



Keystone Development Trust

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

Annual Report and Financial Statements

Year Ended
31 March 2007

Company number: 4346470

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2007

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KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2007

Trustees and Advisors

Trustees

Sylvia Armes (Vice Chair)
Bill Bishop (retired 21.11.06)
Brenda Canham
Ivan Johnson
Charlie Moss
Thelma Paines (retired 21.11.06)
Pat Pearson (Chair)
Clare Pugh (elected 21.11.06)
Phil Sharpe (elected 21.11.06 resigned 31.05.07)
John Steed (retired 21.11.06)
Jim Thorndyke
Stephen Walker (retired 21.11.06)
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 UK Audit LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk,
IP32 7FA

Bankers

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

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 2007. 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, is contained in page 1.

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.

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%
 - Low aspirations and low self-esteem are frequently reported in reviews about Thetford.

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Trustees Report and Financial Statements for the year ended 31 March 2007

- 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 undertake the orderly closure of current programmes;
- To continue to develop the Trusts' social enterprises;
- To secure succession funding for current projects or undertake a managed closure;
- To develop ongoing projects;
- To identify and develop new projects;

During 2006 – 07 our main projects and programmes have been:

- 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 funded 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

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Trustees Report and Financial Statements for the year ended 31 March 2007

Centre, our flagship business centre. The projects are match funded by the SRB programme. The main package came to an end on 31 December 2006 however for a number of projects an extension was applied for to extend them to 31 March 2007 and this was achieved.

- 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 scheme came to an end on 31 March 2007.
- 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. Funding for this building came to a close on 31 December 2006 and the building continues to operate and includes West Suffolk College as a tenant who are providing training facilities and Green Ventures our own furniture recycling project.
- Green Ventures is a furniture reuse social enterprise that started in January 2006 and received support from CRED, a lottery funding stream. The project has grown over the year with increased opening hours and collections being made in order to cope with the demand for the goods sold.
- The Breckland New Communities project supports migrant workers in accessing public services and employment. It was funded through the Home Office's *Connecting Communities* programme, the European Social Fund and Breckland Council. The project came to a close on 31 December 2006 but alternative funding was sought and obtained through Connecting Communities thus enabling parts of this project to continue
- 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 Foundation and Peddars Way Housing Association. Although funding has come to an end for this project it has been able to continue through the help of volunteers and our main partner Peddars Way Housing Association which provides a collection point for savers in addition to one at The Limes.
- 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. It is also hired out to the local community and statutory bodies for them to hold meetings and events throughout the year.

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Trustees Report and Financial Statements for the year ended 31 March 2007

- **Connecting Communities** is a project providing information, support and guidance to the many Portugese 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. The project is funded by The Department for Communities and Local Government.
- **The Migrant worker hotline** is a regional pilot action line for migrant workers, employers and practitioners commissioned by EEDA and run in partnership with Advice for Life. The hotline was being set up during the end of the year and since the year end has been up and running.
- **Walking for Health** is a project based over the Breckland area organising short health walks between 1 and 4 miles long. The walks are led by trained volunteers and aim to encourage and support people who are trying to increase their activity levels and lead a healthier lifestyle.
- **The Young Parents project** aims to help young parents help themselves, and work with other agencies to ensure teenagers receive the best possible information, guidance and support to make informed choices. The project is funded by Camelot.
- **As Noticias** is the UK's first national Portugese language newspaper, issued fortnightly in a tabloid format, As Noticias provides the 600,000 plus Portugese community in the UK with news, entertainment, sport and comment. The start up costs of the newspaper were funded by the CER Enterprise Development project and since 1 Janaury 2007 has relied on generating its own income through advertising.
- **The Local Food Group** is a social enterprise dedicated to providing healthy, local, seasonal and fair trade food with as few food miles as possible. The Local Food Group consists of a cafe, a sandwich round and provides food to conferences and external functions. Its initial start up costs were funded through the CER package and now runs using the money generated from its own sales.

