



Keystone Development Trust

(Formerly known as Keystone Community Partnership Development Trust Ltd)

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

Annual Report and Financial Statements

**Year Ended
31 March 2006**

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2006

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KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2006

Trustees and Advisors

Trustees

Sylvia Armes (Vice Chair)
Bill Bishop
Brenda Canham
Gillian Hickling (Until 1 June 2006)
Ivan Johnson
Charlie Moss
Thelma Paines
Pat Pearson (Chair)
John Steed
Jim Thorndyke
Stephen Walker
Stuart Wright

Chief Executive

Neil Stott

Secretary

Tim Swaine

Registered office

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

Registered Charity number

1093162

Company number

4346470

Auditors

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

Solicitors

Kester Cunningham John, Fairstead House, 7 Bury Road, Thetford, Norfolk, IP24 3PJ

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 2006

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 2006. 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. Originally named Keystone Community Partnership Development Trust Limited, Companies House approved a change of name to Keystone Development Trust on 23 April 2003. 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 twelve Trustees drawn from various backgrounds within the Keystone area of benefit. Details of Trustees, and other company information, is contained in page 1.

Trustees are appointed from within the membership, and externally, 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.

Objectives and Activities

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.'

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The Keystone aim is to:

'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.
- Figures from the Breckland Crime and Disorder Reduction Partnership show that 4 of Thetford's Wards are in the top 6 Breckland wards for reported crime.
- West Thetford exhibits a number of indicators of poverty. One of the Thetford Abbey Super Output Areas is in the top quintile of most deprived wards nationally for income, employment and multiple deprivation.
- Thetford has had persistent educational problems for a number of years. Poor educational performance feeds into other problems such as poverty and the performance of the local economy. Low educational attainment also contributes to the number of young people who become NEET (Not in Education, Employment or Training). Indicators of poor educational standards include:
 - In 2004 the two Thetford High Schools achieved GCSE pass rates of 25% and 23% against a national average of 54%
 - The 2001 census shows that only 9% of people in Thetford have achieved a level 4/5 qualification (first degree and above) compared to 20% in England
 - Two out of four wards have over 40% of people between 16-74 with no qualifications.
 - Only 2% in Abbey ward are employed in higher managerial posts compared to the national average of 9% whilst 39% are employed in routine or semi-routine posts compared to the national average of 21%

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- Low aspirations and low self-esteem are frequently reported in reviews about Thetford.
- Thetford and Suffolk have a higher than average employment in manufacturing but employment in this sector is predicted to fall by 13% by 2010.
- Adults living in Breckland are the least likely in Norfolk to access the internet providing obstacles in accessing local services, advice and training opportunities. This is also exacerbated by rural remoteness and a limited transport infrastructure.
- Average earnings without overtime in the Thetford Travel to Work Area for full-time employees are £301 a week compared to the Norwich average of £345.
- According to local health workers teenage conceptions have trebled in Thetford in the past five years.
- Unemployment in West Thetford is higher than both the Breckland and UK averages.
- Fast growing migrant worker communities from Portugal and Eastern Europe. This has led to worker exploitation, pressure on public services and tensions between communities.

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

The objectives that we set for the last year were:

- To support the migrant worker communities and the integration into the indigenous community;
- To work with the communities in west Thetford to improve the facilities and services available;
- To provide vocational training opportunities in Thetford;
- To develop services that can be accessed by rural communities;
- To deliver high quality children's and youth activities;
- To work on breaking down inter-generational barriers;
- To develop social enterprises that meet local needs and / or provide income to the Trust; and,
- To develop support for the voluntary sector and encourage volunteering.

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Keystone's overall strategy for addressing the above objectives consists of:

- Developing new projects which address identified local issues.
- Ensuring that existing projects are having an impact in addressing local needs and are delivered to the highest possible standard.
- Work in partnership where possible to ensure that there is not duplication of service.
- When appropriate, acting as an advocate on behalf of a particular community.
- Developing a financially sustainable organisation which, in time, will be able to fund its own community development work and be less reliant on external grants and funding.

Over 2005 – 6 our main projects and programmes have been:

- The *Growing Together* Single Regeneration Budget programme. Since April 2003 KDT has been Accountable Body for this programme. Now administered by the East of England Development Agency (EEDA) it provides funding for a number of Keystone projects including the Training and Enterprise Officer and Community Grants. It also provides funding for a number of external projects who have submitted successful bids to the scheme and match funding for European funded projects.
- The *Enterprising Communities* Community Economic Regeneration package. This is a major package of European Objective 2 funded projects that is delivered in partnership with Breckland Council and a number of '2nd tier' delivery partners. The package funds a number of KDT projects including the Community Development team, Social Enterprise development and Voluntary Sector Support. It has also funded the development of the Keystone Innovation Centre, our flagship business centre. The projects are match funded by the SRB programme.
- The Keystone Enterprise Factory is a refurbished factory building that has been funded through SRB and Objective 2 funding but is a separate project to the CER package above. It fulfils a number of roles including vocational training, social enterprise development and support for small business.
- Green Ventures is a furniture reuse social enterprise that started in January 2006 and received support from CRED, a lottery funding stream.
- The Breckland New Communities project is a project that supports migrant workers in accessing public services and employment. It is funded through the Home Office's *Connecting Communities* programme, the European Social Fund

and Breckland Council.

