keystone
development trust

Keystone Development Trust

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

Annual Report and Financial Statements

Year Ended
31 March 2010

FRIDAY
ADCGEP8Q
A25 19/11/2010 232
COMPANIES HOUSE

Company number 4346470

Contents

Page

1 Trustees and Advisors

2 -13 Trustees' Report

14 - 15 Report of the Independent Auditors

16 Statement of financial activities

17 Balance sheet

18 Cash flow statement

19 - 34 Notes forming part of the financial statements

Trustees and Advisors

Trustees

Sylvia Armes (Vice Chair)
Pat Brown
Brenda Canham
Ivan Johnson
Robert King
Charlie Moss
Pat Pearson (Chair)
Clare Pugh (resigned – 30 11 09)
Clive Wadham-Smith
Stuart Wright

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

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 2010. The charity is constituted as a company limited by guarantee. The financial statements are the full statutory financial statements of the charitable company and should be read in conjunction with the Annual Report

Keystone Development Trust is a company limited by guarantee and a charity governed by Memorandum and Articles of Association The directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. There are currently nine Trustees drawn from various backgrounds within the Keystone area of benefit Details of Trustees, and other company information, is contained in page 1

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

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

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

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 8 The availability of funding dictates what projects can be delivered.

Objectives and Activities

The Keystone vision is

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

The Keystone aim is to:

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

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

- A significantly higher than average number of people both less than 16 years old and older than 60
- The wards of Thetford-Abbey and Thetford-Saxon have twice the Norfolk average for the percentage of households consisting of lone parents living with dependent children
- Figures from the Breckland Crime and Disorder Reduction Partnership show that 4 of Thetford's Wards are in the top 6 Breckland wards for reported crime
- West Thetford exhibits a number of indicators of poverty. One of the Thetford Abbey Super Output Areas is in the top quintile of most deprived wards nationally for income, employment and multiple deprivation.
- Thetford has had persistent educational problems for a number of years Poor educational performance feeds into other problems such as poverty and the performance of the local economy Low educational attainment also contributes to the number of young people who become NEET (Not in Education, Employment or Training) Indicators of poor educational standards include
    - In 2004 the two Thetford High Schools achieved GCSE pass rates of 25% and 23% against a national average of 54%
    - The 2001 census shows that only 9% of people in Thetford have achieved a level 4/5 qualification (first degree and above) compared to 20% in England

- Two out of four wards have over 40% of people between 16-74 with no qualifications
- Only 2% in Abbey ward are employed in higher managerial posts compared to the national average of 9% whilst 39% are employed in routine or semi-routine posts compared to the national average of 21%
- Low aspirations and low self-esteem are frequently reported in reviews about Thetford

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

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

The objectives that we set for the last year were

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

During 2009 – 10 our main projects and programmes have been.

- Green Ventures, a furniture reuse social enterprise that started in January 2006 and now relies on the income it generates from the sale of furniture and collections to continue to operate A big thank-you goes to all the public that have generously donated their furniture to the scheme. During the year the project diverted over 32 tonnes (over 1,450 items) of waste from landfill. Since the year end the trustees have taken the decision to close the project due to decreased sales and increased competition in the town.

- 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 has been able to continue a collection point is provided by Keystone staff at The Limes The Credit Union is popular and there are many users during the year we saw the 50,000th pound being paid in at the collection point at The Limes

- META Health is a project providing information, support and guidance to the many Portuguese and Eastern European migrant workers in the area with a health bias. A drop in surgery operates and works with key agencies to tackle issues and provide a voice for migrant workers, during the year 2,354 enquiries were dealt with The project has also overseen the regular National Insurance sessions where Migrant Workers can apply for a National Insurance number, during the year 574 migrant workers were assisted in obtaining a National Insurance number.