Achievements and Performance

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

⌘ Undertaking the orderly closure of current programmes

The process has started to close the programmes which finished in the year. This involves the completion of final reports and forms before each project can be fully signed off. The progress so far on closing down the programmes which finished in the year is detailed below:-

The *Enterprising Communities* Community Economic Regeneration package which finished in March 2007 is now at the final stages of being all signed of.

The *Growing Together* Single Regeneration Budget programme finished on 31 March 2007 and final reports are being submitted to EEDA for closure.

The Keystone Enterprise Factory funding finished on 31 December 2006, the project is financially complete and a final claim is currently being reviewed by GO-East in order that the project can be formally closed.

The Breckland New Communities project is currently being closed down all financial figures have been collected, outputs are awaiting to be assessed and confirmed with partners before a final report is submitted

⌘ Continue to develop Trust social enterprises

During the year Keystone has set up two new social enterprises and the existing social enterprise Green Ventures has gone from strength to strength with increased collections and sales of furniture.

The Local Food Group was set up at the end of 2006, it has four main trading activities:

- A local daily sandwich round delivering fresh made sandwiches
- A café set within the Innovation centre providing a healthy eating option using local, seasonal and fair trade food to the public.
- Conference buffets and meals served to external meetings and those held at the Innovation Centre.
- Conference buffets and meals served to external meetings and events.

The group employs 4 people living within the Keystone area.

As Noticias is a Portugese language newspaper produced on a fortnightly basis.

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It is aimed at the Portuguese speaking community within the UK and has been well received by them. Approximately 16,000 copies are delivered across the country every issue with advertisers including local and national businesses and government agencies. The paper employs two full time members of staff and several contributors to the paper.

⌘ Secure succession funding for current projects or undertake a managed closure

Throughout the period Keystone has applied for grants to carry on its existing work.

We have applied to the Lottery funded scheme BASIS to carry on the work of TAVO and have been given a development grant that enables us to produce the full application for the final stage, results of this should be heard by the end of December 2007.

Community Development has been able to continue, albeit at a reduced level through funding from Peddars Way Housing Association, the Local Strategic Partnership and Breckland Council. A Big Sitting room is being held on the Abbey Estate on a Monday evening and the Barnham Cross Estate on a Thursday evening. We also have a community development worker on the West Thetford Estates who works alongside the Tenants and Residents Associations to bring about positive change for the local communities.

There are also a number of smaller grants that have been applied for to fund other community and youth work.

⌘ Develop ongoing projects

Projects currently being run by Keystone have been developed during the year this includes the extension to META in the form of the Hotline which is a pilot project being funded by EEDA. The hotline has allowed us to keep staffing at similar levels as last year and to provide a service to a wider area outside of Thetford. The hotline is a project which we are continually looking to expand as it has many benefits to other organisations and to the migrant communities within the region and beyond.

⌘ **Identify and develop new projects**

During the year new projects have been created including the Young Parents project which is funded by Camelot and the Barnham Cross Big Sitting Room funded by the LSP.

By making partnership's with other organisations we are able to develop new projects and access the skills required to carry them out.

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 safe place for twenty 11 – 18 year olds to socialise on two nights a week, from January 2007 this has been reduced down to one night and moved to within the Abbey community centre and another site opened on the Barnham Cross Estate during January 2007.

⌘ **Kollectiv** The Kollectiv 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 Kollectiv 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 out of school 'Arts clubs' in Brandon and at the Abbey Neighbourhood Centre

⌘ **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. Due to the cessation of funding for the project this finished in March 2007.

⌘ **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.

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Trustees Report and Financial Statements for the year ended 31 March 2007

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.
- ⊗ **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.
- ⊗ **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 £2,242,116. Expenses in relation to governance costs were £23,998 and costs in furtherance of the charity's objects amounted to £1,865,023. Unrestricted and restricted funds carried forward at the end of the year amounted to £112,592 and £5,966,062 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.

