



Keystone Development Trust

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

Annual Report and Financial Statements

**Year Ended
31 March 2011**



Company number: 4346470

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

Contents

Page

2	Trustees and Advisors
3 -14	Trustees' Report
15 - 16	Report of the Independent Auditors
17	Statement of financial activities
18	Balance sheet
19	Cash flow statement
20 - 35	Notes forming part of the financial statements

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2011

Trustees and Advisors

Trustees

Sylvia Armes (Vice Chair)
Pat Brown
Brenda Canham
Ivan Johnson (resigned 23 November 2010)
Robert King
Charlie Moss
Pat Pearson (Chair)
Clive Wadham-Smith
Stuart Wright
Sheila Childerhouse (Appointed 23 November 2010)

Chief Executive

Neil Stott

Secretary

Alan Flack

Registered office

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

Registered Charity number

1093162

Company number

4346470

Auditors

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

Bankers

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

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

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 2011. 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.

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

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

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

- 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

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2011

During 2010 – 11 our main projects and programmes have been

- **Green Ventures**

During the financial year the Trust took the decision to close the furniture project. A mixture of increased competition in the town and a big decrease in sales led to this decision.

The **Green Ventures Bike** project continued with funding from Thetford Healthy Town, during the year the project collected 1,790 bikes from donations and household waste recycling centres in Suffolk and sold 600 bikes to the public along with a number of bikes given away through a voucher scheme. Funding for this project came to an end at 31 March 2011, the project continues with income it generates from the sale of bikes.

- **Keystone Community Finance**, the original pilot was financed by The Esmeé Fairbairn Foundation and Peddars Way Housing Association. Although funding came to an end, the project continues through a collection point provided by Keystone staff at 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, during 2010/2011 META achieved the following

META Thetford

- 1,077 individuals supported with 12,753 issues
- 729 clients enabled to apply for a National Insurance number
- 180 individuals assisted to register with a GP
- Supported the Matthew Project to deliver their service to migrant clients
- Supported UK Census to access the migrant communities
- Operated a collection point for the Rainbow Saver Anglia Credit Union

META Cambridge (1 April 2010 – 28 February 2011)

- 115 individuals supported with 202 issues over 45 outreach sessions

META Stop Smoking

- 112 clients registered with the service
- 44 clients supported to achieve a 4-week quit

META ESOL

- 46 learners registered for Entry 1 & 2 evening classes in Brandon and 94% of learners recording increased skills over their period of study

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

- **Keystone Area Voluntary Organisation**, funded by the Big Lottery, provides information, support, networking and training to enable the local voluntary and community sector to become more active, skilled and more sustainable and can in turn support regeneration projects. In 2010/2011 KAVO achieved the following

Increasing Access to Support Services

- Launch of the Brandon Voluntary Forum
- 51 New members recruited from Brandon and the rural areas
- Creation of the Voluntary Sector Support Services Information Booklet
- 80 members report a better understanding of support services available

Supporting Service Delivery

- 23 KAVO members report delivering more services as a result of KAVO
- Organising the Thetford Charity Fun Day and Food and Drink Festival as the Grand Finale to the Thetford Festival 2010, enabling 17 organisations to fundraise and promote their organisation

Supporting Income Generation

- 30 KAVO members receiving support with funding advice and applications
- 22 KAVO members reporting improved income generation
- Coordinating the Thetford Participatory Budget Scheme on behalf of Breckland District Council, with 5 local community groups being awarded a total of £5,000

Supporting Publicity and Marketing

- 48 KAVO members report delivering achieving better publicity and awareness of their work as a result of KAVO support
- 14 KAVO articles featuring local groups printed in local media
- 9 local voluntary and community groups supported to develop a web presence

Providing Training Opportunities

- 33 KAVO members report an increase in skills and knowledge for their staff as a result of KAVO training
- Managing Change Conference hosted for over 60 delegates



Supported by

The National Lottery®
through the Big Lottery Fund

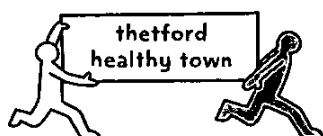


- The **Shadwell food box** scheme continued to deliver weekly boxes of food to families in the town