- Suffolk META provided mobile information, support and guidance sessions in five locations in Suffolk The project started in October 2008 with numbers being low in the first few months as news of the service got around, during the whole project (15 months) 275 two hour sessions were delivered 533 people attended the sessions with 662 issues of which 568 issues were resolved then and there with a further 28 referred to other agencies.

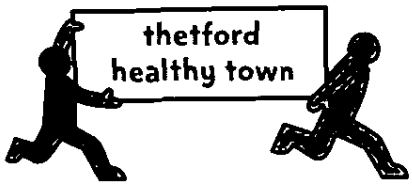
- KAVO, funded by the Big Lottery, provides information, support, networking and training to enable the local voluntary and community sector to become more active, skilled and more sustainable and can in turn support regeneration projects. In 2009/2010 amongst its outputs KAVO achieved the following; 25 local voluntary organisations had been helped to deliver more activities, 12 organisations received funding following assistance with applications from KAVO

Supported by
The National Lottery®
through the Big Lottery Fund

- Walking for Health is a project based over the Breckland area organising short health walks between 1 and 4 miles long The walks are led by trained volunteers and aim to encourage and support people who are trying to increase their activity levels and lead a healthier lifestyle This project is now run by Active Norfolk

- Shadwell Funding – During the year funding received enabled the food box scheme to continue and deliver weekly boxes of food to families in the town

- Thetford Healthy Town, During the year funding has been received to deliver 5 projects as part of the Thetford Healthy Town project, they are as follows - Green Bikes – A bike recycling project taking bikes from landfill, refurbishing them and selling them to the public to encourage healthy lifestyles, META Health an information and guidance one stop shop informing members of the public about health facilities in the town as well as assisting in dealing with their enquiries, 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 – a project aimed at the migrant community aiming to reduce the levels of smoking within it.



- Cambridge META – An expansion of the service offered in Thetford providing information and guidance in Cambridge funded through MENTER

- 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 Buildings -

  The Innovation Centre – The centre has seen an increase in tenants over the year and at the year end was 93% occupied. During the year over 590 conferences were held at the centre The building is key to the Trust's future in providing an income to the core management of the Trust that will enable it to retain the resources required to move the Trust forward over the coming years 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 increased from 68% to 99%, this is a large improvement on the previous year when the building was only at 30% occupancy due to several funded projects leaving the building.

  The Limes – The headquarters of the Trust continues to be the base for the core management of the Trust and is home to the META project which attracts many visits to the building each day 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 services to the public in a similar line to Keystone so that there is a synergy to the building

  The Abbey Neighbourhood Centre– The main hall is used by local residents and associations on a regular basis and over the last year we have seen a Café open within the centre

  Riversdale – The building is rented to the Riversdale Management Committee providing them with a base to house many local voluntary organisations

  Crown House – This building was sold at the end of the year and the monies generated from the sale are being re-invested in the growth of the Charity through the employment of three posts within the Charity

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

- **To combat social exclusion**

  Through the META project we are providing information and guidance to migrant workers that helps them integrate into the community This includes helping them in their workplace from understanding rules and regulations through to pay entitlements Keystone operates a Keystone Area Voluntary Organisations (KAVO) project which 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

- **To protect the environment**

  The Trust is run with the ethos of recycling where possible, at all of the buildings we provide paper recycling facilities to our tenants and staff which are well used Our furniture recycling project 'Green Ventures' has diverted over 230 tonnes of furniture and white goods from Landfill since January 2006 and with our new bike recycling project we have already saved 414 bikes from going into landfill The Local Food Group run by the Trust 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 from which it generates income not only to run these buildings but to help fund the core management costs of the Trust By doing this it enables the Trust to maintain a strong core team which enables the development of projects and social enterprises which benefit the area The Innovation centre as in previous years has attracted businesses outside of the area to set up in the town leading to increased monies being generated in the area

Delivering of high quality children's and youth activities

Children and Youth services remain a high priority for Keystone and a major focus for our future funding work.

