
KEYSTONE DEVELOPMENT TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

Trustees

Brenda Canham
Robert Catton (resigned 19 July 2018)
Robert King (resigned 9 February 2019)
Mark Robinson
Jeremy Stone (appointed 19 July 2018)
Clive Wadham-Smith
Ryan Windsor
Claire Brooks (resigned 6 July 2018)
Charles Watt (appointed 10 January 2019)
Dr Theroshen Vandiar (appointed 10 January 2019, resigned 12 July 2019)

Company registered number

04346470

Charity registered number

1093162

Registered office

Keystone Innovation Centre, Croxton Road, Thetford, Norfolk, IP24 1JD

Chief executive officer

Dr Theroshen Vandiar

Independent auditors

MA Partners Audit LLP, 7 The Close, Norwich, Norfolk, NR1 4DJ

Bankers

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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Trustees present their annual report together with the audited financial statements of the Charity for the 1 April 2018 to 31 March 2019. The Trustees confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

Since the Charity qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Objectives and Activities

a. Policies and objectives

As a Development Trust Keystone aims to build community capital in its area: empowering individuals, groups and communities to tackle needs and issues by creating their own solutions, organisations or enterprises; whilst ensuring services, assets and enterprises anchor collective wealth locally.

Keystone runs community centres in Thetford, Brandon and Mildenhall along the Norfolk / Suffolk border towns which often suffer from 'edgism' in terms of mainstream service provision. Our development work focuses on communities experiencing tensions and social challenges.

Since 2007 Keystone has delivered such support work through a diverse range of projects, funded by a mixture of income generated from its own capital assets, social enterprise activity, funding from public bodies and other grant making organisations.

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

Keystone Vision and Mission

Keystone is a community resource and support organisation committed to improving the quality of life and opportunities for people who live, study and work in the Keystone area through sustainable, community led regeneration.

The Keystone aim is 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 order to achieve this, the Trust seeks to identify needs through research, consultation and discussion with partners, other organisations and importantly local residents. Some of the current 'headline' issues facing the communities we serve in Thetford include:

- In the EU Referendum 23 June 2016 64% of voters in Breckland, an area with a large migrant workforce, voted to leave the EU. This highlighted social tensions within our communities and is resulting in a change in the profile of migrant communities.
- The age demographic of Breckland is weighted by two extremes with a significantly higher than average number of people both less than 17 years old (2018: 19.3%) and are of pensionable age (2018: 24.8%) live in Breckland compared to the Norfolk average.
(https://www.citypopulation.de/en/uk/admin/norfolk/E07000143__breckland/).

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- Figures from the Police.uk crime map show that Thetford has a higher reported crime per 1,000 residents compared to the Breckland district.
- West Thetford exhibits a number of indicators of poverty. The Abbey ward is in the top 10% of lower super output areas of the most deprived wards nationally for income, employment and multiple deprivation. (2016 DCLG report).
- Unemployment in Thetford is higher than both the Breckland (3.0%) and UK (3.9%) averages at 4.2% (figures May 2011 Jobcentre plus). Three wards in Breckland had rates higher than 5%, two of which are in Thetford.
- 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). In recent years that decline has been halted and over the period from 2011 to 2015 results for students attaining 5 or more GCSE's in grades A* C (including English and Maths) has increased from 28% to 50% (now only 3% below the county average and 6% below the national average).

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

Our Objectives are to:

- Promote financial inclusion through support, advice, training and job creation
- Facilitate social inclusion through empowering individuals, groups and communities
- Protect the environment through recycling, local procurement and saving historic buildings
- Generate wealth through property and social enterprise development
- Encourage good health and wellbeing

Details of our achievements in all areas can be found throughout this report.

b. Main activities undertaken to further the charity's purposes for the public benefit

During 2018/19 Keystone's operations fit into two broad categories; those that are revenue earning, to generate funds to help support our purpose and goals, and those which provide services to our local communities, service users and residents. Keystone not only commits the funds it has generated through its revenue generating activities, but also partners with other organisations in the provision of community projects and services and acts as custodian of a range of public and grant based funds. The trustees have had regard to the Charity Commission's guidance on public benefit.