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

- **Thetford Healthy Town**, funding to deliver 5 projects as part of the Thetford Healthy Town project was received including,, Green Bikes, META Health, Joy of Food (a programme running healthy cooking sessions to the public), research and a publication into the migrant health needs of the town, META Smoking Cessation (aimed at the migrant community)



- **Cambridge META**, an expansion of the service offered in Thetford providing information and guidance in Cambridge funded through MENTER
- **The Place Makers** has been an exciting and innovative project led by Keystone with the invaluable support from EEDA and many local authority officers and community activists across the region. The Place Makers has been a right time, right place project as many local authorities are turning to new solutions to deliver community infrastructure and services. The Place Makers provided support and expertise to local authorities and community groups considering asset transfers. It was funded by **The Communitybuilders Fund** and the **Asset Transfer Unit**. During the financial year the Trust received £47,325 from the Communitybuilders Fund and £25,000 from the Asset Transfer Unit. These amounts are included in restricted revenue within Keystone Communities.

The Place Makers has given direct assistance to numerous organizations struggling with the implications of rapid change, public austerity and the need to deliver services in new ways – as well as earn income to ensure services continue to be delivered in communities. The project has given valued strategic advice and support to major local authorities going through immense change. Its success builds on the accumulation of shared learning in the third sector as well as the experience of entrepreneurial third sector organizations such as Keystone.

The Place Makers received significant in kind resources from EEDA through the secondment of 2 staff, one for a few months and one for the duration of the pilot. This additional support allowed the delivery team to offer support over and above the original brief. A total of 13 rapid assessments were undertaken.

- During the year £24,000 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. Research was also carried out into worklessness and a report published highlighting the key issues.

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

- 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 97% occupied. During the year over 583 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 99%.

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.

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.

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

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. The Credit Union has over 150 members and enables those that may not be able to obtain a bank account the ability to save regular amounts and obtain loan finance
- 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 meet their mission
- Accessible and affordable community facilities
- Community grants scheme to support local voluntary organizations
- 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 furniture recycling project 'Green Ventures' had diverted over 230 tonnes of furniture and white goods from Landfill since January 2006
- The new 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

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2011

Factors which affect the delivery of our objectives include

Ability to secure external funding

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

Success of Trust social enterprises

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

Reputation with the local community

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

Relationship with strategic partners

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

Relationship with delivery partners

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

Financial Review

Total income for the year amounted to £998,213. Expenses in relation to governance costs were £18,466 and the total costs in furtherance of the charity's objects amounted to £1,032,991. Unrestricted funds carried forward at the end of the year amounted to a surplus of £240,062 of which £123,600 has been designated to future expenditure as detailed in page 13 of the trustees report and restricted funds amounted to £5,128,779.

The main sources of grant income during the year were from the Thetford Healthy Town Project funded by NHS Norfolk and Breckland Council, DCLG, The Big Lottery, HACT and Community Builders. This funding enabled the organisation to undertake specific project work in order to deliver the objectives.

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2011**

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 27.

The Trust has many volunteers that help in the running of the projects and the charity. During the year 1,848 (2010 - 2,020) hours were given by volunteers to the Trust with an estimated value of £12,671 (2010 - £13,236). 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 2011/12 budget and accompanying cash flow forecast. 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 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 increased during the year by £19,292 to a surplus of £116,462. The current level of reserves are slightly 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.

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

Plans for Future Periods

The financial year 2011/12 will be another significant one for the Trust. The Trust has moved from 90% funded to being 80% reliant on generating its own income through properties 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, £5,000 was granted to local organisations.