- Imagine Arts, a community arts project, is funded primarily through the Sainsbury's Monument Trust.
- Keystone Community Finance, our microfinance project is funded through the Esmeé Fairbairn and Peddars Way Housing Association.
- The Abbey Neighbourhood Centre is a community building that was transferred from Breckland Council and is located on the Abbey estate in Thetford. It provides a base for staff and projects and has been supported through the Enterprising Communities package.

Achievements and Performance

This section of the report details progress against the objectives set in last years annual report.

To support the migrant worker communities and the integration into the indigenous community

Keystone has continued to deliver the Breckland New Communities project which has now supported over 1000 beneficiaries. This has provided beneficiaries with support in accessing employment, public services and language courses. The project has also supported a number of voluntary groups and public services in reaching the migrant communities.

The project also supported the development of a group of volunteers who had set up their own initiative to support migrant workers – the Multi Lingual and European Thetford Association (META). Early in 2006 META was integrated into KDT to allow us to provide them with greater support. Their work has won them national recognition, including a volunteering award for one of the founders, Suzanne Vaz and a number of local authorities are interested in duplicating the model.

We have recently been successful in securing a further £180,000 for the project for the next three years from *Connecting Communities Plus*. This should allow us to continue our work in this area.

To work with the communities in west Thetford to improve the facilities and services available

In September 2005 Keystone opened the Abbey Neighbourhood Centre on the Abbey estate, a building that had been closed for a number of years. Breckland Council had funded the refurbishment of the building but wanted to hand the day to day management to the local community. After working with a local group for some time it was decided that KDT would own and manage the building on behalf of the local community. A local 'friends of' group formed to raise money and help with activities.

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The building provides a base for the Keystone Community Development Team and is used for the delivery of some project activities such as bingo, children's work and a credit union collection point. It is also used by a number of other local groups including a church, keep fit and Sure Start. Local residents can also hire the building for a preferential rate. A community café runs twice a week and the first year of operation has been a great success.

Keystone has continued to support the residents groups on the west Thetford estates, primarily through the Saxon Community Development Worker (CDW). Over the last year the Saxon CDW has delivered a West Thetford Improvements project which focuses on the Redcastle and Barnham Cross estates. This has delivered a range of physical improvements to the estates including new signage, youth shelters, bins, benches and planting.

Imagine Arts delivered a project which provided soft play facilities outside the Abbey Neighbourhood Centre and also involved the community in painting the shop shutters on the Abbey shopping parade.

Finally, Keystone has brought Credit Union services to West Thetford, both in the Abbey Neighbourhood Centre and through the Peddars Way Housing Office.

To provide vocational training opportunities in Thetford

In September 2005 Keystone opened the Building Block Construction Training Centre, based within the Keystone Enterprise Factory. This is equipped to provide training up to Level 2 in Construction and Carpentry. Working in partnership with West Suffolk College, the Thomas Paine 6th Form and local schools 46 students made use of the facility over the academic year.

We also delivered 'Keystone Prospects' - a number of Level 1 courses that were funded through the CER Enterprising Communities package. These included Health and Social Care and Construction Skills and were attended by over 100 beneficiaries.

To develop services that can be accessed by rural communities

Keystone's work has primarily focused on the market town of Thetford as this is where the European Objective 2 funding is focused. However some of our projects do serve rural communities such as Imagine Arts, which has visited some rural schools over the last year. We have also undertaken some youth work in rural areas.

To deliver high quality children's and youth activities

Children and Youth services remain a high priority for Keystone and a major focus of our work. Over the last year we have delivered the following projects:

- **Big Sitting Room** A converted shop unit on the Abbey Estate which offers a

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safe place for twenty 11 – 18 year olds to socialise on two nights a week.

- **Table Tennis club** Working with NACRO a table tennis club has been set up at the Abbey Neighbourhood Centre aimed at young adults.
- **Sk8** Keystone continues to support a group of young skaters in fulfilling their ambition of developing a new skatepark in Thetford. Over the last year they have made presentations to the local council and carried out a number of fundraising activities. They have also worked with a skate park manufacturer to develop a design that will be unique to this country. Funding bids have been prepared and we are now working with the local authority to finalise the site.
- **Kollektiv** The Kollektiv project is a music project that has 120 members and an average attendance of 23 at the monthly meetings. It provides workshops, gigs and encourages mutual support between young musicians. This year we have broadened out the workshops offered to include breakdancing and vocals and have linked up with other projects such as the Big Sitting Room. We have also seen two of the Kollektiv bands sign professional recording contracts.
- **Imagine Arts** Imagine Arts has continued its innovative work with schools which has previously won it praise from Ofsted. Over the last year it has:
 - Continued to work with local schools, engaging young pupils in inspiring creative activity
 - Delivered a very successful project on evacuation during World War 2, funded by Home Front Recall
 - Delivered a 'Shop Shutter Art' project on the Abbey Estate
 - Delivered out of school 'Arts clubs' in Brandon and at the Abbey Neighbourhood Centre
 - Created a 'Thetford Board Game' to assist with numeracy and literacy
- **KTeam** The KTeam has continued to deliver out of school and out of home play sessions. Weekly 'Kclubs' have been delivered on the Barnham Cross estate in Thetford. The project has also supported other one off events, including a summer programme.
- **Digital Eye** The Digital Eye is a new project that provides training in film, animation and photography. Using a converted bus it is a mobile project which has great versatility and can be delivered in a number of settings. A number of successful pilot sessions have been delivered with Film East and the BBC and a full programme is currently being developed.