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, EEDA and Government Office

- **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 £849,977 Expenses in relation to governance costs were £19,526 and the total costs in furtherance of the charity's objects amounted to £962,363 Unrestricted funds carried forward at the end of the year amounted to a surplus of £207,735 of which £110,565 has been designated to future expenditure as detailed in page 12 of the trustees report and restricted funds amounted to £5,214,350

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, Heritage Lottery and Flagship Housing. This funding enabled the organisation to undertake specific project work in order to deliver the objectives

Some of the funding received is paid to third party organisations in the form of grants for the delivery of specific outputs These grants are detailed in note 6 on page 26.

The Trust has many volunteers that help in the running of the projects and the charity, During the year 2,020 (2009 - 1,409) hours were given by volunteers to the Trust with an estimated value of £13,236 (2009 - £9,681) 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 2010/11 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 previous years 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 £82,873 to a surplus of £97,170 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.

Plans for Future Periods

The financial year 2010/11 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 It is a situation that we have been planning for the last four years but with no obvious replacement funding, Keystone is likely to undertake fewer projects in the near future as they will have to be funded through our own income The Trust's key priorities for the current year include.

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

Throughout the last financial year the trust has been reviewing the activities that it will carry on in the future and to this end a property owned by the trust was sold at the year end, and the proceeds from this are being re-invested in the trust in order that it can grow and deliver more projects in the town The money is being invested in three new positions, an assistant director (fundraising and partnerships), a fundraising manager that will enable the trust to submit more applications to funders than it has done over the past three years by giving extra capacity to the core team; a community worker will also be employed enabling more work to be carried out on the local estates leading to greater community involvement with the trust Monies from the sale are also being 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 The first round has already passed with 6 organisation receiving funding from the trust.

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 2 November 2010

Pat Pearson
Chair

Sylvia Armes
Vice Chair

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 2010 on pages 16 to 34

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

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 2010 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

16 November 2010

Statement of financial activities (including income and expenditure account) for the year ended 31 March 2010

	Note	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2010 £	Total 2009 £
Incoming resources						
Incoming resources from charitable activities	2a	579,895	230,469	-	**810,364**	827,076
Incoming resources from generated funds						
Activities for generating funds		19,980	-	-	**19,980**	40,567
Investment income		31	-	-	**31**	935
Voluntary income	2b	-	1,021	-	**1,021**	545
Other Incoming Resources	7	-	-	18,581	**18,581**	-
Total incoming resources		599,906	231,490	18,581	**849,977**	869,123
Resources expended						
Charitable activities						
Children and Youth		128	42,027	6,429	**48,584**	63,128
Keystone Communities		41,951	107,616	484	**150,051**	320,041
Big Lottery Fund - Basis		-	36,009	-	**36,009**	40,580
Keystone People		-	-	1,920	**1,920**	5,658
Keystone Enterprise		137,017	44,712	1,201	**182,930**	135,950
Keystone Property		336,223	-	168,633	**504,856**	450,535
Keystone Resources		25,095	-	55	**25,150**	(47,913)
Costs for activities for generating funds		12,863	-	-	**12,863**	45,935
Governance costs	3b	19,526	-	-	**19,526**	24,027
Total resources expended	3a	572,803	230,364	178,722	**981,889**	1,037,941
Net incoming/(outgoing) resources before transfers	7	27,103	1,126	(160,141)	**(131,912)**	(168,818)
Transfers between funds		166,335	(11,339)	(154,996)	**-**	-
Fund balances at 31 March 2009		14,297	16,503	5,523,197	**5,553,997**	5,722,815
Fund balances at 31 March 2010		207,735	6,290	5,208,060	**5,422,085**	5,553,997

The above figures all relate to continuing operations and include all income and expenditure and gains and losses arising during the year The notes on pages 19 to 34 form part of these financial statements