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

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 directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

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

In preparing those financial statements, the trustees are required to

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

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

So far as each of the Trustees is aware

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

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

Auditors

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

This report was approved by the Trustees on 22-11-11



Pat Pearson
Chair



Sylvia Armes
Vice Chair

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

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 2011 on pages 17 to 35

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 auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

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

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 the 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

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

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 of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Trustees' Annual Report is consistent with the financial statements

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

20 December 2011

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2011

Statement of financial activities (including income and expenditure account) for the year ended 31 March 2011

	Note	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2011 £	Total 2010 £
Incoming resources						
Incoming resources from charitable activities	2a	536,463	443,859	-	980,322	810,364
Incoming resources from generated funds						
Activities for generating funds		12,000	-	-	12,000	19,980
Investment income		403	-	-	403	31
Voluntary income	2b	-	2,538	-	2,538	1,021
Other Incoming Resources	7	-	-	2,950	2,950	18,581
Total incoming resources		548,866	446,397	2,950	998,213	849,977
Resources expended						
Charitable activities						
Children and Youth		(15)	146	161	292	48,584
Keystone Communities		(39)	249,407	-	249,368	150,051
Big Lottery Fund - Basis		-	37,223	-	37,223	36,009
Keystone People		-	-	1,848	1,848	1,920
Keystone Enterprise		142,039	73,693	23,739	239,471	182,930
Keystone Property		306,975	-	136,335	443,310	504,856
Keystone Resources		47,316	5,268	-	52,584	25,150
Costs for activities for generating funds		8,895	-	-	8,895	12,863
Governance costs	3b	18,466	-	-	18,466	19,526
Total resources expended	3a	523,637	365,737	162,083	1,051,457	981,889
Net incoming/(outgoing) resources before transfers	7	25,229	80,660	(159,133)	(53,244)	(131,912)
Transfers between funds		7,098	(5,300)	(1,798)	-	-
Fund balances at 31 March 2010		207,735	6,290	5,208,060	5,422,085	5,553,997
Fund balances at 31 March 2011		240,062	81,650	5,047,129	5,368,841	5,422,085

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 35 form part of these financial statements.

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2011****Balance sheet as at 31 March 2011****Company Registration No 4346470**

		2011		2010	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9	5,199,863		5,358,058	
Investments					
Investments	10	2		12	
Programme related investment	10	250		250	
			5,200,115		5,358,320
Current assets					
Stock	11	4,677		-	
Debtors	12	150,823		320,855	
Cash at bank and in hand		263,136		9,459	
		418,636		330,314	
Creditors: amounts falling due Within one year	13	(230,350)		(226,415)	
Net current assets / (liabilities)			188,286		103,899
Total assets less current liabilities			5,388,401		5,462,219
Creditors: Amounts falling due after more than one year	15		(19,560)		(40,134)
Net assets			5,368,841		5,422,085
Funds					
Unrestricted funds					
- General	16	116,462		97,170	
- Designated	16	123,600		110,565	
Restricted funds					
- Income	17	81,650		6,290	
- Capital	18	5,047,129		5,208,060	
		5,368,841		5,422,085	

The financial statements were approved by the Trustees and authorised for issue on 22-11-11



Pat Pearson
Chair



Sylvia Armes
Vice Chair

The notes on pages 20 to 35 form part of these financial statements

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2011

Cash flow statement for the year ended 31 March 2011

	Note	2011 £	2010 £
Reconciliation of net movement in funds to net cash inflow from operating activities			
Net movement in funds		(53,244)	(131,912)
Net interest payable		744	1,577
Depreciation		160,933	178,722
Profit on disposal of assets		(2,950)	(18,581)
Write off on Investment		10	-
Decrease / (Increase) in debtors		170,032	(138,619)
Increase in Stock		(4,677)	-
Increase / (Decrease) in creditors		11,533	(196,959)
Net cash in / (out) flow from operating Activities		282,381	(305,772)
Returns on investments and servicing of finance			
Interest received		403	31
Interest paid		(1,147)	(1,608)
		(744)	(1,577)
Capital expenditure			
Payments to acquire tangible fixed assets and Investments		(2,738)	-
Proceeds from sale of tangible assets		2,950	155,000
		212	155,000
Financing			
Loan repaid		(20,117)	(19,670)
Increase / (Decrease) in cash in the year	21	261,732	(172,019)
Cash at bank and in hand at 1 April 2010	22	1,404	173,423
Cash at bank and in hand at 31 March 2011	22	263,136	1,404

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

Notes forming part of the financial statements for the year ended 31 March 2011

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 2011

Notes forming part of the financial statements for the year ended 31 March 2011 (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 2011