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To work on breaking down inter-generational barriers

A number of projects have contributed to this objective. Members of the Sk8 project have undertaken advocacy for a new skatepark including speaking to the town council. This had the effect of challenging pre-conceived conceptions on both sides of the table.

The Imagine Arts Home Front Recall project also included some cross generational work in its exploration of evacuation during World War 2.

A cross generational project has also been planned for the Barnham Cross estate looking at the history of the estate.

To develop social enterprises that meet local needs and / or provide income to the Trust

Over the last year Keystone has developed and supported the following social enterprises:

- **Green Ventures** Green Ventures is Keystone's Furniture Reuse social enterprise. It collects unwanted furniture and sells it on at a reasonable cost to low income families. Having started in Jan 2006 it is currently being supported by a grant from the CRED lottery stream. It is hoped that by the time the grant runs out it will be a self sustaining social enterprise.
- **Keystone Community Finance** The Keystone Community Finance project has allowed Keystone to develop credit union services in Thetford for the first time, where there are known debt problems and active high interest lenders. A credit union is a savings and lending co-operative that is owned by its members. It is often the only financial service available to people who have been excluded from mainstream finance. Keystone has worked with Rainbow Savers Credit Union to open two collection points in Thetford. Although we have only been operating since Nov 2005 we already have over 80 members and the rate of growth is increasing.
- **Abbey Neighbourhood Centre** Operating without any kind of ongoing subsidy the Abbey Neighbourhood Centre is operating as a social enterprise. It will rely on a mixed income to survive in the future including rental of offices, hire fees and grants.
- **Keystone Enterprise Factory** The Keystone Enterprise Factory is a mixed use factory building that houses social enterprises, small businesses and other tenants. Originally supported through SRB and ERDF grants it is expected that it will be self sustaining once the grant funding expires.
- **Keystone Innovation Centre** Completed in May 2006 the Keystone Innovation Centre (KIC) is Keystone's flagship building. It is a new-build office development

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that is intended to provide the Trust with a reliable income stream and strengthen the service sector in Thetford. The first building of its kind in the town it offers three storeys of high quality office space. It also has a café area and conferencing and meeting facilities. It is expected that these will operate as separate businesses and hopefully also generate further income for the Trust as well as providing local employment. Two tenants have already occupied the building including one that has moved from the St John's Innovation Centre in Cambridge.

- **Hallmarks** is an evaluation social enterprise which has been passed to Keystone to manage. Over the last year we have relaunched the website and been rebuilding the client base.

To develop support for the voluntary sector and encourage volunteering.

Keystone has continued to deliver its Voluntary Sector Support project as part of the Enterprising Communities European package. This provides support to local groups through the Thetford Area Voluntary Organisations network. The network contains over 89 local groups and 350 individuals. It provides support with funding, constitutional issues and training. It also facilitates regular network meetings and provides free Criminal Records Bureau checks for local volunteers.

Keystone all runs a Community Grants project which provides invaluable small grants for local voluntary and community groups. We also manage a community equipment library through which groups can borrow equipment for a small fee.

Finally Keystone also encourages volunteering within its own projects. Over the last year volunteers have supported a number of Keystone projects including Green Ventures, Breckland New Communities and Keystone Community Finance and with basic administrative and reception tasks. These volunteers are greatly valued by Keystone and provide an important resource.

Factors which affect the delivery of our objectives include:

- **Ability to secure external funding** The Trust is still reliant on external funding to undertake most of its work. IT does not receive any significant regular contributions from local authorities and most funding has to be secured through competitive processes.
- **Success of Trust social enterprises** If the Trust's social enterprises are successful then they will help to consolidate the core of the charity.
- **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.

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- **Relationship with strategic partners** Our relationship with other key actors in the area affects what role we have and our ability to secure funding to undertake new project activity. Partners include local authorities, EEDA and Government Office.
- **Relationship with delivery partners** Within some projects KDT is responsible for managing a 2nd tier partner who delivers part of the project. In such a situation it is essential that a good relationship is maintained.

Financial Review

Total income for the year amounted to £5,421,110. Expenses in relation to governance costs were £21,864 and costs in furtherance of the charity's objects amounted to £2,014,414. Unrestricted and restricted funds carried forward at the end of the year amounted to £42,007 and £5,683,552 respectively.

The main sources of income during the year were from the European Regional Development Fund (ERDF), European Social Fund (ESF), East of England Development Agency (EEDA) and Government Office for the East of England (GO East) and this funding enabled the organisation to undertake specific project work in order to deliver the objectives.

Some of the funding received is paid to third party organisations in the form of grants for the delivery of specific outputs. These grants are detailed in note 6 on page 25.