Community Projects and Services

Keystone provides a range of community orientated projects, (typically of fixed duration, objective or intrinsically linked to a specific source of funding), and services, (typically an ongoing activity targeting specific local needs). These projects operate across a wide area through Norfolk, Suffolk and Cambridgeshire principally from our hubs in Thetford, Brandon and Mildenhall. Over the last twelve months, these projects have included:

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Art, Well Being and Creative Based Community Groups: Keystone offers two arts based groups. A wellbeing Art Café based at the Abbey Neighbourhood Centre and a Women's Art and Craft group in Mildenhall. These groups help to overcome isolation, offer an opportunity for friendship, skills development and, in some cases, to help facilitate a recovery from a range of difficult situations through art.

Youth Activities: We continue to develop our projects for young people. The 'Read and Feed' club established from the A*Spire Children In Need funding has continued to run in the school holidays at the Abbey Neighbourhood Centre. This has become a regular young persons group throughout term time also.

A*Spire: this project, for the younger people in our Thetford community, was originally funded to 31 December 2015 has now received a further 3 years of funding to 30 September 2018 from Children in Need. Based at the Abbey Neighbourhood Centre we support two age groups from 9 to 15 years old. It has also led to some fun 'add' on sessions of 'Food Factory' after school and in the school holidays which involves lots of noise and lots of food. During summer holidays 2018 we also developed a 'Read and Feed' activity in which volunteers from Norfolk Reading Project came visited to read with young people, act out some of the stories they were reading and also enjoy some great food during the school holidays.

META: As reported previously Keystone's provision for Culturally and Linguistically Diverse communities had diminished and we were starting to build good relationships with qualified providers, namely ACCESS and GYROS. This partnership work has developed into joint funding bids which, if successful will mean Keystone can support specific integration and cohesion activities.

Men's Sheds: Launched in 2016 with the morphing of Keystone's Green Ventures Bike Project into a Men's Bike Shed based at a vacant property we had on York Way the Men's Bike Shed has gone from strength to strength. Upcycling and selling bikes, the shedders also enjoy companionship, skills development and even the building of a Soapbox cart to enter into the Thetford Soapbox Derby!

Community Meals: Have become a regular part of the weekly calendar for local people living in destitution. These are now run weekly at The Abbey Neighbourhood Centre and Riversdale. In Thetford we have a very active Food Bank offering food parcels so we hope the opportunity to come and share a warm meal with others in a warm building is a good complement.

Community Fridge and Freezer: donated by Breckland Council Keystone receives food donations from local food retailers. Food not being used by the Community Meals or Children's Clubs is dispersed to local residents through an accessible fridge. Food is weighed in and out so we can monitor the reduction of food going to landfill and also track the needs.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Achievements and performance

a. Key financial performance indicators

Financial KPIs for Keystone formed a key part of the restructure which began in 2016/17 to ensure the Trust and its activities remained financially viable – and socially relevant. These KPIs include:

- Recalculation of the Service Charge for tenants leasing offices and units in our buildings to ensure the running of the buildings is covered by this Service Charge. In 2017/18 this included full Dilapidations surveys, Planned Preventative Maintenance – so that we can budget the known maintenance costs - and renegotiation of all contracted services to ensure we are getting best value for money from our suppliers. This work has continued into 2018/19.
- Maximising the rental income from the space we have available which has seen some repurposing of spaces at the Keystone Enterprise Factory, Abbey Neighbourhood Centre and Keystone Innovation Centre to accommodate Keystone's core management team, the Citizens Advice Bureau and new tenants on a previously unoccupied floor. Rent reviews were also undertaken for the KEF and KIC and introduced as leases were renewed or new tenants came in.
- Staff restructure has seen an overall reduction in staff costs as we have invested in staff development and empowered staff to take on new, more productive and impactful roles. More staff time is also covered through funded projects and overall Keystone is deliver many more services to the communities we serve.

