals	-	(21,089)	(12,894)	(10,000)	(43,983)
<b>At 31 March 2014</b>	<b>5,826,604</b>	<b>310,927</b>	<b>35,318</b>	<b>36,347</b>	<b>6,209,196</b>
<b>Depreciation</b>					
At 1 April 2013	864,248	324,859	46,806	46,347	1,282,260
Charge for the year	113,593	2,020	703	-	116,316
Relating to disposals	-	(21,089)	(12,894)	(10,000)	(43,983)
<b>At 31 March 2014</b>	<b>977,841</b>	<b>305,790</b>	<b>34,615</b>	<b>36,347</b>	<b>1,354,593</b>
<b>Net book value</b>					
<b>At 31 March 2014</b>	<b>4,848,763</b>	<b>5,137</b>	<b>703</b>	<b>-</b>	<b>4,854,603</b>
At 31 March 2013	4,962,356	7,157	1,406	-	4,970,919

Included within freehold land and buildings is £147,108 (2013 - £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.

£4,682,966 (2013 - £4,792,539) 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**

Notes forming part of the financial statements for the year ended 31 March 2014 (cont.)

**9 Investments**

Investments in subsidiary undertakings

	2014	2013
	£	£
Cost at 1 April 2013	2	2
Disposals	(2)	-
Cost at 31 March 2014	<u>-</u>	<u>2</u>

The above investment comprised 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:

	2014	2013
	£	£
Net book value at 1 April 2013 and 31 March 2014	<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**

	2014	2013
	£	£
Consumables	4,991	6,752
Finished goods	676	1,617
	<u>5,667</u>	<u>8,369</u>

**11 Debtors**

	2014	2013
	£	£
Trade debtors	86,803	108,973
Prepayments	57,158	21,338
Accrued income	9,360	10,764
	<u>153,321</u>	<u>141,075</u>



**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2014 (cont.)

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

	2014 £	2013 £
Trade creditors	71,213	39,542
Other creditors	58,709	65,399
Other tax and social security	17,144	14,498
Accruals	16,292	16,722
Deferred income (note 13)	45,733	71,617
	<u>209,091</u>	<u>207,778</u>

**13 Deferred income**

	2014 £	2013 £
Balance at 1 April 2013	71,617	60,825
Amount released to incoming resources	(51,617)	(59,102)
Amount deferred in year	25,733	69,894
	<u>45,733</u>	<u>71,617</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 2014 (cont.)

**14 Unrestricted funds**

	Balance at 1 April 2013	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2014
	£	£	£	£	£
Children and Youth Keystone	-	-	-	-	-
Communities	2,144	149	(284)	(240)	1,769
Keystone Enterprise	4,772	252,701	(219,611)	(28,113)	9,749
Keystone Property					
General	4,524	302,436	(293,104)	21,137	34,993
Designated	71,179	-	-	8,457	79,636
Keystone Resources:-					
General	4,431	44,015	(38,575)	(6,114)	3,757
Designated	4,410	268	(4,678)	-	-
	<u>91,460</u>	<u>599,569</u>	<u>(556,252)</u>	<u>(4,873)</u>	<u>129,904</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 2013	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2014
	£	£	£	£	£
Children and Youth	37,711	61,717	(85,291)	(7)	14,130
KeystoneCommunities	22,100	75,784	(90,575)	4,881	12,190
Keystone Enterprise	-	17	(17)	-	-
Keystone Property	-	-	-	-	-
Keystone Resources	31,724	27,070	(55,700)	-	3,094
	<u>91,535</u>	<u>164,588</u>	<u>(231,583)</u>	<u>4,874</u>	<u>29,414</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 2013	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2014
	£	£	£	£	£
Children and Youth	7,283	-	(352)	-	6,931
Keystone	383	-	(192)	-	191
Communities					
Keystone Enterprise	-	1	-	(1)	-
Keystone Property	4,805,456	-	(114,236)	-	4,691,220
Keystone Resources	639	-	(319)	-	320
	<u>4,813,761</u>	<u>1</u>	<u>(115,099)</u>	<u>(1)</u>	<u>4,698,662</u>

**KEYSTONE DEVELOPMENT TRUST**

Notes forming part of the financial statements for the year ended 31 March 2014 (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	-	1,769	1,769
Keystone Enterprise	3,555	6,194	9,749
Keystone Property			
General	152,636	(117,643)	34,993
Designated	-	79,636	79,636
Keystone Resources:-			
General	-	3,757	3,757
	<u>156,191</u>	<u>(26,287)</u>	<u>129,904</u>
<b>Restricted income funds</b>			
Children and Youth	-	14,130	14,130
Keystone Communities	-	12,190	12,190
Keystone Resources	-	3,094	3,094
	<u>-</u>	<u>29,414</u>	<u>29,414</u>
<b>Restricted capital funds</b>			
Children and Youth	6,931	-	6,931
Keystone Communities	191	-	191
Keystone Property	4,691,220	-	4,691,220
Keystone Resources – General	320	-	320
	<u>4,698,662</u>	<u>-</u>	<u>4,698,662</u>
<b>Total funds 2014</b>	<b><u>4,854,853</u></b>	<b><u>3,127</u></b>	<b><u>4,857,980</u></b>
<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>

## **KEYSTONE DEVELOPMENT TRUST**

**Notes forming part of the financial statements for the year ended 31 March 2014 (cont.)**

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### **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 14-16. 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 2014 (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:

	2014 £	2013 £
Purchases from Ante Limited - (Professional services)	2,400	2,250
Amounts outstanding at the year end	400	200

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

	2014 £	2013 £
Decrease in cash in the year	(30,689)	(78,162)
Repayment of loans	-	19,559
Movement in net funds in the year	(30,689)	(58,603)
Net funds at start of year	83,919	142,522
<b>Net funds at end of year</b>	<b>53,230</b>	<b>83,919</b>

**20 Analysis of net funds**

	At start of year £	Cashflow £	At end of year £
Cash at Bank and in hand	83,919	(30,689)	53,230