Reserves Policy

The Trustees are aware that SRB and European Objective 2 funding programmes will cease during the period up to 31 March 2007. It is therefore felt prudent to build up unrestricted reserves to cover at least three months basic running costs to ensure the core activities of the charity into the future. It has not been possible to increase the reserves during the year ended 31 March 2006 but the Trust will continue working to maximise unrestricted income from various sources in order to build up a level of reserve which will enable activity to continue.

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 2006/7 will be a significant one for the Trust. It marks the end of our major sources of current funding, SRB and European Objective 2. This means that we are entering a period of consolidation for the Trust. It is a situation that we have been planning for the last three years but with no obvious replacement funding, Keystone is

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likely to undertake fewer projects in the near future. Key priorities for the current year include:

- **Undertaking the orderly closure of current programmes** All European Objective 2 projects require specific closure reports to be written and this will be undertaken during the period. There is also a requirement for an evaluation of the SRB programme which will be undertaken prior to the end of the funding programme.
- **Continue to develop Trust social enterprises** In the absence of significant streams of grant funding the success of Trust social enterprises is central to the future of the charity. It is vital that the buildings perform to their maximum potential both in terms of social and financial return. We will also be working on developing new social enterprises.
- **Secure succession funding for current projects or undertake a managed closure** With funding for many projects coming to an end Keystone will be working to secure funding to continue key areas of work, particularly children and youth activities and voluntary sector support. Where funding can not be secured the projects will need to be closed in an orderly way.
- **Develop ongoing projects** Some of Keystone's projects will continue beyond 2006/7. These include Imagine Arts, Green Ventures and Breckland New Communities.
- **Identify and develop new projects** The ending of current project activity permits the opportunity to assess areas where the Trust should be active and to develop new project activity. For example, we have recently submitted a bid for a new project to address teenage parenthood, a significant issue in our area.

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Trustees Report and Financial Statements for the year ended 31 March 2006

Statement of Trustees' Responsibilities

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 surplus or deficit of the charitable 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 estimates that are reasonable and prudent; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

So far as each of the Trustees is aware:

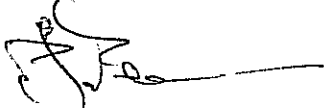
- there is no relevant audit information of which the auditors are unaware; and
- all steps which they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information, have been taken.

Auditors

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

This report was approved by the Trustees on 19 September 2006

Pat Pearson
Chair



Sylvia Armes
Vice Chair



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Trustees Report and Financial Statements for the year ended 31 March 2006

Independent auditors report to the members of Keystone Development Trust

We have audited the financial statements on pages 16 to 33.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the Trustees'/Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

Basis of audit opinion

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

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

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Independent auditors report to the members of Keystone Development Trust

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.
- the information given in the Trustees'/Directors' Report is consistent with the financial statements.

B. Tilly

BAKER TILLY
Registered Auditor
Chartered Accountants
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

26 September 2006

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2006

Statement of financial activities for the year ended 31 March 2006

	Note	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2006 £	Total 2005 £
Incoming resources						
Incoming resources from charitable activities	2a	144,854	1,489,012	3,446,159	5,080,025	2,703,747
Incoming resources from generated funds:						
Investment income		14,363	-	-	14,363	12,875
Voluntary income	2b	1,522	100,000	225,200	326,722	100,986
Total incoming resources		160,739	1,589,012	3,671,359	5,421,110	2,817,608
Resources expended						
Charitable activities						
Children and Youth		899	256,163	9,796	266,858	212,446
Keystone Communities		1,553	440,506	139,215	581,274	814,574
Keystone People		9,400	347,453	15,171	372,024	257,264
Keystone Enterprise		70,749	252,315	38,481	361,545	231,893
Keystone Property		49,649	43,795	59,562	153,006	133,852
Keystone Resources		24,754	251,618	3,335	279,707	274,505
Governance costs		-	21,864	-	21,864	20,498
Total resources expended	3	157,004	1,613,714	265,560	2,036,278	1,945,032
Net incoming/(outgoing) resources before transfers	7	3,735	(24,702)	3,405,799	3,384,832	872,576
Transfers between funds		(7,543)	(32,406)	39,949	-	-
Fund balances at 31 March 2005		45,815	130,717	2,164,195	2,340,727	1,468,151
Fund balances at 31 March 2006		42,007	73,609	5,609,943	5,725,559	2,340,727

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 19 to 33 form part of these financial statements.

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Balance sheet as at 31 March 2006

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	9	5,725,786	2,172,891
Investments:			
Programme related investment	10	250	-
		<u>5,726,036</u>	<u>2,172,891</u>
Current assets			
Debtors	11	498,501	547,431
Cash at bank and in hand		207,298	314,577
		<u>705,799</u>	<u>862,008</u>
Creditors: amounts falling due within one year	12	(597,583)	(572,186)
Net current assets		<u>108,216</u>	<u>289,822</u>
Total assets less current liabilities		<u>5,834,252</u>	<u>2,462,713</u>
Creditors: Amounts falling due after more than one year	14	(108,693)	(121,986)
Net assets		<u><u>5,725,559</u></u>	<u><u>2,340,727</u></u>
Funds			
Unrestricted funds:			
- General	15	42,007	45,815
Restricted funds:			
- Income	16	73,609	130,717
- Capital	17	5,609,943	2,164,195
		<u><u>5,725,559</u></u>	<u><u>2,340,727</u></u>

The financial statements were approved by the Trustees on 19 September 2006

Pat Pearson
Chair



Sylvia Armes
Vice Chair



The notes on pages 19 to 33 form part of these financial statements.