Balance sheet as at 31 March 2010

Company Registration No 4346470

	Notes	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	9	**5,358,058**		5,673,200	
Investments					
Investments	10	**12**		12	
Programme related investment	10	**250**		250	
			5,358,320		5,673,462
Current assets					
Debtors	11	**320,855**		182,236	
Cash at bank and in hand		**9,459**		173,423	
		330,314		355,659	
Creditors: amounts falling due Within one year	12	**(226,415)**		(414,333)	
Net current assets / (liabilities)			**103,899**		(58,674)
Total assets less current liabilities			**5,462,219**		5,614,788
Creditors: Amounts falling due after more than one year	14		**(40,134)**		(60,791)
Net assets			**5,422,085**		5,553,997
Funds					
Unrestricted funds					
- General	15		**97,170**		14,297
- Designated	15		**110,565**		-
Restricted funds					
- Income	16		**6,290**		16,503
- Capital	17		**5,208,060**		5,523,197
			5,422,085		5,553,997

The financial statements were approved by the Trustees and authorised for issue on 2 November 2010

Pat Pearson
Chair

Sylvia Armes
Vice Chair

The notes on pages 19 to 34 form part of these financial statements

Cash flow statement for the year ended 31 March 2010

	Note	2010		2009	
		£	£	£	£
Reconciliation of net movement in funds to net cash inflow from operating activities					
Net movement in funds		**(131,912)**		(168,818)	
Net interest payable		**1,577**		3,968	
Depreciation		**178,722**		193,375	
Profit on disposal of assets		**(18,581)**		(5,341)	
(Increase) / decrease in debtors		**(138,619)**		51,451	
Decrease / increase in creditors		**(196,959)**		120,077	
Net cash (Out) / in flow from operating Activities			**(305,772)**		194,712
Returns on investments and servicing of finance					
Interest received		**31**		935	
Interest paid		**(1,608)**		(4,903)	
			(1,577)		(3,968)
Capital expenditure					
Payments to acquire tangible fixed assets and investments		**-**		-	
Proceeds from sale of tangible assets		**155,000**		14,922	
			155,000		14,922
Financing					
Loan repaid			**(19,670)**		(16,362)
(Decrease) / Increase in cash in the year	20		**(172,019)**		189,304
Cash at bank and in hand at 1 April 2009	21		**173,423**		(15,881)
Cash at bank and in hand at 31 March 2010	21		**1,404**		173,423

Notes forming part of the financial statements for the year ended 31 March 2010

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 1 In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity

Incoming resources

All incoming resources are included in the SOFA when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy Donations in kind are recorded at their estimated value where material Income is shown gross of all expenditure

No amounts are included in the financial statements for services donated by volunteers

Resources expended

Expenditure is recognised on an accruals basis and when a liability is incurred Expenditure is shown exclusive of VAT where applicable Direct charitable expenditure and costs of generating funds are allocated to the function in which they arise Costs relating to premises are attributed to projects based on the number of people based in them, all other costs attributed to projects are based on incurred costs which are identifiable to each specific project

Notes forming part of the financial statements for the year ended 31 March 2010 (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

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

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

1 Accounting policies *(Continued)*

The funds held in each of the categories are further described in notes 15-18

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 2009	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2010
	£	£	£	£	£
Children and Youth	26,896	30,973	(48,584)	120	**9,405**
Keystone Communities	10,992	145,486	(150,051)	235	**6,662**
Big Lottery Fund –Basis	-	36,009	(36,009)	-	**-**
Keystone People	2,617	-	(1,920)	-	**697**
Keystone Enterprise	(22,436)	241,031	(182,930)	(49,297)	**(13,632)**
Keystone Property	5,544,734	362,400	(504,856)	(104,958)	**5,297,320**
Keystone Resources	(8,806)	34,078	(57,539)	153,900	**121,633**
	5,553,997	849,977	(981,889)	-	**5,422,085**