Our strategy for 2019/20 is to continue building on these financial KPIs and to also include;

- Developing specific project reporting skills with a dedicated team in order to improve our reporting to funders. We will also look to provide these as a charged for service to other small charities.
- Investment in some of our properties, particularly Riversdale so we can generate a sustainable income stream from this building which will ensure its long term future.
- Investment in staff training and development will be matched with improved HR skills in order for us to ensure staff have the support and resources they need to do their job to the best of their ability, we become an employer of preference for job seekers so we get the very best and we increase individual productivity in terms of the value they bring to the Trust.

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b. Review of activities

Revenues Generating Activities

Over the past twelve months, Keystone's revenue generating operations have included the running of a property portfolio which acts as the backbone of Keystone's infrastructure with the sole purpose of providing Keystone financial stability over the long term. This includes the management and rental of office space, meeting rooms and conference facilities, and the provision of office based managed services including an onsite café and services including reception, reprographics, virtual office management and postal services.

Keystone Buildings:

The Innovation Centre; Occupancy of the Innovation Centre has remained high throughout the year including the newly partitioned top floor. 14 tenants businesses throughout the three floors supporting over 100 jobs in the local area, covering a range of sectors including healthcare, training and professional services. We also have charities offering out of school education provision to local young people. The ground floor houses our café – "Café One" and conference centre, these rooms are hired out by the Trust for meetings and conferences, during the year we had 59% occupancy of the meeting rooms, the Trust is continuing to build on this, helping generate income to support Keystone projects. The building is key to the Trust's future in providing an income to the Trust's core and support community projects.

The Enterprise Factory; at the year end the Enterprise Factory's occupancy rate was 100%. The factory houses 17 businesses within, supporting over 50 jobs. The factory offers a range of offices and light industrial units including printers, designers, electricians, builders, carpenter, IT, tailors, upholstery and groups working with children and families. Thetford Town Boxing Club which we house, having moved the Green Bike Project down to the Men's Shed on York Way, is going from strength to strength. Keystone's Core Back Office services are also now based here.

The Abbey Community Neighbourhood Centre; the centre is used by local residents and associations on a regular basis. This year we did some reconfiguration of the space in order to accommodate the CAB – who were at risk of leaving Thetford due to lack of funding. Open 3 days a week for drop in and appointments it provides a great added service to our residents. It also gets people from other parts of Thetford to visit the Abbey thereby breaking down barriers and perceptions.

Riversdale; a large Victoria house in the centre of Thetford which Keystone had leased to the Riversdale Charity came into our management in January 2018. Time for a rethink on its role in the Thetford community we opened the doors and ran several activities to see what people wanted from it. Funding applications to revamp the building have gone in, and we were awarded a grant from Virgin Money.

The Brandon Centre, Keystone manages the building on a day to day basis for Suffolk County Council. The centre is home to the library, children's services a playgroup and the police. Many services are delivered out of the building to the local community in Brandon.

At St John's in Mildenhall Keystone took ownership of the community centre and two 3 bedroom houses on the Estate in December 2014. The houses are rented to private tenants with the income generated going towards the cost of running the community centre. The centre is becoming a popular place to hold meetings and local events.

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Café One

Café One is dedicated to providing healthy, local, seasonal and food. The cafe is situated on the ground floor at the Innovation Centre and is open to the public and tenants Monday to Friday; it also provides all of the refreshments to the conference venue. Over the period the cafe has introduced many new lines to the menu with a particular emphasis on using local suppliers. Local groups also use the space in the afternoons and evenings including the University of the Third Age. We are also offer young people work placement opportunities. Importantly the Café generates a small surplus which is reinvested into community projects.