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Trustees Report and Financial Statements for the year ended 31 March 2006

Cash flow statement for the year ended 31 March 2006

	Note	2006	2005
		£	£
Reconciliation of net movement in funds to net cash inflow from operating activities			
Net movement in funds		3,384,832	872,576
Net interest receivable		(6,186)	(3,210)
Depreciation		99,119	76,201
Loss on disposal of assets		985	-
Decrease/(Increase) in debtors		49,930	(273,542)
Increase/(decrease) in creditors		24,197	(293,009)
Donated assets – recognised as income		(225,000)	-
		<hr/>	<hr/>
Net cash inflow from operating activities		3,327,877	379,016
Returns on investments and servicing of finance			
Interest received		13,363	12,875
Interest paid		(8,177)	(9,665)
		<hr/>	<hr/>
		5,186	3,210
Capital expenditure			
Payments to acquire tangible fixed Assets and Investments		(3,455,578)	(867,039)
Proceeds from sale of tangible assets		27,329	-
		<hr/>	<hr/>
		(3,428,249)	(867,039)
Financing			
Loan repaid		(12,093)	(11,063)
		<hr/>	<hr/>
Decrease in cash in the year	21	(107,279)	(495,876)
Cash at bank and in hand at 1 April 2005	22	314,577	810,453
		<hr/>	<hr/>
Cash at bank and in hand at 31 March 2006	22	207,298	314,577
		<hr/> <hr/>	<hr/> <hr/>

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2006

Notes forming part of the financial statements for the year ended 31 March 2006

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 1985 and applicable accounting and financial reporting standards including the Statement of Recommended Practice (SORP) - 'Accounting and Reporting by Charities', (revised 2005).

Company status

The charity is a company limited by guarantee. The members of the company are the Trustees, as named on page 1. 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 SOFA 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.

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

Cost	Apportionment
Staff costs	Time spent on the project
Premises costs	Employee numbers
Communications	Employee numbers
Postage & Stationery etc	Employee numbers
Finance & professional fees	Employee numbers

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.

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2006

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)

1 Accounting policies (*Continued*)

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.

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 note 18.

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 and recoverable income tax is accrued within the financial statements.

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2006

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)

2 Incoming resources

2a Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2006 £	Total 2005 £
Incoming resources from Charitable activities:					
Grants					
Children and Youth	-	251,689	49,694	301,383	161,772
Keystone Communities	-	416,368	138,665	555,033	820,987
Keystone People	-	348,224	14,047	362,271	305,813
Keystone Enterprise	-	249,996	25,685	275,681	194,900
Keystone Property	-	45,515	3,218,068	3,263,583	952,360
Keystone Resources	-	177,220	-	177,220	175,137
	-	1,489,012	3,446,159	4,935,171	2,610,969
Other income					
Children and Youth	5,792	-	-	5,792	2,229
Keystone Communities	1,046	-	-	1,046	856
Keystone People	12,723	-	-	12,723	-
Keystone Enterprise	39,214	-	-	39,214	26,244
Keystone Property	62,401	-	-	62,401	53,205
Keystone Resources	23,678	-	-	23,678	10,244
	144,854	-	-	144,854	92,778
Total					
Children and Youth	5,792	251,689	49,694	307,175	164,001
Keystone Communities	1,046	416,368	138,665	556,079	821,843
Keystone People	12,723	348,224	14,047	374,994	305,813
Keystone Enterprise	39,214	249,996	25,685	314,895	221,144
Keystone Property	62,401	45,515	3,218,068	3,325,984	1,005,565
Keystone Resources	23,678	177,220	-	200,898	185,381
	144,854	1,489,012	3,446,159	5,080,025	2,703,747

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2006

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)

2b Incoming resources from generated funds; Voluntary income

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2006 £	Total 2005 £
Incoming resources from generated funds:					
Gifts and Donations					
Children and Youth	1,522	-	-	1,522	986
Keystone Communities	-	-	200	200	-
Keystone Enterprise	-	-	25,000	25,000	-
Keystone Property	-	-	200,000	200,000	-
	1,522	-	225,200	226,722	986
Voluntary income					
Keystone Resources	-	100,000	-	100,000	100,000
	-	100,000	-	100,000	100,000
Total					
Children and Youth	1,522	-	-	1,522	986
Keystone Communities	-	-	200	200	-
Keystone Enterprise	-	-	25,000	25,000	-
Keystone Property	-	-	200,000	200,000	-
Keystone Resources	-	100,000	-	100,000	100,000
	1,522	100,000	225,200	326,722	100,986

A further breakdown of incoming resources between restricted income, restricted capital and unrestricted funds is given in notes 15, 16 and 17.