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

Keystone Enterprise	(£50,042)
Keystone Property	£50,042

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

2a Incoming resources from charitable activities

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2010 £	Total 2009 £
Incoming resources from Charitable activities:					
Grants					
Children and Youth	-	29,973	-	**29,973**	18,635
Keystone Communities	-	105,512	-	**105,512**	263,654
Big Lottery Fund - Basis	-	36,009	-	**36,009**	41,548
Keystone People	-	-	-	**-**	-
Keystone Enterprise	-	57,843	-	**57,843**	-
Keystone Property	-	-	-	**-**	(4,477)
Keystone Resources	-	-	-	**-**	-
	-	229,337	-	**229,337**	319,360
Other Income					
Children and Youth	-	-	-	**-**	-
Keystone Communities	39,974	-	-	**39,974**	44,490
Big Lottery Fund - Basis	-	-	-	**-**	-
Keystone People	-	-	-	**-**	-
Keystone Enterprise	182,035	1,132	-	**183,167**	140,536
Keystone Property	343,819	-	-	**343,819**	294,819
Keystone Resources	14,067	-	-	**14,067**	27,871
	579,895	1,132	-	**581,027**	507,716
Total					
Children and Youth	-	29,973	-	**29,973**	18,635
Keystone Communities	39,974	105,512	-	**145,486**	308,144
Big Lottery Fund - Basis	-	36,009	-	**36,009**	41,548
Keystone People	-	-	-	**-**	-
Keystone Enterprise	182,035	58,975	-	**241,010**	140,536
Keystone Property	343,819	-	-	**343,819**	290,342
Keystone Resources	14,067	-	-	**14,067**	27,871
	579,895	**230,469**	-	**810,364**	827,076

Included within incoming resources from charitable activities is rental income received under operating leases of £218,997 (2009 £177,138)

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

2b Incoming resources from generated funds

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2010 £	Total 2009 £
Activities for generating funds					
Keystone Resources	19,980	-	-	**19,980**	40,567
	19,980	-	-	**19,980**	40,567
Investment Income – Bank Interest					
Children and Youth	-	-	-	**-**	4
Keystone Resources	31	-	-	**31**	931
	31	-	-	**31**	935
Gifts and Donations					
Children and Youth	-	1,000	-	**1,000**	510
Keystone Communities	-	-	-	**-**	15
Keystone Enterprise	-	21	-	**21**	-
Keystone Resources	-	-	-	**-**	20
	-	1,021	-	**1,021**	545

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

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

3a Total resources expended

	Staff Costs	Depreciation	Support Costs (note 3b)	Grants (note 6)	Other direct costs	Total 2010	Total 2009
	£	£	£	£	£	£	£
Unrestricted funds							
Charitable activities							
Children and Youth	-	-	-	-	128	**128**	2,660
Keystone Communities	21,484	-	12,532	-	7,935	**41,951**	32,484
Big Lottery Fund - Basis	-	-	-	-	-	**-**	-
Keystone People	-	-	-	-	-	**-**	12
Keystone Enterprise	70,730	-	10,147	-	56,140	**137,017**	131,273
Keystone Property	47,158	-	103,347	-	185,718	**336,223**	283,289
Keystone Resources	22,183	-	9,390	-	(6,627)	**24,946**	(48,134)
Governance	-	-	10,023	-	9,652	**19,675**	24,027
Costs of generating funds (Keystone Resources)	(64)	-	12,500	-	427	**12,863**	45,935
	161,491	-	157,939	-	253,373	**572,803**	471,546
Restricted Revenue funds							
Charitable activities							
Children and Youth	18,134	-	6,918	-	16,975	**42,027**	49,983
Keystone Communities	63,838	-	13,957	3,317	26,504	**107,616**	285,299
Big Lottery Fund - Basis	21,212	-	4,622	-	10,175	**36,009**	41,548
Keystone People	-	-	-	-	-	**-**	8
Keystone Enterprise	21,153	-	8,035	-	15,524	**44,712**	-
Keystone Property	-	-	-	-	-	**-**	(4,477)
Keystone Resources	-	-	-	-	-	**-**	-
Governance	-	-	-	-	-	**-**	-
	124,337	-	33,532	3,317	69,178	**230,364**	372,361
Restricted Capital funds							
Charitable activities							
Children and Youth	-	6,429	-	-	-	**6,429**	10,485
Keystone Communities	-	484	-	-	-	**484**	1,290
Big Lottery Fund - Basis	-	-	-	-	-	**-**	-
Keystone People	-	1,920	-	-	-	**1,920**	5,638
Keystone Enterprise	-	1,201	-	-	-	**1,201**	4,677
Keystone Property	-	168,633	-	-	-	**168,633**	171,723
Keystone Resources	-	55	-	-	-	**55**	221
	-	178,722	-	-	-	**178,722**	194,034
Total 2010	**285,828**	**178,722**	**191,471**	**3,317**	**322,551**	**981,889**	
Total 2009	321,300	188,034	186,554	15,629	326,424	1,037,941	