The Trust has many volunteers that help in the running of the projects and the charity, During the year 2,188 hours were given by volunteers to the Trust with an estimated value of £14,222. Without the help of the volunteers many of the projects run would not be able to continue in the same format they do today.

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Trustees Report and Financial Statements for the year ended 31 March 2007

Reserves Policy

The Trustees were aware following the SRB and European Objective 2 funding programmes coming to a conclusion in the year that it would be important to increase unrestricted reserves to 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 reserves have increased during the year by £70,585 to £112,592 the Trust will continue working to maximise unrestricted income from various sources in order to build up a level of reserve which enables 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 2007/08 will be a significant one for the Trust. The Trust will move from 90% funded to being 90% reliant on generating its own income through properties and consultancy. It is a situation that we have been planning for the last three years but with no obvious replacement funding, Keystone is likely to undertake fewer projects in the near future as they will have to be funded through our own income. 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

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2007

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the annual report and financial statements in accordance with applicable law and UK Generally Accepted Accounting Practice 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

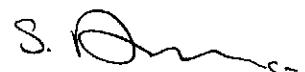
A resolution to confirm the appointment of Baker Tilly UK Audit LLP as auditors will be proposed at the Annual General Meeting.

This report was approved by the Trustees on 23 October 2007



Pat Pearson
Chair

Sylvia Armes
Vice Chair



Independent auditors report to the members of Keystone Development Trust

We have audited the financial statements on pages 15 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. We also report to you whether in our opinion the Trustees'/Directors' Report is consistent with the financial statements.

In addition we 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.

We read the Trustees'/Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Independent auditors report to the members of Keystone Development Trust

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.

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 2007 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.

Baker Tilly Audit

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

25 October 2007

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2007
Statement of financial activities (including income and expenditure account) for the year ended 31 March 2007

	Note	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2007 £	Total 2006 £
Incoming resources						
Incoming resources from charitable activities	2a	364,285	1,208,421	570,685	2,143,391	5,080,025
Incoming resources from generated funds:						
Investment income		5,964	-	-	5,964	14,363
Voluntary income	2b	4,696	88,065	-	92,761	326,722
Total incoming resources		374,945	1,296,486	570,685	2,242,116	5,421,110
Resources expended						
Charitable activities						
Children and Youth		49	225,231	8,800	234,080	266,858
Keystone Communities		(9)	360,292	38,499	398,782	581,274
Keystone People		24,492	224,278	11,466	260,236	372,024
Keystone Enterprise		110,838	195,235	19,271	325,344	361,545
Keystone Property		151,108	78,415	172,254	401,777	153,006
Keystone Resources		14,442	228,863	1,499	244,804	279,707
Governance costs		-	23,998	-	23,998	21,864
Total resources expended	3	300,920	1,336,312	251,789	1,889,021	2,036,278
Net incoming/(outgoing) resources before transfers	7	74,025	(39,826)	318,896	353,095	3,384,832
Transfers between funds		(3,440)	(2,517)	5,957	-	-
Fund balances at 31 March 2006		42,007	73,609	5,609,943	5,725,559	2,340,727
Fund balances at 31 March 2007		112,592	31,266	5,934,796	6,078,654	5,725,559

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 18 to 33 form part of these financial statements.