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2006

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)

3a Total resources expended

	Staff Costs	Depreciation	Support Costs (note 3b)	Grants (note 6)	Other direct costs	Total 2006	Total 2005
Unrestricted funds							
Charitable activities							
Children and Youth	-	-	-	63	836	899	968
Keystone Communities	-	-	-	-	1,553	1,553	4,235
Keystone People	-	-	-	-	9,400	9,400	-
Keystone Enterprise	-	-	-	-	70,749	70,749	8,661
Keystone Property	22,899	-	-	-	26,750	49,649	11,729
Keystone Resources	-	-	-	-	24,754	24,754	-
	<u>22,899</u>	<u>-</u>	<u>-</u>	<u>63</u>	<u>134,042</u>	<u>157,004</u>	<u>25,593</u>
Restricted Revenue funds							
Charitable activities							
Children and Youth	136,592	-	24,861	28,678	66,031	256,163	189,564
Keystone Communities	128,272	-	26,891	227,930	57,405	440,506	548,203
Keystone People	32,597	-	8,851	230,335	75,664	347,453	217,622
Keystone Enterprise	148,494	-	19,971	51,794	32,053	252,315	215,641
Keystone Property	31,014	-	5,731	-	7,043	43,795	62,508
Keystone Resources	188,656	-	19,214	-	43,748	251,618	272,096
Governance	-	-	9,201	-	12,663	21,864	20,498
	<u>665,625</u>	<u>-</u>	<u>114,745</u>	<u>538,737</u>	<u>294,607</u>	<u>1,613,714</u>	<u>1,526,132</u>
Restricted Capital funds							
Charitable activities							
Children and Youth	-	6,059	-	-	3,737	9,796	16,915
Keystone Communities	-	802	-	122,745	15,668	139,215	267,137
Keystone People	-	10,204	-	4,967	-	15,171	39,643
Keystone Enterprise	-	20,144	-	18,337	-	38,481	7,591
Keystone Property	-	59,562	-	-	-	59,562	59,615
Keystone Resources	-	3,335	-	-	-	3,335	2,406
	<u>-</u>	<u>100,106</u>	<u>-</u>	<u>146,049</u>	<u>19,405</u>	<u>265,560</u>	<u>393,307</u>
Total Resources expended	<u>688,524</u>	<u>100,106</u>	<u>114,745</u>	<u>684,849</u>	<u>448,054</u>	<u>2,036,278</u>	
Total Resources expended (2005)	<u>665,409</u>	<u>76,201</u>	<u>137,203</u>	<u>718,899</u>	<u>347,320</u>	<u>1,945,032</u>	

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2006

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)

3b Analysis of Support costs

	Children & Youth £	Keystone Communities £	Keystone People £	Keystone Enterprise £	Keystone Property £	Keystone Resources £	Governance £	Total 2006 £	Total 2005 £
Staff costs	13,863	19,903	6,927	12,158	2,651	6,036	7,736	69,274	57,738
Premises costs	467	297	82	332	131	560	62	1,931	20,648
Communications	913	581	160	649	256	1,094	122	3,775	3,498
Postage, Stationery etc	1,240	789	218	881	348	1,486	165	5,127	4,206
Office costs	3,055	1,943	536	2,171	858	3,660	407	12,630	28,424
Finance and professional fees	5,324	3,386	934	3,783	1,494	6,378	709	22,008	22,689
	<u>24,862</u>	<u>26,899</u>	<u>8,857</u>	<u>19,974</u>	<u>5,738</u>	<u>19,214</u>	<u>9,201</u>	<u>114,745</u>	<u>137,203</u>

Analysis of Governance costs

	2006 £	2005 £
Audit fees	12,663	11,750
Staff costs	7,736	6,189
Apportionment of support costs (excl staff time)	1,465	2,559
Total Governance costs	<u>21,864</u>	<u>20,498</u>

The 2005 figure for Governance costs has been restated (2005 -£17,098) to include staff time involved in the management and support of the charity.

4 Staff costs

	2006 £	2005 £
Wages and salaries	678,843	639,089
Social security costs	62,551	61,756
Pension costs	16,404	22,302
	<u>757,798</u>	<u>723,147</u>

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

	Number	Number
Charitable activities	<u>34</u>	<u>31</u>

No members of the Trustees' received emoluments or were reimbursed for expenses incurred during the year. No employees were paid more than £60,000.

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2006

Notes forming part of the financial statements for the year ended 31 March 2006 (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 £16,404 (2005 - £22,302) represents contributions payable by the charitable company to the fund for the year. At the year end contributions totalling £718 (2005 - £444) were payable to the fund and are included in creditors.