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

3b Analysis of Support costs

	Staff costs	Premises costs	Commun-ications	Postage, stationery etc	Office costs	Finance and prof. fees	Total
	£	£	£	£	£	£	£
Children and Youth	6,304	170	26	19	85	314	6,918
Keystone Communities	21,969	1,398	223	147	623	2,129	26,489
Big Lottery Fund - Basis	3,023	449	74	47	200	829	4,622
Keystone People	-	-	-	-	-	-	-
Keystone Enterprise	13,511	1,478	248	150	639	2,156	18,182
Keystone Property	94,776	2,409	398	250	1,067	4,447	103,347
Keystone Resources	14,564	1,780	293	185	791	4,277	21,890
Governance	9,653	104	17	11	47	191	10,023
Total 2010	**163,800**	**7,788**	**1,279**	**809**	**3,452**	**14,343**	**191,471**
Total 2009	155,901	1,589	1,818	1,781	4,184	21,281	186,554

Analysis of Governance costs

	2010 £	2009 £
Audit fees	**9,503**	11,273
Staff costs	**9,653**	12,265
Apportionment of support costs (excluding staff time)	**370**	489
Total Governance costs	**19,526**	24,027

4 Staff costs

	2010 £	2009 £
Wages and salaries	**413,530**	435,317
Social security costs	**29,436**	35,053
Pension costs	**6,662**	6,831
	449,628	477,201

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

	2010 Number	2009 Number
Charitable activities	**21**	23

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

Notes forming part of the financial statements for the year ended 31 March 2010 (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 £6,662 (2009 - £6,831) represents contributions payable by the charitable company to the fund for the year At the year end contributions totalling £747 (2009 - £611) were payable to the fund and are included in creditors

6 Grants payable

	Revenue £	Capital £	Total £
Green Grants Scheme	3,000	-	3,000
Shadwell Grants	317	-	317
Total	**3,317**	**-**	**3,317**

7 Net incoming/(outgoing) resources before transfers

	2010 £	2009 £
Net incoming/(outgoing) resources are stated after charging/ (crediting)		
Depreciation	**178,722**	193,375
Profit on sale of assets	**(18,581)**	(5,341)
Provision for bad debts	**8,980**	-
Auditors remuneration - audit services	**9,503**	11,273
- other services	**1,370**	5,417

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

	2010 £	2009 £
On bank loans and overdrafts	**1,608**	4,902

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

9 Tangible fixed assets

	Freehold land and buildings £	Machinery and office equipment £	Computer hardware and software £	Vehicles £	Total £
Cost					
At 1 April 2009	5,974,592	348,210	67,712	64,025	6,454,539
Disposals	(147,988)	(2,198)	-	-	(150,186)
At 31 March 2010	**5,826,604**	**346,012**	**67,712**	**64,025**	**6,304,353**
Depreciation					
At 1 April 2009	419,000	236,529	66,251	59,559	781,339
Charge for the year	116,553	57,731	1,461	2,977	178,722
Relating to disposals	(12,083)	(1,683)	-	-	(13,766)
At 31 March 2010	**523,470**	**292,577**	**67,712**	**62,536**	**946,295**
Net book value					
At 31 March 2010	**5,303,134**	**53,435**	**-**	**1,489**	**5,358,058**
At 31 March 2009	5,555,592	111,681	1,461	4,466	5,673,200

