



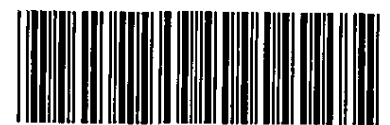
Keystone Development Trust

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

Annual Report and Financial Statements

**Year Ended
31 March 2012**

Company number 4346470



L10YILNS

L10

31/12/2012

#110

COMPANIES HOUSE

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

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 - 36 | Notes forming part of the financial statements |

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

Trustees and Advisors

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

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

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 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.

KEYSTONE DEVELOPMENT TRUST

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

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 2012

- 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 2012

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

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

META Stop Smoking

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

META ESOL (English for Speakers of Other Languages)

- 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

- **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

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.

KEYSTONE DEVELOPMENT TRUST

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

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 2012

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

KEYSTONE DEVELOPMENT TRUST

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

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.

KEYSTONE DEVELOPMENT TRUST

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

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 redesignating 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.

KEYSTONE DEVELOPMENT TRUST

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

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.

KEYSTONE DEVELOPMENT TRUST

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

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

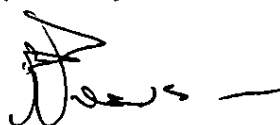
The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the company's web site. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may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

KEYSTONE DEVELOPMENT TRUST

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

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.

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.

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

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 £ |
|---|------|----------------------------|------------------------------------|-------------------------------------|--------------------|--------------------|
| Incoming resources | | | | | | |
| 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 |
| Total incoming resources | | 490,872 | 307,464 | 4,550 | 802,886 | 998,213 |
| Resources expended | | | | | | |
| 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 |
| Total resources expended | 3a | 599,201 | 257,585 | 122,275 | 979,061 | 1,051,457 |
| Net incoming/(outgoing) resources before transfers | 7 | (108,329) | 49,879 | (117,725) | (176,175) | (53,244) |
| 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 |
| Fund balances at 31 March 2012 | | 145,097 | 120,607 | 4,926,962 | 5,192,666 | 5,368,841 |

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.

KEYSTONE DEVELOPMENT TRUST
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 | £ | £ |
| Fixed assets | | | |
| Tangible assets | 9 | 5,082,377 | 5,199,863 |
| Investments | | | |
| Investments | 10 | 2 | 2 |
| Programme related investment | 10 | 250 | 250 |
| | | <u>5,082,629</u> | <u>5,200,115</u> |
| Current assets | | | |
| Stock | 11 | 7,039 | 4,677 |
| Debtors | 12 | 148,733 | 150,823 |
| Cash at bank and in hand | | 162,081 | 263,136 |
| | | <u>317,853</u> | <u>418,636</u> |
| Creditors: amounts falling due Within one year | 13 | (207,816) | (230,350) |
| Net current assets / (liabilities) | | <u>110,037</u> | <u>188,286</u> |
| Total assets less current liabilities | | <u>5,192,666</u> | <u>5,388,401</u> |
| Creditors: Amounts falling due after more than one year | 15 | - | (19,560) |
| Net assets | | <u>5,192,666</u> | <u>5,368,841</u> |
| Funds | | | |
| 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 |
| | | <u>5,192,666</u> | <u>5,368,841</u> |

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 £ |
|--|------|------------------|----------------|
| Reconciliation of net movement in funds to net cash (out) / in flow from operating activities | | | |
| 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 |
| Net cash (out) / in flow from operating activities | | (79,677) | 282,381 |
| Returns on investments and servicing of finance | | | |
| Interest received | | 126 | 403 |
| Interest paid | | (691) | (1,147) |
| | | (565) | (744) |
| Capital expenditure | | | |
| Payments to acquire tangible fixed assets and Investments | | (4,789) | (2,738) |
| Proceeds from sale of tangible assets | | 4,550 | 2,950 |
| | | (239) | 212 |
| Financing | | | |
| Loan repaid | | (20,574) | (20,117) |
| (Decrease) / Increase in cash in the year | 21 | (101,055) | 261,732 |
| Cash at bank and in hand at 1 April 2011 | 22 | 263,136 | 1,404 |
| Cash at bank and in hand at 31 March 2012 | 22 | 162,081 | 263,136 |

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

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

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 £ |
|--|----------------------------|------------------------------------|-------------------------------------|--------------------|--------------------|
| Incoming resources from Charitable activities | | | | | |
| Grants | | | | | |
| 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 |
| | - | 307,412 | - | 307,412 | 443,859 |
| Other income | | | | | |
| 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 |
| | 331,558 | - | - | 331,558 | 536,463 |
| Total | | | | | |
| 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 |
| | 331,558 | 307,412 | - | 638,970 | 980,322 |