6 Grants payable

	Revenue £	Capital £	Total £
Ancient House Museum	-	24,927	24,927
Brandon HERS	-	30,613	30,613
Community Grants	13,621	-	13,621
Community Learning	2,000	-	2,000
English Heritage	-	3,325	3,325
Equalities - Adult Education	33,293	-	33,293
Equalities - Breckland District Council	39,417	-	39,417
Meridian East – Recycle IT	51,794	13,337	65,131
Objective 1 – Community Development (revenue)	18,000	-	18,000
Objective 2 - Childminding	28,628	-	28,628
Objective 2 - Post 16 Bridge	112,521	-	112,521
Objective 2 - Supported Employment 1	78,460	4,467	82,927
Objective 2 - Supported Employment 2	38,737	(1,426)	37,311
Objective 2 - Thetford Regeneration	53,081	45,236	98,317
Objective 2 - Voluntary Sector Support 1	37,354	500	37,854
Rural Enterprise Valley	-	5,000	5,000
Sustainable Brecks	22,964	-	22,964
St Cuthberts	-	16,346	16,346
Thetford HERS Scheme	-	1,129	1,129
Thetford Tourism & Heritage	8,930	-	8,930
West Thetford Improvements	-	2,595	2,595
Total	538,800	146,049	684,849

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2006**

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)

7 Net incoming/(outgoing) resources before transfers

	2006	2005
	£	£
Net incoming/(outgoing) resources are stated after charging:		
Depreciation	99,119	76,201
Loss on sale of assets	985	-
Auditors remuneration - audit services	12,663	11,750
- other services	11,350	8,391
	<u>111,117</u>	<u>96,342</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 2. All of the income is generated within the United Kingdom.

8 Interest payable

	2006	2005
	£	£
On bank loans and overdrafts	8,177	9,665
	<u>8,177</u>	<u>9,665</u>

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2006

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)

9 Tangible fixed assets

	Freehold land and buildings £	Machinery and office equipment £	Computer hardware and software £	Vehicles £	Total £
Cost					
At 1 April 2005	2,080,127	94,918	44,228	42,118	2,261,391
Additions	3,429,521	212,558	13,249	25,000	3,680,328
Disposals	(21,092)	(8,987)	-	-	(30,079)
At 31 March 2006	5,488,556	298,489	57,477	67,118	5,911,640
Depreciation					
At 1 April 2005	32,658	21,410	23,902	10,530	88,500
Charge for the year	42,935	22,761	16,644	16,779	99,119
Relating to disposals	-	(1,765)	-	-	(1,765)
At 31 March 2006	75,593	42,406	40,546	27,309	185,854
Net book value					
At 31 March 2006	5,412,963	256,083	16,931	39,809	5,725,786
At 31 March 2005	2,047,469	73,508	20,326	31,588	2,172,891

Included within freehold land and buildings is £168,200 (2005 - £168,200) relating to freehold land which has not been depreciated.

Included within freehold land and buildings is £2,972,792 (2005 - £278,594) relating to an asset in construction.

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

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2006**

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)**10 Investments**

Programme related investments:

	2006 £	2005 £
Additions	250	-
Net book value at 31 March 2006	<u>250</u>	<u>-</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 Debtors

	2006 £	2005 £
Trade debtors	164,846	159,866
Other debtors	176,888	155,062
Prepayments	21,208	22,096
Accrued income	135,559	210,407
	<u>498,501</u>	<u>547,431</u>

12 Creditors: amounts falling due within one year

	2006 £	2005 £
Loan (note 14)	13,668	12,468
Trade creditors	174,929	13,623
Other creditors	100,560	79,612
Accruals	191,944	359,463
Deferred income (note 13)	116,482	107,020
	<u>597,583</u>	<u>572,186</u>

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2006

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)

13 Deferred income

	2006 £	2005 £
Balance at 1 April 2005	107,020	436,295
Amount released to incoming resources	(107,020)	(436,295)
Amount deferred in year	116,482	107,020
	<hr/>	<hr/>
Balance at 31 March 2006	116,482	107,020
	<hr/> <hr/>	<hr/> <hr/>

Deferred income comprises grants received in advance for projects to be carried out in future accounting periods.

14 Creditors: amount falling due after more than one year

	2006 £	2005 £
Loan:		
Due 1 – 2 years	14,268	13,068
Due 2 – 5 years	48,204	44,604
	<hr/>	<hr/>
Due in more than 5 years by instalments	62,472	57,672
	46,221	64,314
	<hr/>	<hr/>
	108,693	121,986
	<hr/> <hr/>	<hr/> <hr/>

The bank loan commenced in November 2003 with a repayment period of ten years, bearing interest at a rate of 1.75 % per annum over base rate.

The loan is secured by a charge on a specific freehold property.

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2006

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)

15 Unrestricted funds

	Balance at 1 April 2005	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2006
	£	£	£	£	£
Children and Youth	2,623	7,334	(899)	(2,996)	6,062
Keystone Communities	2,567	1,046	(1,553)	-	2,060
Keystone People	188	12,723	(9,400)	-	3,511
Keystone Enterprise	25,964	39,214	(70,749)	-	(5,571)
Keystone Property	8,064	62,401	(49,649)	(3,408)	17,408
Keystone Resources	6,409	38,021	(24,754)	(1,139)	18,537
	<u>45,815</u>	<u>160,739</u>	<u>(157,004)</u>	<u>(7,543)</u>	<u>42,007</u>

