



**Keystone Development Trust**

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

**Annual Report and Financial Statements**

**Year Ended  
31 March 2012**

**Company number: 4346470**

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2012**

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**Trustees Report and Financial Statements for the year ended 31 March 2012**

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**Trustees and Advisors**

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**Trustees**

Mark Allison (Vice Chair) – Appointed 22.11.11  
Sylvia Armes - Retired 22.11.11  
Pat Brown  
Brenda Canham  
Robert King  
Charlie Moss  
Pat Pearson (Chair)  
Clive Wadham-Smith  
Stuart Wright  
Sheila Childerhouse

**Chief Executive**

Neil Stott

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**Secretary**

Alan Flack

**Registered office**

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

**Registered Charity number**

1093162

**Company number**

4346470

**Auditors**

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

**Bankers**

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

## **KEYSTONE DEVELOPMENT TRUST**

**Trustees Report and Financial Statements for the year ended 31 March 2012**

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### **TRUSTEES REPORT**

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

The Trustees submit their annual report and the audited financial statements of the charity for the year ended 31 March 2012. The charity is constituted as a company limited by guarantee. The financial statements are the full statutory financial statements of the charitable company and should be read in conjunction with the Annual Report.

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

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

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

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

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set and does not seek to exclude any section of the community. We have delivered projects across all sections of the community and these are detailed on pages 6 to 9. The availability of funding dictates what projects can be delivered.

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### Objectives and Activities

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

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

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

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

The Keystone vision is:

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

The Keystone aim is to:

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

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

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

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- Figures from the Breckland Crime and Disorder Reduction Partnership show that 4 of Thetford's Wards are in the top 6 Breckland wards for reported crime.
- West Thetford exhibits a number of indicators of poverty. One of the Thetford Abbey Super Output Areas is in the top quintile of most deprived wards nationally for income, employment and multiple deprivation.
- Thetford has had persistent educational problems for a number of years. Poor educational performance feeds into other problems such as poverty and the performance of the local economy. Low educational attainment also contributes to the number of young people who become NEET (Not in Education, Employment or Training). Indicators of poor educational standards include:
  - The 2001 census shows that only 9% of people in Thetford have achieved a level 4/5 qualification (first degree and above) compared to 20% in England

- According to local health workers teenage conceptions have trebled in Thetford in the past five years.
- Unemployment in West Thetford is higher than both the Breckland and UK averages.
- Fast growing migrant worker communities from Portugal and Eastern Europe. This has led to worker exploitation, pressure on public services and tensions between communities.

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

The objectives that we set for the last year were:

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

During 2011/12 our main projects and programmes have been:

- **Green Ventures Bikes**

The Green Ventures Bike project funding came to an end on 31 March 2011, throughout the year the project has relied on generating sales to continue. During the year the project collected 1,507 bikes from donations and household waste recycling centres in Suffolk, equating to around 23 Tonnes of bikes diverted from landfill.

- **Keystone Community Finance**, the original credit union continues for existing members. In the year a new scheme was set up with Norfolk Credit Union and this has seen a good uptake in members with the collection point being The Limes.

- **META (Mobile Europeans Taking Action)** is a project providing information, support and guidance to Portuguese and Eastern European migrant workers in the area. A drop in surgery operates and works with key agencies to tackle issues and provide a voice for migrant workers. The project was funded by Lloyds TSB Foundation, Moving Thetford Forward and TCHC Ltd for work around migrant employability along with the Trusts own reserves, during 2011/2012 META achieved the following:

***META Thetford***

- o 569 individuals supported with 1,649 issues
- o 807 clients enabled to apply for a National Insurance number
- o 71 individuals assisted to register with a GP
- o 30 individuals referred to NHS Health Trainers
- o Became a collection point for NHS Healthy Start scheme.
- o Became 'Consumer Champions' for Norfolk Trading Standards
- o Enabled Thetford Library to do outreach services with the migrant community
- o Signposted over 100 English language learners to Norfolk Adult Education
- o Took a partnership role in local multi-agency emergency arrangements during periods of severe winter weather.
- o Registered 65 clients as part of the META works project

***META Stop Smoking***

- o 259 clients registered with the service
- o 116 clients supported to achieve a 4-week quit

***META ESOL (English for Speakers of Other Languages)***

- o 59 learners registered for Entry 1 & 2 evening classes in Brandon.

## KEYSTONE DEVELOPMENT TRUST

### Trustees Report and Financial Statements for the year ended 31 March 2012

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- **Keystone Area Voluntary Organisation**, In 2011/2012 KAVO received funding from Forest Heath District Council and the Suffolk Foundation to support local voluntary and community groups in the Forest Heath area.