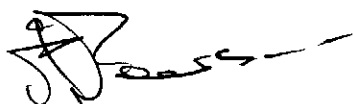
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Trustees Report and Financial Statements for the year ended 31 March 2007

Balance sheet as at 31 March 2007

		2007		2006	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9	6,030,648		5,725,786	
Investments:					
Investments	10	12			
Programme related investment	10	250		250	
			6,030,910		5,726,036
Current assets					
Debtors	11	455,634		498,501	
Cash at bank and in hand		54,572		207,298	
			510,206		705,799
Creditors: amounts falling due within one year	12	(366,545)		(597,583)	
Net current assets			143,661		108,216
Total assets less current liabilities			6,174,571		5,834,252
Creditors: Amounts falling due after more than one year	14		(95,917)		(108,693)
Net assets			6,078,654		5,725,559
Funds					
Unrestricted funds:					
- General	15		112,592		42,007
Restricted funds:					
- Income	16		31,266		73,609
- Capital	17		5,934,796		5,609,943
			6,078,654		5,725,559

The financial statements were approved by the Trustees and authorised for issue on 23 October 2007

Pat Pearson
Chair



Sylvia Armes
Vice Chair



The notes on pages 18 to 33 form part of these financial statements.

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2007****Cash flow statement for the year ended 31 March 2007**

	Note	2007	2006
		£	£
Reconciliation of net movement in funds to net cash inflow from operating activities			
Net movement in funds		353,095	3,384,832
Net interest payable/(receivable)		2,260	(6,186)
Depreciation		213,647	99,119
Loss on disposal of assets		101	985
Decrease in debtors		42,867	49,930
(Decrease)/increase in creditors		(231,038)	24,197
Donated assets – recognised as income		-	(225,000)
		<hr/>	<hr/>
Net cash inflow from operating Activities		380,932	3,327,877
Returns on investments and servicing of finance			
Interest received		5,964	13,363
Interest paid		(8,224)	(8,177)
		<hr/>	<hr/>
		(2,260)	5,186
Capital expenditure			
Payments to acquire tangible fixed Assets and Investments		(519,257)	(3,455,578)
Proceeds from sale of tangible assets		499	27,329
		<hr/>	<hr/>
		(518,758)	(3,428,249)
Financing			
Loan repaid		(12,640)	(12,093)
		<hr/>	<hr/>
Decrease in cash in the year	21	(152,726)	(107,279)
Cash at bank and in hand at 1 April 2006	22	207,298	314,577
		<hr/>	<hr/>
Cash at bank and in hand at 31 March 2007	22	54,572	207,298
		<hr/>	<hr/>

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2007

Notes forming part of the financial statements for the year ended 31 March 2007

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

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2007

Notes forming part of the financial statements for the year ended 31 March 2007 (cont.)

1 Accounting policies (*Continued*)

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.

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.

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2007

Notes forming part of the financial statements for the year ended 31 March 2007 (cont.)

1 Accounting policies (*Continued*)

Taxation

The charitable company is not liable for assessment to taxation on its results and 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 2006 £	Incoming Resources £	Resources expended £	Transfers £	Balance at 31 March 2007 £
Children and Youth	108,703	192,913	(234,080)	-	67,536
Keystone Communities	19,391	398,908	(398,782)	894	20,411
Keystone People	42,509	256,980	(260,236)	-	39,253
Keystone Enterprise	34,907	304,948	(325,344)	-	14,511
Keystone Property	5,493,522	778,910	(401,777)	-	5,870,655
Keystone Resources	26,527	309,457	(268,802)	(894)	66,288
	<u>5,725,559</u>	<u>2,242,116</u>	<u>(1,889,021)</u>	<u>-</u>	<u>6,078,654</u>

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2007****Notes forming part of the financial statements for the year ended 31 March 2007 (cont.)****2a Incoming resources from charitable activities**