Included within freehold land and buildings is £147,108 (2009 - £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

£5,082,024 (2009 - £5,190,714) 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

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

10 Investments

Investments in subsidiary undertakings

	2010 £	2009 £
Net book value at 31 March 2010 and 2009	**12**	12

The above investment comprises the following -

- 10 £1 shares in Green Bay Enterprises Limited a company incorporated in England and Wales on 21 April 2006 wholly owned by the Trust The company is dormant
- 2 £1 shares in Keystone Social Enterprises Limited a company incorporated in England and Wales on 11 October 2001 wholly owned by the Trust The company is dormant.

Programme related investments

	2010 £	2009 £
Net book value at 31 March 2010 and 2009	**250**	250

The investment represents 250 ordinary £1 shares in Foundation East (formerly Suffolk Regeneration Trust), a not for profit organisation operating across Suffolk, Norfolk, Essex and Cambridgeshire, providing support to businesses, social enterprises and individuals that cannot get a bank loan

11 Debtors

	2010 £	2009 £
Trade debtors	**112,101**	140,931
Prepayments	**20,423**	21,288
Accrued income	**188,331**	20,017
	320,855	182,236

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

12 Creditors: amounts falling due within one year

	2010 £	2009 £
Loan (note 14)	**20,116**	19,129
Bank overdraft	**8,055**	-
Trade creditors	**75,207**	37,944
Other creditors	**10,190**	205,029
Other tax and social security	**19,006**	19,179
Accruals	**25,344**	61,004
Deferred income (note 13)	**68,497**	72,048
	226,415	414,333

13 Deferred income

	2010 £	2009 £
Balance at 1 April 2009	**72,048**	83,213
Amount released to incoming resources	**(56,603)**	(58,288)
Amount deferred in year	**53,052**	47,123
Balance at 31 March 2010	**68,497**	72,048

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

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

14 Creditors: amount falling due after more than one year

	2010	2009
	£	£
Loan		
Due 1 – 2 years	**20,573**	19,710
Due 2 – 5 years	**19,561**	41,081
	40,134	60,791

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

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

15 Unrestricted funds

	Balance at 1 April 2009	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2010
	£	£	£	£	£
Children and Youth	1,152	-	(128)	(591)	**433**
Keystone Communities	5,939	39,974	(41,951)	-	**3,962**
Big Lottery Fund-Basis	-	-	-	-	**-**
Keystone People	-	-	-	-	**-**
Keystone Enterprise	(24,926)	182,035	(137,017)	(37,013)	**(16,921)**
Keystone Property	40,990	343,819	(336,223)	50,042	**98,628**
Keystone Resources -					
General	(8,858)	34,078	(57,484)	43,332	**11,068**
Designated	-	-	-	110,565	**110,565**
	14,297	599,906	(572,803)	166,335	**207,735**

The designated fund relates to the proceeds from the sale of Crown House These proceeds have been allocated for future expenditure as detailed in page 12 of the trustees report.