KAVO ran an extensive training programme as well as providing one to one support to groups. 70 volunteers and employees representing 34 community organisations benefitted from attending at least one of the training events designed to increase skills, promotion, self-confidence and funding potential. After attending the First Aid Course, one of the organisers of Lakenheath Luncheon Club said: "We feel better able to deal with an urgent need for assistance whilst waiting for medical professional help. Well worth while...."

35 volunteers and employees representing at least 28 local community organisations benefitted from attending at least one bi-monthly networking forum meeting (although the majority attended regularly). These relatively informal gatherings are used as a platform for community groups serving Brandon and the surrounding area to exchange information and make contacts. One member of the forum, who has lived in Brandon for decades said: "before KAVO started holding these meetings, we had no idea so much was going on here".

In addition various community groups were supported to successfully apply for funding enabling them to deliver more services and to provide more positive opportunities for the people of Brandon. Following a successful application to Awards for All, the secretary of the Brandon Remembrance Park said: "KAVO were a key element in completing the forms – without your help we would have struggled." The KAVO Brandon Forum now has 85 members and has helped to lever in over £28,000 of external funding with more applications pending

- **The Limes Wildlife Garden** In May 2011 Keystone received a small grant from the Big Lottery Fund's Awards for All Programme to transform the Limes Garden into a Public Wildlife Garden. The project proved very successful with over 30 volunteers recruited to help transform the garden, participating in either weekly garden sessions or one off activities, such as compost making and willow weaving, to create a wildlife element to the garden. Volunteers were involved in the garden at all stages, from the creation of designs to their implementation. The project helped improve confidence, health, skills and experience for those directly involved and has also brought families and people together at community events hosted by the garden, such as "Dig it "a Thetford festival event providing learning opportunities about archaeology. In the future the garden will be open to the public two days per week.
- **Digital Outreach Programme** over the summer 2011 Keystone received a small digital outreach grant in order to help promote the forthcoming digital switchover to the wider community. Through KAVO the digital switchover was promoted to the local voluntary sector, with special events being run for their



## KEYSTONE DEVELOPMENT TRUST

### Trustees Report and Financial Statements for the year ended 31 March 2012

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client groups, while through META, Keystone provided information and explained the digital switchover to the local migrant communities. Over 20 events were held where information and a member of staff were available to answer questions on the switchover and over 200 people were directly reached by the project.

- During the year a further £5,000 was received from **HACT (The Housing Action Charity)** the monies were used to support strategic work with Flagship Housing and provide workclubs on the West Thetford Estate, of which these were well attended and provided a helping hand to those out of work.
- Funding was received from Moving Thetford Forward to deliver practical courses that focussed on people furthest from the job market. The courses were run in conjunction with the Green Ventures Bike Shop and gave those attending a four week course in bike maintenance. 34 people attended the courses of which three have gone into full time employment and a further 6 have continued volunteering in organisations.
- The **Local Food Group** is a social enterprise dedicated to providing healthy, local, seasonal and fair trade food with as few food miles as possible. The Local Food Group consists of a cafe, a sandwich round and provides food to conferences and external functions. It is financed from the sales it generates.
- **Keystone Development Trust Publications** produced books on migrants and health, the Big Society and work and worklessness.
- **Keystone Research and Consultancy** undertook a range of contracts across the UK for local government and third sector clients to contribute to core charitable costs.
- **Keystone Buildings:-**

The **Innovation Centre**; the centre has seen an increase in tenants and at the year end was 60% occupied. During the year over 520 conferences were held. The building is key to the Trust's future in providing an income to the Trust's core. In the long term the building will also provide an income for project work to be carried out in the area.

The **Enterprise Factory**, during the year the Enterprise factory's occupancy rate has remained at 100%.

**The Limes**; The Limes is the Trust's headquarters and home to the META project. The building is also rented out to other tenants to ensure that the building operates from a sound financial base. We have tried to attract tenants to the building that are delivering similar services to the public.

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The **Abbey Neighbourhood Centre**; the centre is used by local residents and associations on a regular basis.

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

## **Achievements and Performance**

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

### **To tackle financial exclusion**

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

### **To combat social exclusion**

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

### **To protect the environment**

- All the buildings provide paper recycling facilities to tenants and staff which are well used.
- The bike recycling project saved 23 tonnes of bikes from going into landfill.
- The Local Food Group also reduces its impact on the environment by using locally produced, seasonal or fair trade food to sell on to its customers reducing food miles and supporting local producers by using their food.

### **To generate wealth**

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

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

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

**Success of Trust social enterprises**

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

**Reputation with the local community**

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

**Relationship with strategic partners**

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

**Relationship with delivery partners**

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

**Financial Review**

Total income for the year amounted to £802,886. Expenses in relation to governance costs were £16,295 and the total costs in furtherance of the charity's objects amounted to £962,766. Unrestricted funds carried forward at the end of the year amounted to a surplus of £145,097 of which £131,096 has been designated to future expenditure and restricted funds amounted to £5,047,569.