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2007 £	Total 2006 £
Incoming resources from Charitable activities:					
Grants					
Children and Youth	-	186,008	-	186,008	301,383
Keystone Communities	-	358,220	40,488	398,708	555,033
Keystone People	-	227,152	-	227,152	362,271
Keystone Enterprise	-	192,051	2,287	194,338	275,681
Keystone Property	-	78,561	527,910	606,471	3,263,583
Keystone Resources	-	166,429	-	166,429	177,220
	-	1,208,421	570,685	1,779,048	4,935,171
Other income					
Children and Youth	3,179	-	-	3,179	5,792
Keystone Communities	200	-	-	200	1,046
Keystone People	29,827	-	-	29,827	12,723
Keystone Enterprise	109,620	-	-	109,620	39,214
Keystone Property	172,439	-	-	172,439	62,401
Keystone Resources	49,020	-	-	49,020	23,678
	364,285	-	-	364,285	144,854
Total					
Children and Youth	3,179	186,008	-	189,187	307,175
Keystone Communities	200	358,220	40,488	398,908	556,079
Keystone People	29,827	227,152	-	256,979	374,994
Keystone Enterprise	109,620	192,051	2,287	303,958	314,895
Keystone Property	172,439	78,561	527,910	778,910	3,325,984
Keystone Resources	49,020	166,429	-	215,449	200,898
	364,285	1,208,421	570,685	2,143,391	5,080,025

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2007****Notes forming part of the financial statements for the year ended 31 March 2007 (cont.)****2b Incoming resources from generated funds; Voluntary income**

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2007 £	Total 2006 £
Incoming resources from generated funds:					
Gifts and Donations					
Children and Youth	3,706	-	-	3,706	1,522
Keystone Communities	-	-	-	-	200
Keystone Enterprise	990	-	-	990	25,000
Keystone Property	-	-	-	-	200,000
	<u>4,696</u>	<u>-</u>	<u>-</u>	<u>4,696</u>	<u>226,722</u>
Voluntary income					
Keystone Resources	-	88,065	-	88,065	100,000
	<u>-</u>	<u>88,065</u>	<u>-</u>	<u>88,065</u>	<u>100,000</u>
Total					
Children and Youth	3,706	-	-	3,706	1,522
Keystone Communities	-	-	-	-	200
Keystone Enterprise	990	-	-	990	25,000
Keystone Property	-	-	-	-	200,000
Keystone Resources	-	88,065	-	88,065	100,000
	<u>4,696</u>	<u>88,065</u>	<u>-</u>	<u>92,761</u>	<u>326,722</u>

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 2007

Notes forming part of the financial statements for the year ended 31 March 2007 (cont.)

3a Total resources expended

	Staff Costs	Depreciation	Support Costs (note 3b)	Grants (note 6)	Other direct costs	Total 2007	Total 2006
Unrestricted funds							
Charitable activities							
Children and Youth	49	-	-	-	-	49	899
Keystone Communities	-	-	-	-	(9)	(9)	1,553
Keystone People	6,958	-	577	-	16,957	24,492	9,400
Keystone Enterprise	19,340	-	6,680	-	84,818	110,838	70,749
Keystone Property	40,426	-	27,869	-	82,813	151,108	49,649
Keystone Resources	21,315	-	-	-	(6,873)	14,442	24,754
	<u>88,088</u>	<u>-</u>	<u>35,126</u>	<u>-</u>	<u>177,706</u>	<u>300,920</u>	<u>157,004</u>
Restricted Revenue funds							
Charitable activities							
Children and Youth	133,713	-	24,574	14,040	52,904	225,231	256,163
Keystone Communities	151,725	-	29,784	101,365	77,418	360,292	440,506
Keystone People	30,850	-	5,821	134,201	53,406	224,278	347,453
Keystone Enterprise	108,047	-	10,012	33,295	43,881	195,235	252,315
Keystone Property	45,494	-	1,686	-	31,235	78,415	43,795
Keystone Resources	181,830	-	32,076	-	14,957	228,863	251,618
Governance	-	-	12,686	-	11,312	23,998	21,864
	<u>651,659</u>	<u>-</u>	<u>116,639</u>	<u>282,901</u>	<u>285,113</u>	<u>1,336,312</u>	<u>1,613,714</u>
Restricted Capital funds							
Charitable activities							
Children and Youth	-	8,800	-	-	-	8,800	9,796
Keystone Communities	-	915	-	22,921	14,663	38,499	139,215
Keystone People	-	11,466	-	-	-	11,466	15,171
Keystone Enterprise	-	19,271	-	-	-	19,271	38,481
Keystone Property	-	171,824	-	-	430	172,254	59,562
Keystone Resources	-	1,499	-	-	-	1,499	3,335
	<u>-</u>	<u>213,775</u>	<u>-</u>	<u>22,921</u>	<u>15,093</u>	<u>251,789</u>	<u>265,560</u>
Total Resources expended	<u>739,747</u>	<u>213,775</u>	<u>151,765</u>	<u>305,822</u>	<u>477,912</u>	<u>1,889,021</u>	
31 March 2006	<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>	