16 Restricted income funds

	Balance at 1 April 2009	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2010
	£	£	£	£	£
Children and Youth	11,933	30,973	(42,027)	711	**1,590**
Keystone Communities	4,570	105,512	(107,616)	234	**2,700**
Big Lottery Fund-Basis	-	36,009	(36,009)	-	**-**
Keystone People	-	-	-	-	**-**
Keystone Enterprise	-	58,996	(44,712)	(12,284)	**2,000**
Keystone Property	-	-	-	-	**-**
Keystone Resources	-	-	-	-	**-**
	16,503	231,490	(230,364)	(11,339)	**6,290**

17 Restricted capital funds

	Balance at 1 April 2009	Incoming Resources	Resources expended	Transfers	Balance at 31 March 2010
	£	£	£	£	£
Children and Youth	13,811	-	(6,429)	-	**7,382**
Keystone Communities	483	-	(484)	1	**-**
Big Lottery Fund-Basis	-	-	-	-	**-**
Keystone People	2,617	-	(1,920)	-	**697**
Keystone Enterprise	2,490	-	(1,201)	-	**1,289**
Keystone Property	5,503,744	18,581	(168,633)	(155,000)	**5,198,692**
Keystone Resources	52	-	(55)	3	**-**
	5,523,197	18,581	(178,722)	(154,996)	**5,208,060**

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

18 Analysis of net assets between funds

	Tangible Fixed Assets and Investments	Net Current Assets	Creditors due over one year	Total
	£	£	£	£
Unrestricted funds				
Children and Youth	-	433	-	433
Keystone Communities	-	3,962	-	3,962
Big Lottery Fund - Basis	-	-	-	-
Keystone People	-	-	-	-
Keystone Enterprise	-	(16,921)	-	(16,921)
Keystone Property	149,999	(11,237)	(40,134)	98,628
Keystone Resources -				
General	261	10,807	-	11,068
Designated	-	110,565	-	110,565
	150,260	97,609	(40,134)	207,735
Restricted income funds				
Children and Youth	-	1,590	-	1,590
Keystone Communities	-	2,700	-	2,700
Big Lottery Fund - Basis	-	-	-	-
Keystone People	-	-	-	-
Keystone Enterprise	-	2,000	-	2,000
Keystone Property	-	-	-	-
Keystone Resources	-	-	-	-
	-	6,290	-	6,290
Restricted capital funds				
Children and Youth	7,382	-	-	7,382
Keystone Communities	-	-	-	-
Big Lottery Fund - Basis	-	-	-	-
Keystone People	697	-	-	697
Keystone Enterprise	1,289	-	-	1,289
Keystone Property	5,198,692	-	-	5,198,692
Keystone Resources	-	-	-	-
	5,208,060	-	-	5,208,060
Total funds 2010	**5,358,320**	**103,899**	**(40,134)**	**5,422,085**
Total funds 2009	5,673,462	(58,674)	(60,791)	5,553,997

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

18 Analysis of net assets between funds (continued)

Children and Youth

To provide youth and children's activities in the local area through projects such as the Kollectiv 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

Apart from those explained in note 2, the main transfers between reserves relates to the £155,000 from Keystone Property to Keystone Resources, this relates to the sale of a property owned by the trust, from which the proceeds are being re-invested in the trusts growth plans for the future as set out on page 12

Notes forming part of the financial statements for the year ended 31 March 2010 (cont.)

19 Related party transactions

Pat Pearson (Chairman) is 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)	**3,009**	286
Purchases from Ante Limited - (Professional services)	**2,115**	315

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

	2010	2009
	£	£
(Decrease) / increase in cash in the year	**(172,019)**	189,304
Repayment of loans	**19,670**	16,362
Movement in net (debt) / funds in the year	**(152,349)**	205,666
Net funds / (debt) at start of year	**93,503**	(112,163)
Net (debt) / funds at end of year	**(58,846)**	93,503

21 Analysis of net funds/(debt)

	At start of year	**Cashflow**	**At end of year**
	£	**£**	**£**
Cash in hand, at Bank	173,423	(163,964)	**9,459**
Bank Overdraft	-	(8,055)	**(8,055)**
	173,423	(172,019)	**1,404**
Debt due within one year	(19,129)	(987)	**(20,116)**
Debt due after one year	(60,791)	20,657	**(40,134)**
Total	93,503	(152,349)	**(58,846)**