Notes forming part of the financial statements for the year ended 31 March 2011 (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 2010 £	Incoming Resources £	Resources expended £	Transfers £	Balance at 31 March 2011 £
Children and Youth	9,405	(1,368)	(292)	(523)	7,222
Keystone Communities	6,662	275,631	(249,368)	466	33,391
Big Lottery Fund –Basis	-	37,167	(37,223)	56	-
Keystone People	697	2,950	(1,848)	(1,799)	-
Keystone Enterprise	(13,632)	252,529	(239,471)	7,975	7,401
Keystone Property	5,297,320	344,615	(443,310)	(6,756)	5,191,869
Keystone Resources	121,633	86,689	(79,945)	581	128,958
	<u>5,422,085</u>	<u>998,213</u>	<u>(1,051,457)</u>	<u>-</u>	<u>5,368,841</u>

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

Keystone Enterprise	(£54,138)
Keystone Resources	(£1,071)
Keystone Property	£55,209

KEYSTONE DEVELOPMENT TRUST
Trustees Report and Financial Statements for the year ended 31 March 2011

Notes forming part of the financial statements for the year ended 31 March 2011 (cont.)

2a Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2011 £	Total 2010 £
Incoming resources from					
Charitable activities:					
Grants					
Children and Youth	-	(1,368)	-	(1,368)	29,973
Keystone Communities	-	272,938	-	272,938	105,512
Big Lottery Fund - Basis	-	37,167	-	37,167	36,009
Keystone People	-	-	-	-	-
Keystone Enterprise	-	79,853	-	79,853	57,843
Keystone Property	-	-	-	-	-
Keystone Resources	-	55,269	-	55,269	-
	-	443,859	-	443,859	229,337
Other income					
Children and Youth	-	-	-	-	-
Keystone Communities	229	-	-	229	39,974
Big Lottery Fund - Basis	-	-	-	-	-
Keystone People	-	-	-	-	-
Keystone Enterprise	172,602	-	-	172,602	183,167
Keystone Property	344,311	-	-	344,311	343,819
Keystone Resources	19,321	-	-	19,321	14,067
	536,463	-	-	536,463	581,027
Total					
Children and Youth	-	(1,368)	-	(1,368)	29,973
Keystone Communities	229	272,938	-	273,167	145,486
Big Lottery Fund - Basis	-	37,167	-	37,167	36,009
Keystone People	-	-	-	-	-
Keystone Enterprise	172,602	79,853	-	252,455	241,010
Keystone Property	344,311	-	-	344,311	343,819
Keystone Resources	19,321	55,269	-	74,590	14,067
	536,463	443,859	-	980,322	810,364

Included within incoming resources from charitable activities is rental income received under operating leases of £211,477 (2010 £218,997)

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2011**

Notes forming part of the financial statements for the year ended 31 March 2011 (cont.)**2b Incoming resources from generated funds**

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2011 £	Total 2010 £
Activities for generating funds					
Keystone Resources	12,000	-	-	12,000	19,980
	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>19,980</u>
Investment Income – Bank Interest					
Children and Youth	-	-	-	-	-
Keystone Property	304	-	-	304	-
Keystone Resources	99	-	-	99	31
	<u>403</u>	<u>-</u>	<u>-</u>	<u>403</u>	<u>31</u>
Gifts and Donations					
Children and Youth	-	-	-	-	1,000
Keystone Communities	-	2,464	-	2,464	-
Keystone Enterprise	-	74	-	74	21
Keystone Resources	-	-	-	-	-
	<u>-</u>	<u>2,538</u>	<u>-</u>	<u>2,538</u>	<u>1,021</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 2011

Notes forming part of the financial statements for the year ended 31 March 2011 (cont)