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2007****Notes forming part of the financial statements for the year ended 31 March 2007 (cont.)****3b Analysis of Support costs**

	Staff costs	Premises costs	Communica- tions	Postage, stationery etc	Office costs	Finance and prof. fees	Total
	£	£	£	£	£	£	£
Children and Youth	11,468	3,788	1,355	733	1,848	5,382	24,574
Keystone Communities	16,169	4,779	1,395	749	1,915	4,777	29,784
Keystone People	2,602	1,355	360	200	500	1,382	6,398
Keystone Enterprise	9,861	1,947	720	379	1,075	2,711	16,692
Keystone Property	20,491	2,944	952	516	1,341	3,311	29,555
Keystone Resources	17,544	3,681	1,625	879	2,273	6,076	32,076
Governance	11,642	271	119	63	171	420	12,686
Total 2007	89,776	18,764	6,526	3,519	9,123	24,058	151,765
Total 2006	69,274	1,931	3,775	5,127	12,630	22,008	114,745

Analysis of Governance costs

	2007 £	2006 £
Audit fees	11,312	12,663
Staff costs	11,642	7,736
Apportionment of support costs (excl staff time)	1,044	1,465
Total Governance costs	23,998	21,864

4 Staff costs

	2007 £	2006 £
Wages and salaries	744,797	678,843
Social security costs	66,297	62,551
Pension costs	18,429	16,404
	829,523	757,798

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

	Number	Number
Charitable activities	38	34

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 2007

Notes forming part of the financial statements for the year ended 31 March 2007 (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 £18,429 (2006 - £16,404) represents contributions payable by the charitable company to the fund for the year. At the year end contributions totalling £481 (2006 - £718) were payable to the fund and are included in creditors.

6 Grants payable

	Revenue £	Capital £	Total £
Community Grants	9,620	-	9,620
Equalities - Adult Education	16,933	-	16,933
Equalities - Breckland District Council	21,951	-	21,951
Meridian East – Recycle IT	30,945	-	30,945
Objective 1 – Community Development (revenue)	9,000	-	9,000
Objective 2 – Childminding	14,040	-	14,040
Objective 2 - Post 16 Bridge	64,099	-	64,099
Objective 2 - Supported Employment 1	29,916	-	29,916
Objective 2 - Supported Employment 2	5,025	-	5,025
Objective 2 - Thetford Regeneration	25,227	5,972	31,199
Objective 2 - Voluntary Sector Support 1	40,186	-	40,186
Sustainable Brecks	6,830	-	6,830
Thetford Business Website	2,350	-	2,350
Thetford HERS Scheme	-	16,949	16,949
Thetford Tourism & Heritage	6,779	-	6,779
Total	282,901	22,921	305,822

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2007

Notes forming part of the financial statements for the year ended 31 March 2007 (cont.)

7 Net incoming/(outgoing) resources before transfers

	2007	2006
	£	£
Net incoming/(outgoing) resources are stated after charging:		
Depreciation	213,647	99,119
Loss on sale of assets	101	985
Auditors remuneration - audit services	11,312	12,663
- other services	6,321	11,350
	<u>231,381</u>	<u>124,107</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

	2007	2006
	£	£
On bank loans and overdrafts	8,224	8,177
	<u>8,224</u>	<u>8,177</u>

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2007

Notes forming part of the financial statements for the year ended 31 March 2007 (cont.)