The main sources of grant income during the year were from the Suffolk County Council in delivering projects working with Schools, NHS Norfolk delivering a Smoking Cessation project, Breckland District Council for projects around Work Clubs and META, Lloyds TSB Foundation and the Social Action Fund for META work. This funding enabled the organisation to undertake specific project work in order to deliver the objectives. Full details of amounts received from funders is shown on page 24.

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 28.

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The Trust has many volunteers that help in the running of the projects and the charity, During the year 1,020 (2011 - 1,848) hours were given by volunteers to the Trust with an estimated value of £6,995 (2011 - £12,671). Without the help of the volunteers many of the projects run would not be able to continue in the same format they do today.

#### **Going Concern**

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

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

The Trustees have considered the financial position of the Charity, the level of free reserves and the 2012 to 2014 budget and accompanying cash flow forecast. Following the finance committee review a number of cost savings have been identified and are being implemented over the coming months together with ways of increasing the Trust's income from its buildings and services that it delivers. This also includes the undesignating of the building reserve so that it can be used in the short term to cover core running costs. As a consequence, the Trustees believe the Charity is well placed to manage its business risks successfully through these difficult and uncertain times.

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

#### **Reserves Policy**

The Trustees were aware following the Single Regeneration Budget (SRB) and European Objective 2 funding programmes coming to a conclusion in 2007 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 undesignated reserves have decreased during the year by £102,461 to leave a surplus of £14,001. The current level of reserves are below the target. The Trust is continuing to work to maximise unrestricted income from various sources in order to build up a level of reserve which enables activity to continue.

#### **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.

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### **Plans for Future Periods**

The financial year 2012/13 will be another significant one for the Trust. The Trust's funded income has fluctuated over the years and in 2011/12 received 33% (excluding the SAF fund) of its total income from funders and 67% from generating income through properties, social enterprises and consultancy. Keystone is likely to undertake fewer projects in the near future as they will have to be funded through Trust income or new grants. The Trust's key priorities for the current year include:

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

The Trustees continually review the future operations and financial position of the Trust on a regular basis. During 2010 year end a property owned by the Trust was sold. The proceeds from this are still being re-invested in the Trust in order that it can grow and deliver more projects in the area of charitable benefit. To date the money has been invested in three new positions; an Assistant Director (Income & Alliances); a Fundraising Manager and a community worker based on the local estate. Monies from the sale were also invested in the infrastructure of the Trust to ensure that it is fit to operate efficiently in the future.

Aside from the sale, funds are being put aside to invest in a grants scheme for local community organisations to help them achieve their goals; £4,000 (2011 - £5,000) was granted to local organisations during the year.

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**Statement of Trustees' Responsibilities**

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Keystone Development Trust website.

So far as each of the Trustees is aware:

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

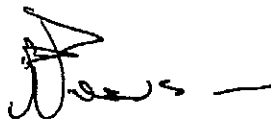
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's web site. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may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

**Auditors**

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

This report was approved by the Trustees on *28 November 2012*

Pat Pearson  
Chair



Mark Allison  
Vice Chair

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**Trustees Report and Financial Statements for the year ended 31 March 2012**

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

We have audited the financial statements of Keystone Development Trust for the year ended 31 March 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow Statement, and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' responsibilities set out on page 14, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.



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**Trustees Report and Financial Statements for the year ended 31 March 2012**

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**Opinion on other requirement of the Companies Act 2006**

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

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

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

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

*Baker Tilly UK Audit LLP*

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

*21 December 2012*

**KEYSTONE DEVELOPMENT TRUST**
**Trustees Report and Financial Statements for the year ended 31 March 2012**
**Statement of financial activities (including income and expenditure account) for the year ended 31 March 2012**

	Note	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2012 £	Total 2011 £
<b>Incoming resources</b>						
Incoming resources from charitable activities	2a	331,558	307,412	-	638,970	980,322
Incoming resources from generated funds:						
Activities for generating funds		159,188	-	-	159,188	12,000
Investment income		126	-	-	126	403
Voluntary income	2b	-	52	-	52	2,538
Other Incoming Resources	7	-	-	4,550	4,550	2,950
<b>Total incoming resources</b>		<b>490,872</b>	<b>307,464</b>	<b>4,550</b>	<b>802,886</b>	<b>998,213</b>
<b>Resources expended</b>						
Charitable activities						
Children and Youth		-	47,695	161	47,856	292
Keystone Communities	6	-	178,974	-	178,980	249,368
Big Lottery Fund - Basis		-	-	-	-	37,223
Keystone People		-	-	-	-	1,848
Keystone Enterprise		52,170	22	-	52,192	239,471
Keystone Property		316,733	-	116,551	433,284	443,310
Keystone Resources		44,269	30,894	-	75,163	52,584
Costs for activities for generating funds		169,728	-	5,563	175,291	8,895
Governance costs	3b	16,295	-	-	16,295	18,466
<b>Total resources expended</b>	3a	<b>599,201</b>	<b>257,585</b>	<b>122,275</b>	<b>979,061</b>	<b>1,051,457</b>
<b>Net incoming/(outgoing) resources before transfers</b>	7	<b>(108,329)</b>	<b>49,879</b>	<b>(117,725)</b>	<b>(176,175)</b>	<b>(53,244)</b>
Transfers between funds		13,364	(10,922)	(2,442)	-	-
Fund balances at 31 March 2011		240,062	81,650	5,047,129	5,368,841	5,422,085
<b>Fund balances at 31 March 2012</b>		<b>145,097</b>	<b>120,607</b>	<b>4,926,962</b>	<b>5,192,666</b>	<b>5,368,841</b>