3a Total resources expended

	Staff Costs	Depreciation	Support Costs (note 3b)	Grants (note 6)	Other direct costs	Total 2011	Total 2010
	£	£	£	£	£	£	£
Unrestricted funds							
Charitable activities							
Children and Youth	(15)	-	-	-	-	(15)	128
Keystone Communities	-	-	-	-	(39)	(39)	41,951
Keystone Enterprise	68,796	-	14,105	-	59,138	142,039	137,017
Keystone Property	42,501	-	82,706	-	181,768	306,975	336,223
Keystone Resources	16,942	-	8,816	5,000	16,558	47,316	24,946
Governance	-	-	8,316	-	10,150	18,466	19,675
Costs of generating funds (Keystone Resources)	-	-	8,670	-	225	8,895	12,863
	<u>128,224</u>	<u>-</u>	<u>122,613</u>	<u>5,000</u>	<u>267,800</u>	<u>523,637</u>	<u>572,803</u>
Restricted Revenue funds							
Charitable activities							
Children and Youth	135	-	-	-	11	146	42,027
Keystone Communities	110,449	-	37,987	780	100,191	249,407	107,616
Big Lottery Fund - Basis	21,860	-	4,217	-	11,146	37,223	36,009
Keystone Enterprise	47,309	-	9,855	-	16,529	73,693	44,712
Keystone Resources	1,067	-	-	-	4,201	5,268	-
	<u>180,820</u>	<u>-</u>	<u>52,059</u>	<u>780</u>	<u>132,078</u>	<u>365,737</u>	<u>230,364</u>
Restricted Capital funds							
Charitable activities							
Children and Youth	-	161	-	-	-	161	6,429
Keystone Communities	-	-	-	-	-	-	484
Keystone People	-	698	1,150	-	-	1,848	1,920
Keystone Enterprise	-	23,739	-	-	-	23,739	1,201
Keystone Property	-	136,335	-	-	-	136,335	168,633
Keystone Resources	-	-	-	-	-	-	55
	<u>-</u>	<u>160,933</u>	<u>1,150</u>	<u>-</u>	<u>-</u>	<u>162,083</u>	<u>178,722</u>
Total 2011	309,044	160,933	175,822	5,780	399,878	1,051,457	
Total 2010	285,828	178,722	191,471	3,317	322,551	981,889	

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

Notes forming part of the financial statements for the year ended 31 March 2011 (cont)

3b Analysis of Support costs

	Staff costs	Premises costs	Communications	Postage, stationery etc	Office costs	Finance and prof fees	Total
	£	£	£	£	£	£	£
Keystone Communities	35,123	826	129	145	337	1,427	37,987
Big Lottery Fund - Basis	2,591	453	70	76	191	836	4,217
Keystone People	1,150	-	-	-	-	-	1,150
Keystone Enterprise	18,117	1,624	250	282	698	2,989	23,960
Keystone Property	74,577	2,264	348	382	954	4,181	82,706
Keystone Resources	9,032	2,349	362	402	1,018	4,323	17,486
Governance	7,966	98	15	16	41	180	8,316
Total 2011	148,556	7,614	1,174	1,303	3,239	13,936	175,822
Total 2010	163,800	7,788	1,279	809	3,452	14,343	191,471

Analysis of Governance costs

	2011 £	2010 £
Audit fees	9,013	9,503
Staff costs	7,966	9,653
Apportionment of support costs (excluding staff time)	350	370
Room Hire	1,137	-
Total Governance costs	18,466	19,526

4 Staff costs

	2011 £	2010 £
Wages and salaries	418,421	413,530
Social security costs	32,229	29,436
Pension costs	6,950	6,662
	457,600	449,628

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

	2011 Number	2010 Number
Charitable activities	23	21

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 2011****Notes forming part of the financial statements for the year ended 31 March 2011 (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 £6,950 (2010 - £6,662) represents contributions payable by the charitable company to the fund for the year. At the year end contributions totalling £311 (2010 - £747) were payable to the fund and are included in creditors.