9 Tangible fixed assets

	Freehold land and buildings £	Machinery and office equipment £	Computer hardware and software £	Vehicles £	Total £
Cost					
At 1 April 2006	5,488,556	298,489	57,477	67,118	5,911,640
Additions	410,432	85,540	11,229	11,907	519,108
Disposals	-	(665)	-	-	(665)
At 31 March 2007	5,898,988	383,364	68,706	79,025	6,430,083
Depreciation					
At 1 April 2006	75,593	42,406	40,546	27,309	185,854
Charge for the year	114,193	69,440	11,746	18,268	213,647
Relating to disposals	-	(66)	-	-	(66)
At 31 March 2007	189,786	111,780	52,292	45,577	399,435
Net book value					
At 31 March 2007	5,709,202	271,584	16,414	33,448	6,030,648
At 31 March 2006	5,412,963	256,083	16,931	39,809	5,725,786

Included within freehold land and buildings is £168,200 (2006 - £168,200) relating to freehold land which has not been depreciated.

Included within freehold land and buildings is £0 (2006 - £2,972,792) relating to an asset in construction.

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 14th 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.

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2007

Notes forming part of the financial statements for the year ended 31 March 2007 (cont.)

10 Investments

Investments in subsidiary undertakings

	2007 £	2006 £
Net book value at 31 March 2006 and 2007	<u>12</u>	<u>-</u>

The above investment comprises of the following:-

- 10 £1 shares in Green Bay Enterprises Limited a company incorporated in England and Wales on 21 April 2006 wholly owned by the Trust. The company is dormant.
- 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:

	2007 £	2006 £
Net book value at 31 March 2006 and 2007	<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.

11 Debtors

	2007 £	2006 £
Trade debtors	98,501	164,846
Other debtors	67,563	176,888
Prepayments	20,915	21,208
Accrued income	268,655	135,559
	<u>455,634</u>	<u>498,501</u>

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2007

Notes forming part of the financial statements for the year ended 31 March 2007 (cont.)

12 Creditors: amounts falling due within one year

	2007 £	2006 £
Loan (note 14)	13,804	13,668
Trade creditors	49,252	174,929
Other creditors	85,177	100,560
Accruals	105,533	191,944
Deferred income (note 13)	112,779	116,482
	366,545	597,583

13 Deferred income

	2007 £	2006 £
Balance at 1 April 2006	116,482	107,020
Amount released to incoming resources	(116,482)	(107,020)
Amount deferred in year	112,779	116,482
Balance at 31 March 2007	112,779	116,482

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

	2007 £	2006 £
Loan:		
Due 1 – 2 years	14,692	14,268
Due 2 – 5 years	49,992	48,204
	64,684	62,472
Due in more than 5 years by instalments	31,233	46,221
	95,917	108,693

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 2007

Notes forming part of the financial statements for the year ended 31 March 2007 (cont.)

15 Unrestricted funds

	Balance at 1 April 2006	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2007
	£	£	£	£	£
Children and Youth	6,062	6,905	(49)	(438)	12,480
Keystone Communities	2,060	200	9	(106)	2,163
Keystone People	3,511	29,827	(24,492)	-	8,846
Keystone Enterprise	(5,571)	110,610	(110,838)	-	(5,799)
Keystone Property	17,408	172,439	(151,108)	(1,340)	37,399
Keystone Resources	18,537	54,964	(14,442)	(1,556)	57,503
	<u>42,007</u>	<u>374,945</u>	<u>(300,920)</u>	<u>(3,440)</u>	<u>112,592</u>