The above figures all relate to continuing operations and include all income and expenditure and gains and losses arising during the year. The notes on pages 20 to 36 form part of these financial statements.

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Trustees Report and Financial Statements for the year ended 31 March 2012

Balance sheet as at 31 March 2012

Company Registration No 4346470

		2012		2011	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9	5,082,377		5,199,863	
Investments:					
Investments	10	2		2	
Programme related investment	10	250		250	
			<b>5,082,629</b>		<b>5,200,115</b>
<b>Current assets</b>					
Stock	11	7,039		4,677	
Debtors	12	148,733		150,823	
Cash at bank and in hand		162,081		263,136	
			<b>317,853</b>		<b>418,636</b>
<b>Creditors: amounts falling due Within one year</b>	13	<b>(207,816)</b>		<b>(230,350)</b>	
<b>Net current assets / (liabilities)</b>			<b>110,037</b>		<b>188,286</b>
<b>Total assets less current liabilities</b>			<b>5,192,666</b>		<b>5,388,401</b>
<b>Creditors: Amounts falling due after more than one year</b>	15		-		<b>(19,560)</b>
<b>Net assets</b>			<b>5,192,666</b>		<b>5,368,841</b>
<b>Funds</b>					
Unrestricted funds:					
- General	16		14,001		116,462
- Designated	16		131,096		123,600
Restricted funds:					
- Income	17		120,607		81,650
- Capital	18		4,926,962		5,047,129
			<b>5,192,666</b>		<b>5,368,841</b>

The financial statements were approved by the Trustees and authorised for issue on ~~28~~ November 2012

Pat Pearson  
Chair



Mark Allison  
Vice Chair



The notes on pages 20 to 36 form part of these financial statements.

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2012**

**Cash flow statement for the year ended 31 March 2012**

	Note	2011	2010
		£	£
<b>Reconciliation of net movement in funds to net cash (out) / In flow from operating activities</b>			
Net movement in funds		(176,175)	(53,244)
Net interest payable		565	744
Depreciation		122,275	160,933
Profit on disposal of assets		(4,550)	(2,950)
Write off on Investment		-	10
Decrease in debtors		2,090	170,032
Increase in Stock		(2,362)	(4,677)
(Decrease) / Increase in creditors		(21,520)	11,533
<b>Net cash (out) / in flow from operating activities</b>		<b>(79,677)</b>	<b>282,381</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		126	403
Interest paid		(691)	(1,147)
		<b>(565)</b>	<b>(744)</b>
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets and Investments		(4,789)	(2,738)
Proceeds from sale of tangible assets		4,550	2,950
		<b>(239)</b>	<b>212</b>
<b>Financing</b>			
Loan repaid		(20,574)	(20,117)
<b>(Decrease) / Increase in cash in the year</b>	21	<b>(101,055)</b>	<b>261,732</b>
Cash at bank and in hand at 1 April 2011	22	<b>263,136</b>	<b>1,404</b>
<b>Cash at bank and in hand at 31 March 2012</b>	22	<b>162,081</b>	<b>263,136</b>

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2012**

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**Notes forming part of the financial statements for the year ended 31 March 2012**

**1 Accounting policies**

*Basis of accounting*

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

*Group Accounts*

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

*Company status*

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

*Incoming resources*

All incoming resources are included in the 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.

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2012**

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Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)

**1 Accounting policies (Continued)**

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

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

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

*Tangible fixed assets and depreciation*

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

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

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

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

*Fixed asset investments*

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

*Stock*

Stock is stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis.

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2012**

**Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)**

**1 Accounting policies (Continued)**

*Funds*

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

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

The funds held in each of the categories are further described in notes 16-19.