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

| Funder | Project | Amount |
|--------------------------------|-----------------------------|------------------------|
| Children and Youth | | |
| 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 |
| | | <u>£60,950</u> |
| Keystone Communities | | |
| 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 |
| | | <u>£221,462</u> |
| Keystone Resources | | |
| Lankelly Foundation | Core Business Support | <u>£25,000</u> |
| Funding Split by Funder | | |
| 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 |
| | | <u>£307,412</u> |

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 £ |
|--|----------------------------|------------------------------------|-------------------------------------|--------------------|--------------------|
| Activities for generating funds | | | | | |
| 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> |
| Investment Income – Bank Interest | | | | | |
| Keystone Property | 1 | - | - | 1 | 304 |
| Keystone Resources | 125 | - | - | 125 | 99 |
| | <u>126</u> | <u>-</u> | <u>-</u> | <u>126</u> | <u>403</u> |
| Gifts and Donations | | | | | |
| 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 |
|---------------------------------|----------------|----------------|-------------------------------|--------------------|-----------------------|------------------|----------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Unrestricted funds | | | | | | | |
| 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> |
| Restricted Revenue funds | | | | | | | |
| 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> |
| Restricted Capital funds | | | | | | | |
| 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> |
| Total 2012 | <u>295,658</u> | <u>122,275</u> | <u>167,088</u> | <u>4,100</u> | <u>389,940</u> | <u>979,061</u> | |
| Total 2011 | <u>309,044</u> | <u>160,933</u> | <u>175,822</u> | <u>5,780</u> | <u>399,878</u> | <u>1,051,457</u> | |

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 |
| Total 2012 | 141,701 | 7,584 | 913 | 1,350 | 2,890 | 12,650 | 167,088 |
| 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 |
| Total Governance costs | 16,295 | 18,466 |

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 |
| Total | 437,359 | 457,600 |

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

| | 2012 Number | 2011 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

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 £ |
|-------------------------|-------------------------------------|---|---|---------------|------------------|
| Cost | | | | | |
| 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) |
| At 31 March 2012 | 5,826,604 | 337,400 | 54,168 | 46,347 | 6,264,519 |
| Depreciation | | | | | |
| 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) |
| At 31 March 2012 | 750,655 | 333,080 | 52,060 | 46,347 | 1,182,142 |
| Net book value | | | | | |
| 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 14th December 2004 by Mernfields 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 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 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**

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

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)

15 Creditors: amount falling due after more than one year

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

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

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

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

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 | 1,741 | 210 | (6) | - | 1,945 |
| Communities | | | | | |
| Keystone Enterprise | 3,602 | 181,579 | (197,519) | (199)* | (12,537) |
| Keystone Property | | | | | |
| 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 | - | 60,950 | (47,695) | (575) | 12,680 |
| Keystone | 31,649 | 221,492 | (178,974) | 10,724* | 84,891 |
| Communities | | | | | |
| Big Lottery Fund-Basis | - | | | - | - |
| Keystone Enterprise | - | 22 | (22) | - | - |
| Keystone Resources | 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 | 7,221 | - | (161) | 575 | 7,635 |
| Keystone | - | - | - | 575 | 575 |
| Communities | | | | | |
| Keystone Enterprise | 3,801 | 4,550 | (5,563) | (1,655) | 1,133 |
| Keystone Property | 5,036,107 | - | (116,551) | (2,895) | 4,916,661 |
| Keystone Resources | - | - | - | 958 | 958 |
| | <u>5,047,129</u> | <u>4,550</u> | <u>(122,275)</u> | <u>(2,442)</u> | <u>4,926,962</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.

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)

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 | - | 1,945 | - | 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>-</u> | <u>145,097</u> |
| Restricted income funds | | | | |
| Children and Youth | - | 12,680 | - | 12,680 |
| Keystone Communities | - | 84,891 | - | 84,891 |
| Keystone Resources | - | 23,036 | - | 23,036 |
| | <u>-</u> | <u>120,607</u> | <u>-</u> | <u>120,607</u> |
| Restricted capital funds | | | | |
| 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>-</u> | <u>-</u> | <u>4,926,962</u> |
| Total funds 2012 | <u>5,082,629</u> | <u>110,037</u> | <u>-</u> | <u>5,192,666</u> |
| Total funds 2011 | <u>5,200,115</u> | <u>188,286</u> | <u>(19,560)</u> | <u>5,368,841</u> |

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)

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
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.)

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) | <u>2,206</u> | <u>226</u> |

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 | <u>20,574</u> | <u>20,117</u> |
| Movement in net (debt) / funds in the year | (80,481) | 281,849 |
| Net funds / (debt) at start of year | <u>223,003</u> | <u>(58,846)</u> |
| Net funds at end of year | <u>142,522</u> | <u>223,003</u> |

22 Analysis of net funds/(debt)

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