6 Grants payable

	Revenue £	Capital £	Total £
Keystone Community Grants	5,000	-	5,000
Fasttrak Furniture Grants	780	-	780
Total	5,780	-	5,780

7 Net incoming/(outgoing) resources before transfers

	2011 £	2010 £
Net incoming/(outgoing) resources are stated after charging/ (crediting)		
Depreciation	160,933	178,722
Profit on sale of assets	(2,950)	(18,581)
Provision for bad debts	7,293	8,980
Auditors remuneration - audit services	9,013	9,503
- other services	2,375	1,370

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

	2011 £	2010 £
On bank loans and overdrafts	1,147	1,608

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2011****Notes forming part of the financial statements for the year ended 31 March 2011 (cont.)****9 Tangible fixed assets**

	Freehold land and buildings £	Machinery and office equipment £	Computer hardware and software £	Vehicles £	Total £
Cost					
At 1 April 2010	5,826,604	346,012	67,712	64,025	6,304,353
Additions	-	2,738	-	-	2,738
Disposals	-	(5,640)	-	-	(5,640)
At 31 March 2011	5,826,604	343,110	67,712	64,025	6,301,451
Depreciation					
At 1 April 2010	523,470	292,577	67,712	62,536	946,295
Charge for the year	113,592	45,852	-	1,489	160,933
Relating to disposals	-	(5,640)	-	-	(5,640)
At 31 March 2011	637,062	332,789	67,712	64,025	1,101,588
Net book value					
At 31 March 2011	5,189,542	10,321	-	-	5,199,863
At 31 March 2010	5,303,134	53,435	-	1,489	5,358,058

Included within freehold land and buildings is £147,108 (2010 - £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 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.

£4,973,335 (2010 - £5,082,024) of the net book value of the freehold property is rented out to 3rd 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 2011****Notes forming part of the financial statements for the year ended 31 March 2011 (cont.)****10 Investments**

Investments in subsidiary undertakings

	2011	2010
	£	£
Net book value at 1 April 2010	12	12
Disposals	(10)	-
Net book value at 31 March 2011	<u>2</u>	<u>12</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

	2011	2010
	£	£
Net book value at 31 March 2011 and 2010	<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

	2011	2010
	£	£
Consumables	<u>4,677</u>	<u>-</u>

12 Debtors

	2011	2010
	£	£
Trade debtors	116,828	112,101
Prepayments	21,532	20,423
Accrued income	12,463	188,331
	<u>150,823</u>	<u>320,855</u>

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2011**

Notes forming part of the financial statements for the year ended 31 March 2011 (cont.)

13 Creditors: amounts falling due within one year

	2011 £	2010 £
Loan (note 15)	20,573	20,116
Bank overdraft	-	8,055
Trade creditors	66,864	75,207
Other creditors	6,650	10,190
Other tax and social security	12,819	19,006
Accruals	22,639	25,344
Deferred income (note 14)	100,805	68,497
	<u>230,350</u>	<u>226,415</u>

14 Deferred income

	2011 £	2010 £
Balance at 1 April 2010	68,497	72,048
Amount released to incoming resources	(54,151)	(56,603)
Amount deferred in year	86,459	53,052
	<u>100,805</u>	<u>68,497</u>
Balance at 31 March 2011		

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

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2011**

Notes forming part of the financial statements for the year ended 31 March 2011 (cont.)**15 Creditors: amount falling due after more than one year**

	2011	2010
	£	£
Loan		
Due 1 – 2 years	19,560	20,573
Due 2 – 5 years	-	19,561
	19,560	40,134

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 2011

Notes forming part of the financial statements for the year ended 31 March 2011 (cont.)

16 Unrestricted funds

	Balance at 1 April 2010	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2011
	£	£	£	£	£
Children and Youth	433	-	15	(448)**	-
Keystone Communities	3,962	229	39	(2,489)**	1,741
Keystone Enterprise	(16,921)	172,602	(142,039)	(10,040) *	3,602
Keystone Property					
General	98,628	344,615	(306,975)	(43,292) *	92,976
Designated	-	-	-	62,786	62,786
Keystone Resources -					
General	11,068	31,420	(25,997)	1,652	18,143
Designated	110,565	-	(48,680)	(1,071) *	60,814
	<u>207,735</u>	<u>548,866</u>	<u>(523,637)</u>	<u>7,098</u>	<u>240,062</u>