*Government grants*

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

*Pension costs*

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

*Taxation*

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

**2 Incoming resources**

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

	Balance at 1 April 2011	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2012
	£	£	£	£	£
Children and Youth	7,222	60,950	(47,856)	-	20,316
Keystone	33,391	221,702	(178,980)	11,299	87,412
Communities					
Keystone Enterprise	7,401	186,152	(203,104)	(1,854)	(11,405)
Keystone Property	5,191,869	295,875	(433,284)	(9,571)	5,044,889
Keystone Resources	128,958	38,207	(115,837)	126	51,454
	<u>5,368,841</u>	<u>802,886</u>	<u>(979,061)</u>	<u>-</u>	<u>5,192,666</u>

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

Keystone Enterprise	(£46,749)
Keystone Communities	(£6,454)
Keystone Resources	(£7,529)
Keystone Property	£60,732

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2012**

Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)

**2a Incoming resources from charitable activities**

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2012 £	Total 2011 £
<b>Incoming resources from Charitable activities:</b>					
<b>Grants</b>					
Children and Youth	-	60,950	-	60,950	(1,368)
Keystone Communities	-	221,462	-	221,462	272,938
Big Lottery Fund - Basis	-	-	-	-	37,167
Keystone Enterprise	-	-	-	-	79,853
Keystone Property	-	-	-	-	-
Keystone Resources	-	25,000	-	25,000	55,269
	<u>-</u>	<u>307,412</u>	<u>-</u>	<u>307,412</u>	<u>443,859</u>
<b>Other income</b>					
Children and Youth	-	-	-	-	-
Keystone Communities	210	-	-	210	229
Keystone Enterprise	28,889	-	-	28,889	172,602
Keystone Property	295,874	-	-	295,874	344,311
Keystone Resources	6,585	-	-	6,585	19,321
	<u>331,558</u>	<u>-</u>	<u>-</u>	<u>331,558</u>	<u>536,463</u>
<b>Total</b>					
Children and Youth	-	60,950	-	60,950	(1,368)
Keystone Communities	210	221,462	-	221,672	273,167
Big Lottery Fund - Basis	-	-	-	-	37,167
Keystone Enterprise	28,889	-	-	28,889	252,455
Keystone Property	295,874	-	-	295,874	344,311
Keystone Resources	6,585	25,000	-	31,585	74,590
	<u>331,558</u>	<u>307,412</u>	<u>-</u>	<u>638,970</u>	<u>980,322</u>

Included within incoming resources from charitable activities is rental income received under operating leases of £178,675 (2011: £211,477)



**KEYSTONE DEVELOPMENT TRUST****Trustees Report and Financial Statements for the year ended 31 March 2012****Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)**

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

<b>Funder</b>	<b>Project</b>	<b>Amount</b>
<b>Children and Youth</b>		
Suffolk County Council	Mildenhall School Work Club	£7,970
Suffolk County Council	Brandon Aspirations	£17,500
Suffolk County Council	Pupils With Prospects	£22,017
Suffolk Foundation	Pupils With Prospects	£13,463
		<b>£60,950</b>
<b>Keystone Communities</b>		
Breckland District Council	META Drop In	£2,928
Moving Thetford Forward	META Drop In	£15,280
Social Action Fund	META Drop In	£62,000
Lloyds TSB Foundation	META Drop In	£12,500
Other Income	META Drop In	£694
Suffolk County Council	ESOL Classes	£9,900
Norfolk NHS	Smoking Cessation	£31,906
TCHC	META Works	£8,386
Shadwell Foundation	Food Box Scheme	£565
Forest Heath District Council	KAVO	£7,880
Suffolk Foundation	KAVO	£5,000
Cover	Digital Switchover	£2,850
Locality	Community Organisers	£20,643
Moving Thetford Forward	Volunteer to work	£12,000
Lottery - Awards For All	Limes Wildlife Garden	£8,900
Local Businesses	Limes Wildlife Garden	£30
Breckland District Council	Work Clubs	£15,000
HACT	Work Clubs	£5,000
		<b>£221,462</b>
<b>Keystone Resources</b>		
Lankelly Foundation	Core Business Support	<b>£25,000</b>
<b>Funding Spilt by Funder</b>		
Social Action Fund		£62,000
Suffolk County Council		£57,387
Norfolk NHS		£31,906
Moving Thetford Forward		£27,280
Lankelly Foundation		£25,000
Locality		£20,643
Suffolk Foundation		£18,463
Breckland District Council		£17,928
Lloyds TSB Foundation		£12,500
Lottery – Awards For All		£8,900
TCHC		£8,386
Forest Heath District Council		£7,880
HACT		£5,000
Cover		£2,850
Shadwell Foundation		£565
Other		£724
		<b>£307,412</b>

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2012**

Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)