16 Restricted income funds

	Balance at 1 April 2005	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2006
	£	£	£	£	£
Children and Youth	56,299	251,689	(256,163)	3,668	55,493
Keystone Communities	38,737	416,368	(440,506)	1,549	16,148
Keystone People	1,261	348,224	(347,453)	-	2,032
Keystone Enterprise	(3,977)	249,996	(252,315)	-	(6,296)
Keystone Property	36,029	45,515	(43,795)	(37,623)	126
Keystone Resources	2,368	277,220	(273,482)	-	6,106
	<u>130,717</u>	<u>1,589,012</u>	<u>(1,613,714)</u>	<u>(32,406)</u>	<u>73,609</u>

17 Restricted capital funds

	Balance at 1 April 2005	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2006
	£	£	£	£	£
Children and Youth	19,575	49,694	(9,796)	(12,325)	47,148
Keystone Communities	3,082	138,865	(139,215)	(1,549)	1,183
Keystone People	57,303	14,047	(15,171)	(19,213)	36,966
Keystone Enterprise	3,704	50,685	(38,481)	30,866	46,774
Keystone Property	2,076,451	3,418,068	(59,562)	41,031	5,475,988
Keystone Resources	4,080	-	(3,335)	1,139	1,884
	<u>2,164,195</u>	<u>3,671,359</u>	<u>(265,560)</u>	<u>39,949</u>	<u>5,609,943</u>

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2006

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)

18 Analysis of net assets between funds

	Tangible Fixed Assets and Investments £	Net Current Assets £	Long Term Loan £	Total £
Unrestricted funds				
Children and Youth	-	6,062	-	6,062
Keystone Communities	-	2,060	-	2,060
Keystone People	-	3,511	-	3,511
Keystone Enterprise	-	(5,571)	-	(5,571)
Keystone Property	150,000	(4,223)	(108,693)	37,084
Keystone Resources	250	(1,389)	-	(1,139)
	<u>150,250</u>	<u>450</u>	<u>(108,693)</u>	<u>42,007</u>
Restricted income funds				
Children and Youth	-	55,493	-	55,493
Keystone Communities	-	16,148	-	16,148
Keystone People	-	2,032	-	2,032
Keystone Enterprise	-	(6,296)	-	(6,296)
Keystone Property	-	126	-	126
Keystone Resources	-	6,106	-	6,106
	<u>-</u>	<u>73,609</u>	<u>-</u>	<u>73,609</u>
Restricted capital funds				
Children and Youth	45,885	1,263	-	47,148
Keystone Communities	1,183	-	-	1,183
Keystone People	38,741	(1,775)	-	36,966
Keystone Enterprise	46,170	604	-	46,774
Keystone Property	5,441,923	34,065	-	5,475,988
Keystone Resources	1,884	-	-	1,884
	<u>5,575,786</u>	<u>34,157</u>	<u>-</u>	<u>5,609,943</u>
Total funds 2006	<u>5,726,036</u>	<u>108,216</u>	<u>(108,693)</u>	<u>5,725,559</u>
Total funds 2005	<u>2,172,891</u>	<u>289,822</u>	<u>(121,986)</u>	<u>2,340,727</u>

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)

18 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 the Kollektiv, Imagine and the K Team and delivering sessions to the children and youth that include the big sitting room and games machine.

Keystone Communities

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

Keystone People

To support individuals by building their capacity and capabilities through projects like Prospects where training is provided for people out of work or wanting to improve their employment status and also through the building block where carpentry and bricklaying courses are provided.

Keystone Enterprise

Supports the development of social enterprises in the local area, together with starting up and running the trusts own enterprises that include Green Ventures, a furniture recycling business and Community transport.

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 through services such as finance, human resources and facilities management.

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

Many of the projects included in the funds above are funded through programmes that include the Community Economic Regeneration programme utilising ERDF (European Regional Development Funds) and ESF (European Social Funds) funding and the Single Regeneration Budget, a source of funding received via the East of England Development Agency.

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2006**

Notes forming part of the financial statements for the year ended 31 March 2006 (cont.)

19 Capital commitments

	2006 £	2005 £
Amounts contracted, not provided for	<u>99,660</u>	<u>430,092</u>

20 Related party transactions

Pat Pearson (Chairman) is also the owner of Pearsons (Thetford) Limited, a waste management company. During the year, Keystone Development Trust entered into the following transactions on an arms length basis:

	£
Purchases from Pearsons (Thetford) Limited - (Skip hire)	2,125
Grant received from Pearsons (Thetford) Limited – (Pet cemetery)	1,500
Balance due to/from Pearsons (Thetford) Limited at 31 March 2006	-

20 Reconciliation of net cashflow to movement in net funds

	2006 £	2005 £
Decrease in cash in the year	(107,279)	(495,876)
Repayment of loans	12,093	11,063
Movement in net funds in the year	<u>(95,186)</u>	<u>(484,813)</u>
Net funds at start of year	180,123	664,936
Net funds at end of year	<u>84,937</u>	<u>180,123</u>

21 Analysis of net funds

	At start of year £	Cashflow £	At end of year £
Cash at bank and in hand	314,577	(107,279)	207,298
Debt due within one year	(12,468)	(1,200)	(13,668)
Debt due after one year	(121,986)	13,293	(108,693)
Total	<u>180,123</u>	<u>(95,186)</u>	<u>84,937</u>