16 Restricted income funds

	Balance at 1 April 2006	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2007
	£	£	£	£	£
Children and Youth	55,493	186,008	(225,231)	(1,744)	14,526
Keystone Communities	16,148	358,220	(360,292)	1,000	15,076
Keystone People	2,032	227,153	(224,278)	(1,773)	3,134
Keystone Enterprise	(6,296)	192,051	(195,235)	-	(9,480)
Keystone Property	126	78,561	(78,415)	-	272
Keystone Resources	6,106	254,493	(252,861)	-	7,738
	<u>73,609</u>	<u>1,296,486</u>	<u>(1,336,312)</u>	<u>(2,517)</u>	<u>31,266</u>

The Enterprise fund was in deficit at the year end due to funding of the project not having been finalised. This deficit has been cleared since the year end by the receipt of funds.

17 Restricted capital funds

	Balance at 1 April 2006	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2007
	£	£	£	£	£
Children and Youth	47,148	-	(8,800)	2,182	40,530
Keystone Communities	1,183	40,488	(38,499)	-	3,172
Keystone People	36,966	-	(11,466)	1,773	27,273
Keystone Enterprise	46,774	2,287	(19,271)	-	29,790
Keystone Property	5,475,988	527,910	(172,254)	1,340	5,832,984
Keystone Resources	1,884	-	(1,499)	662	1,047
	<u>5,609,943</u>	<u>570,685</u>	<u>(251,789)</u>	<u>5,957</u>	<u>5,934,796</u>

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2007

Notes forming part of the financial statements for the year ended 31 March 2007 (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	-	12,480	-	12,480
Keystone Communities	-	2,163	-	2,163
Keystone People	-	8,846	-	8,846
Keystone Enterprise	-	(5,799)	-	(5,799)
Keystone Property	150,000	(16,684)	(95,917)	37,399
Keystone Resources	262	57,241	-	57,503
	<u>150,262</u>	<u>58,247</u>	<u>(95,917)</u>	<u>112,592</u>
Restricted income funds				
Children and Youth	-	14,526	-	14,526
Keystone Communities	-	15,076	-	15,076
Keystone People	-	3,134	-	3,134
Keystone Enterprise	-	(9,480)	-	(9,480)
Keystone Property	-	272	-	272
Keystone Resources	-	7,738	-	7,738
	<u>-</u>	<u>31,266</u>	<u>-</u>	<u>31,266</u>
Restricted capital funds				
Children and Youth	31,402	9,128	-	40,530
Keystone Communities	3,172	-	-	3,172
Keystone People	27,273	-	-	27,273
Keystone Enterprise	29,185	605	-	29,790
Keystone Property	5,788,569	44,415	-	5,832,984
Keystone Resources	1,047	-	-	1,047
	<u>5,880,648</u>	<u>54,148</u>	<u>-</u>	<u>5,934,796</u>
Total funds 2007	<u>6,030,910</u>	<u>143,661</u>	<u>(95,917)</u>	<u>6,078,654</u>
Total funds 2006	<u>5,726,036</u>	<u>108,216</u>	<u>(108,693)</u>	<u>5,725,559</u>

Notes forming part of the financial statements for the year ended 31 March 2007 (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. All of this funding came to an end in the year end 31 March 2007.

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2007

Notes forming part of the financial statements for the year ended 31 March 2007 (cont.)

19 Capital commitments

	2007 £	2006 £
Amounts contracted, not provided for	-	99,660

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)	2,638

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

	2007 £	2006 £
Decrease in cash in the year	(152,726)	(107,279)
Repayment of loans	12,640	12,093
Movement in net funds/(debt) in the year	(140,086)	(95,186)
Net funds at start of year	84,937	180,123
Net (debt)/funds at end of year	(55,149)	84,937

22 Analysis of net funds/(debt)

	At start of year £	Cashflow £	At end of year £
Cash at bank and in hand	207,298	(152,726)	54,572
Debt due within one year	(13,668)	(136)	(13,804)
Debt due after one year	(108,693)	12,776	(95,917)
Total	84,937	(140,086)	(55,149)