**2b Incoming resources from generated funds**

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2012 £	Total 2011 £
<b>Activities for generating funds</b>					
Keystone Enterprise	152,690	-	-	152,690	-
Keystone Resources	6,498	-	-	6,498	12,000
	<u>159,188</u>	<u>-</u>	<u>-</u>	<u>159,188</u>	<u>12,000</u>
<b>Investment Income –</b>					
<b>Bank Interest</b>					
Keystone Property	1	-	-	1	304
Keystone Resources	125	-	-	125	99
	<u>126</u>	<u>-</u>	<u>-</u>	<u>126</u>	<u>403</u>
<b>Gifts and Donations</b>					
Keystone Communities	-	30	-	30	2,464
Keystone Enterprise	-	22	-	22	74
	<u>-</u>	<u>52</u>	<u>-</u>	<u>52</u>	<u>2,538</u>

A further breakdown of incoming resources between restricted income, restricted capital and unrestricted funds is given in notes 16, 17 and 18.

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2012**

**Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)**

**3a Total resources expended**

	Staff Costs	Depreciation	Support Costs (note 3b)	Grants (note 6)	Other direct costs	Total 2012	Total 2011
	£	£	£	£	£	£	£
<b>Unrestricted funds</b>							
Charitable activities							
Children and Youth	-	-	-	-	-	-	(15)
Keystone	-	-	-	-	6	6	(39)
Communities							
Keystone Enterprise	31,342	-	3,195	-	17,633	52,170	142,039
Keystone Property	50,309	-	56,606	-	209,818	316,733	306,975
Keystone Resources	38,052	-	(4,867)	-	11,084	44,269	47,316
Governance	-	-	6,181	-	10,114	16,295	18,466
Costs of generating funds							
Keystone Enterprise	63,718	-	14,471	-	67,160	145,349	-
Keystone Resources	-	-	20,971	-	3,408	24,379	8,895
	<u>183,421</u>	<u>-</u>	<u>96,557</u>	<u>-</u>	<u>319,223</u>	<u>599,201</u>	<u>523,637</u>
<b>Restricted Revenue funds</b>							
Charitable activities							
Children and Youth	19,813	-	7,959	-	19,923	47,695	146
Keystone	92,424	-	33,616	4,100	48,834	178,974	249,407
Communities							
Big Lottery Fund – Basis	-	-	-	-	-	-	37,223
Keystone Enterprise	-	-	-	-	22	22	73,693
Keystone Resources	-	-	28,956	-	1,938	30,894	5,268
	<u>112,237</u>	<u>-</u>	<u>70,531</u>	<u>4,100</u>	<u>70,717</u>	<u>257,585</u>	<u>365,737</u>
<b>Restricted Capital funds</b>							
Charitable activities							
Children and Youth	-	161	-	-	-	161	161
Keystone	-	-	-	-	-	-	-
Communities							
Keystone People	-	-	-	-	-	-	1,848
Keystone Enterprise	-	5,563	-	-	-	5,563	23,739
Keystone Property	-	116,551	-	-	-	116,551	136,335
Keystone Resources	-	-	-	-	-	-	-
	<u>-</u>	<u>122,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,275</u>	<u>162,083</u>
<b>Total 2012</b>	<b>295,658</b>	<b>122,275</b>	<b>167,088</b>	<b>4,100</b>	<b>389,940</b>	<b>979,061</b>	
<b>Total 2011</b>	<b>309,044</b>	<b>160,933</b>	<b>175,822</b>	<b>5,780</b>	<b>399,878</b>	<b>1,051,457</b>	

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2012**

Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)

**3b Analysis of Support costs**

	Staff costs	Premises costs	Communications	Postage, stationery etc	Office costs	Finance and prof. fees	Total
	£	£	£	£	£	£	£
Children and Youth	6,642	458	46	82	181	550	7,959
Keystone Communities	30,272	996	115	224	387	1,622	33,616
Keystone People	-	-	-	-	-	-	-
Keystone Enterprise	12,486	1,526	187	261	577	2,627	17,664
Keystone Property	47,223	2,768	342	470	1,053	4,751	56,607
Keystone Resources	39,256	1,730	210	295	652	2,918	45,061
Governance	5,822	106	13	18	40	182	6,181
<b>Total 2012</b>	<b>141,701</b>	<b>7,584</b>	<b>913</b>	<b>1,350</b>	<b>2,890</b>	<b>12,650</b>	<b>167,088</b>
Total 2011	148,556	7,614	1,174	1,303	3,239	13,936	175,822

**Analysis of Governance costs**

	2012	2011
	£	£
Audit fees	9,001	9,013
Staff costs	5,822	7,966
Apportionment of support costs (excluding staff time)	359	350
Room Hire	1,113	1,137
<b>Total Governance costs</b>	<b>16,295</b>	<b>18,466</b>

**4 Staff costs**

	2012	2011
	£	£
Wages and salaries	397,832	418,421
Social security costs	28,740	32,229
Pension costs	10,787	6,950
	<b>437,359</b>	<b>457,600</b>

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

	2012	2011
	Number	Number
Charitable activities	22	23

No 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 2012**

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Notes forming part of the financial statements for the year ended 31 March 2012 (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 £10,787 (2011 - £6,950) represents contributions payable by the charitable company to the fund for the year. At the year end contributions totalling £3,388 (2011 - £311) were payable to the fund and are included in creditors.