The Property Designated fund has been created in the year by transferring amounts from the property general fund, this fund relates to building reserves for future repairs to buildings. The Resources designated funds relates to the proceeds from the sale of Crown House which have been allocated for future expenditure. 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 2010	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2011
	£	£	£	£	£
Children and Youth	1,590	(1,368)	(146)	(76)**	-
Keystone Communities	2,700	275,401	(249,407)	2,955**	31,649
Big Lottery Fund-Basis	-	37,167	(37,223)	56	-
Keystone Enterprise	2,000	79,928	(73,693)	(8,235)*	-
Keystone Resources	-	55,269	(5,268)	-	50,001
	<u>6,290</u>	<u>446,397</u>	<u>(365,737)</u>	<u>(5,300)</u>	<u>81,650</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 2010	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2011
	£	£	£	£	£
Children and Youth	7,382	-	(161)	-	7,221
Keystone People	697	2,950	(1,848)	(1,799)	-
Keystone Enterprise	1,289	-	(23,739)	26,251	3,801
Keystone Property	5,198,692	-	(136,335)	(26,250)	5,036,107
	<u>5,208,060</u>	<u>2,950</u>	<u>(162,083)</u>	<u>(1,798)</u>	<u>5,047,129</u>

Transfers relate to the reclassifying of assets to the fund in which they are used on a day to day basis. £1,799 relates to transferring the surplus to match internal costs incurred.

KEYSTONE DEVELOPMENT TRUST**Trustees Report and Financial Statements for the year ended 31 March 2011**

Notes forming part of the financial statements for the year ended 31 March 2011 (cont.)

19 Analysis of net assets between funds

	Tangible Fixed Assets and Investments £	Net Current Assets £	Creditors due over one year £	Total £
Unrestricted funds				
Keystone Communities	-	1,741	-	1,741
Keystone Enterprise	-	3,602	-	3,602
Keystone Property				
General	152,734	(40,198)	(19,560)	92,976
Designated	-	62,786	-	62,786
Keystone Resources -				
General	252	17,891	-	18,143
Designated	-	60,814	-	60,814
	<u>152,986</u>	<u>106,636</u>	<u>(19,560)</u>	<u>240,062</u>
Restricted income funds				
Keystone Communities	-	31,649	-	31,649
Keystone Resources	-	50,001	-	50,001
	<u>-</u>	<u>81,650</u>	<u>-</u>	<u>81,650</u>
Restricted capital funds				
Children and Youth	7,221	-	-	7,221
Keystone Enterprise	3,801	-	-	3,801
Keystone Property	5,036,107	-	-	5,036,107
	<u>5,047,129</u>	<u>-</u>	<u>-</u>	<u>5,047,129</u>
Total funds 2011	<u>5,200,115</u>	<u>188,286</u>	<u>(19,560)</u>	<u>5,368,841</u>
Total funds 2010	<u>5,358,320</u>	<u>103,899</u>	<u>(40,134)</u>	<u>5,422,085</u>

KEYSTONE DEVELOPMENT TRUST

Trustees Report and Financial Statements for the year ended 31 March 2011

Notes forming part of the financial statements for the year ended 31 March 2011 (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 the Kollektiv and Imagine and delivering sessions to the children and youth that includes the Big Sitting Room

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**Trustees Report and Financial Statements for the year ended 31 March 2011****Notes forming part of the financial statements for the year ended 31 March 2011 (cont)****20 Related party transactions**

Pat Pearson (Chairman) was also a director and shareholder of Pearsons (Thetford) Limited, a waste management company
 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 Pearsons (Thetford) Limited - (Skip hire)	3,004	-
Purchases from Ante Limited - (Professional services)	1,800	-

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

	2011 £	2010 £
Increase / (Decrease) in cash in the year	261,732	(172,019)
Repayment of loans	20,117	19,670
Movement in net funds / (debt) funds in the year	281,849	(152,349)
Net (debt) / funds at start of year	(58,846)	93,503
Net funds / (debt) at end of year	223,003	(58,846)

22 Analysis of net funds/(debt)

	At start of year £	Cashflow £	At end of year £
Cash in hand, at Bank	9,459	253,677	263,136
Bank Overdraft	(8,055)	8,055	-
	1,404	261,732	263,136
Debt due within one year	(20,116)	(457)	(20,573)
Debt due after one year	(40,134)	20,574	(19,560)
Total	(58,846)	281,849	223,003