**6 Grants payable**

	Revenue £	Capital £	Total £
Keystone Community Grants	4,100	-	4,100

**7 Net incoming/(outgoing) resources before transfers**

	2012 £	2011 £
Net incoming/(outgoing) resources are stated after charging/ (crediting):		
Depreciation	122,275	160,933
Profit on sale of assets	(4,550)	(2,950)
Provision for bad debts	19,419	7,293
Auditors remuneration - audit services	8,950	8,950
- other services	1,051	2,438

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

**8 Interest payable**

	2012 £	2011 £
On bank loans and overdrafts	691	1,147

**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2012**

Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)

**9 Tangible fixed assets**

	Freehold land and buildings £	Machinery and office equipment £	Computer hardware and software £	Vehicles £	Total £
<b>Cost</b>					
At 1 April 2011	5,826,604	343,110	67,712	64,025	6,301,451
Additions	-	2,681	2,108	-	4,789
Disposals	-	(8,391)	(15,652)	(17,678)	(41,721)
<b>At 31 March 2012</b>	<b>5,826,604</b>	<b>337,400</b>	<b>54,168</b>	<b>46,347</b>	<b>6,264,519</b>
<b>Depreciation</b>					
At 1 April 2011	637,062	332,789	67,712	64,025	1,101,588
Charge for the year	113,593	8,682	-	-	122,275
Relating to disposals	-	(8,391)	(15,652)	(17,678)	(41,721)
<b>At 31 March 2012</b>	<b>750,655</b>	<b>333,080</b>	<b>52,060</b>	<b>46,347</b>	<b>1,182,142</b>
<b>Net book value</b>					
At 31 March 2012	5,075,949	4,320	2,108	-	5,082,377
At 31 March 2011	5,189,542	10,321	-	-	5,199,863

Included within freehold land and buildings is £147,108 (2011 - £147,108) relating to freehold land which has not been depreciated.

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

£4,902,114 (2011 - £4,973,335) of the net book value of the freehold property is rented out to 3<sup>rd</sup> parties, these properties are also owner occupied and the element of each property that meets the definition of an investment property has not been separately presented. The Trustees believe that any partial apportionment would not present a true and fair view

**KEYSTONE DEVELOPMENT TRUST**

Trustees Report and Financial Statements for the year ended 31 March 2012

Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)

**9 Tangible fixed assets**

	Freehold land and buildings £	Machinery and office equipment £	Computer hardware and software £	Vehicles £	Total £
<b>Cost</b>					
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**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2012**

**Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)**

**10 Investments**

Investments in subsidiary undertakings

	2012	2011
	£	£
Net book value at 1 April 2011	2	12
Disposals	-	(10)
Net book value at 31 March 2012	<u>2</u>	<u>2</u>

The above investment comprises the following:-

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

Programme related investments:

	2012	2011
	£	£
Net book value at 31 March 2012 and 2011	<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 Stock**

	2012	2011
	£	£
Consumables	<u>7,039</u>	<u>4,677</u>

**12 Debtors**

	2012	2011
	£	£
Trade debtors	93,008	116,828
Prepayments	23,953	21,532
Accrued income	31,772	12,463
	<u>148,733</u>	<u>150,823</u>



**KEYSTONE DEVELOPMENT TRUST**  
**Trustees Report and Financial Statements for the year ended 31 March 2012**

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Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)

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

	2012 £	2011 £
Loan (note 15)	19,559	20,573
Trade creditors	52,688	66,864
Other creditors	41,358	6,650
Other tax and social security	5,992	12,819
Accruals	27,394	22,639
Deferred income (note 14)	60,825	100,805
	<u>207,816</u>	<u>230,350</u>

**14 Deferred income**

	2012 £	2011 £
Balance at 1 April 2011	100,805	68,497
Amount released to incoming resources	(65,222)	(54,151)
Amount deferred in year	25,242	86,459
	<u>60,825</u>	<u>100,805</u>

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

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Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)

**15 Creditors: amount falling due after more than one year**

	2012 £	2011 £
Loan:		
Due 1 – 2 years	-	19,560
Due 2 – 5 years	-	-
	<u>          </u>	<u>          </u>
	-	19,560
	<u>          </u>	<u>          </u>

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.

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**Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)**

**16 Unrestricted funds**

	Balance at 1 April 2011	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2012
	£	£	£	£	£
Children and Youth Keystone Communities	1,741	210	(6)	-	1,945
Keystone Enterprise Keystone Property	3,602	181,579	(197,519)	(199)*	(12,537)
General	92,976	295,875	(316,733)	(46,684)*	25,434
Designated	62,786	-	-	40,008	102,794
Keystone Resources:- General	18,143	13,208	(60,035)	27,843	(841)
Designated	60,814	-	(24,908)	(7,604)*	28,302
	<u>240,062</u>	<u>490,872</u>	<u>(599,201)</u>	<u>13,364</u>	<u>145,097</u>

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

**17 Restricted income funds**

	Balance at 1 April 2011	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2012
	£	£	£	£	£
Children and Youth Keystone Communities	-	60,950	(47,695)	(575)	12,680
Big Lottery Fund-Basis Keystone Enterprise Keystone Resources	31,649	221,492	(178,974)	10,724*	84,891
	-	22	(22)	-	-
	50,001	25,000	(30,894)	(21,071)**	23,036
	<u>81,650</u>	<u>307,464</u>	<u>(257,585)</u>	<u>(10,922)</u>	<u>120,607</u>

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

**18 Restricted capital funds**

	Balance at 1 April 2011	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2012
	£	£	£	£	£
Children and Youth Keystone Communities	7,221	-	(161)	575	7,635
Keystone Enterprise Keystone Property Keystone Resources	-	-	-	575	575
	3,801	4,550	(5,563)	(1,655)	1,133
	5,036,107	-	(116,551)	(2,895)	4,916,661
	-	-	-	958	958
	<u>5,047,129</u>	<u>4,550</u>	<u>(122,275)</u>	<u>(2,442)</u>	<u>4,925,962</u>

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

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Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)

**19 Analysis of net assets between funds**

	Tangible Fixed Assets and Investments £	Net Current Assets £	Creditors due over one year £	Total £
<b>Unrestricted funds</b>				
Keystone Communities	-	1,945	-	1,945
Keystone Enterprise	-	(12,537)	-	(12,537)
Keystone Property				
General	155,415	(129,981)	-	25,434
Designated	-	102,794	-	102,794
Keystone Resources:-				
General	252	(1,093)	-	(841)
Designated	-	28,302	-	28,302
	<u>155,667</u>	<u>(10,570)</u>	-	<u>145,097</u>
<b>Restricted income funds</b>				
Children and Youth	-	12,680	-	12,680
Keystone Communities	-	84,891	-	84,891
Keystone Resources	-	23,036	-	23,036
		<u>120,607</u>	-	<u>120,607</u>
<b>Restricted capital funds</b>				
Children and Youth	7,635	-	-	7,635
Keystone Communities	575	-	-	575
Keystone Enterprise	1,133	-	-	1,133
Keystone Property	4,916,661	-	-	4,916,661
Keystone Resources – General	958	-	-	958
	<u>4,926,962</u>	-	-	<u>4,926,962</u>
<b>Total funds 2012</b>	<u>5,082,629</u>	<u>110,037</u>	-	<u>5,192,666</u>
<b>Total funds 2011</b>	<u>5,200,115</u>	<u>188,286</u>	<u>(19,560)</u>	<u>5,368,841</u>

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Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)

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

**Children and Youth**

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

**Keystone Communities**

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

**Big Lottery Fund – Basis**

A project (KAVO) funded by the Big Lottery that helps co-ordinate local voluntary organisations in helping them grow and deliver their services in the local area.

**Keystone People**

To support individuals by building their capacity and capabilities, currently there are no live projects.

**Keystone Enterprise**

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

**Keystone Property**

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

**Keystone Resources**

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

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

**Transfers Between Reserves**

During the year transfers have been made between funds as set out in notes 16-18. They relate to transferring internal rent and charges between projects, allocating funding to certain projects in the coming year and reclassifying assets to the fund in which they are used.

**KEYSTONE DEVELOPMENT TRUST**  
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**Notes forming part of the financial statements for the year ended 31 March 2012 (cont.)**

**20 Related party transactions**

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

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

	£	Amounts outstanding at the year end £
Purchases from Ante Limited - (Professional services)	2,206	226

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

	2012 £	2011 £
(Decrease) / Increase in cash in the year	(101,055)	261,732
Repayment of loans	20,574	20,117
Movement in net (debt) / funds in the year	(80,481)	281,849
Net funds / (debt) at start of year	223,003	(58,846)
<b>Net funds at end of year</b>	<b>142,522</b>	<b>223,003</b>

**22 Analysis of net funds/(debt)**

	At start of year £	Cashflow £	At end of year £
Cash in hand, at Bank	263,136	(101,055)	162,081
Debt due within one year	(20,573)	1,014	(19,559)
Debt due after one year	(19,560)	19,560	-
<b>Total</b>	<b>223,003</b>	<b>(80,481)</b>	<b>142,522</b>