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

To promote financial inclusion

- Affordable hire rates for community facilities
- Provision of managed workspace to generate employment opportunities
- Sustainable work opportunities through the Trust – we recruit locally where possible.
- Provision of affordable second hand bikes
- Apprenticeship programme within Keystone supported 3 apprenticeships
- Embedding financial literacy into our youth projects

To facilitate social inclusion

- META working with GYROS to support the migrant community.
- Accessible and affordable community facilities
- Range of activities in different community centres - Seniors Bingo, Men's Shed, Walking Groups

To protect the environment

- All the buildings provide paper recycling facilities to tenants and staff which are well used.
- Upcycling of bikes through the Men's Shed programme.
- Community meals and Fridge scheme using donations from Tesco and Lidl.

To generate wealth

- Keystone has previously developed its property portfolio to generate income which sustain the premises, contribute to charitable core costs and support other voluntary organisations.

Encourage good health and wellbeing

- A number of activities help with low level mental issues – mainly depressions and addiction recovery. Our food activities with young people introduce new healthy food and easy ways to cook healthily.

Factors which affect the delivery of our objectives include:

Ability to secure external funding

As reported last year, the Trust had become 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 tendering and bid writing. As part of the strategic review we are focusing on the capital assets working harder to generate a surplus which can be used to deliver community development projects directly and as a source of match funding, increasingly crucial to successful bids.

Success of Trust social enterprises

Income generation from renting of office space, conferencing and Café One are going from strength to strength. This income all helps to pay for the running of the Trust and its community activities.

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Reputation with the local community

The reputation of Keystone locally is improving as we deliver more to the local communities we are here to support. The reduction of community engagement in recent years and the view that Keystone struggles to maintain successful partnerships has damaged the 'brand'. This year we have refocused our attention to local communities and slowly regaining the trust of local residents and partners.

Relationship with strategic partners

Relationships with other organisations is essential at both the strategic and operational level. Most funders now want to see effective partnership working and most residents do not live their lives in isolation so it is essential we get our partnerships right. This year we have rekindled relationships with local authorities, public health, other charities and delivery partners.

Financial review

a. 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, donations, 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 2019 to 2020 budget and accompanying cash flow forecast. The forecasts and projections, taking into account known changes in activity show that the Charity can continue to operate with the support of its bank. Following the finance committee reviews throughout the year a number of cost savings have been identified and have been implemented and others being reviewed over the coming months together with ways of increasing the Trust's income from its buildings and services that it delivers. 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.

b. Principal risks and uncertainties

The Keystone Board has ultimate responsibility for management of risk across the Trust. The Board meets 6 times a year and has Health & Safety as an Agenda item.

The Trust's risks are broken down into the following headings; Financial; Building; Safeguarding; Data; Service delivery. Each department has its own Risk Register and is managed by executive staff in each of those area.

This year we have commissioned new risk assessments across the properties to ensure compliance and to help inform the Planned Preventative Maintenance. We have also invested in key properties staff to undertake IOSH training, GDPR and data handling, Safeguarding, Domestic Abuse Champions and using the online training resources provided through our insurers to ensure all staff are aware of and able to manage risks during their working day.

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Going forward, we will implementing the following initiatives to further manage risk;

- H&S Sub Committee lead by a Trustee with executive staff. This will maintain and review risk registers across the Trust.
- Internal Audit of our systems and processes

c. Reserves policy

Total income for the year amounted to **£696,299** (2018: £574,365). Expenses in relation to furtherance of the charity's objects amounted to **£732,829** (2018: £737,755).

Unrestricted funds carried forward at the end of the year amounted to a **£24,209** deficit (2018: £54,714 surplus) of which **£nil** (2018: £94,900) has been designated to future expenditure and restricted funds amounted to **£4,431,203** (2018: £4,169,517).

d. Principal funding

The main sources of grant income during the year 2018-19 were from;

Norfolk Community Foundation: various funds supporting young people, Men's Shed
Number of smaller trusts providing revenue and small capital items funding

This funding enabled the organisation to undertake specific project work in order to deliver the objectives.

e. Material investments policy

The nature of the funding received does not make it appropriate, at the present time, to commit funds to longer term investments but we will look at other investment opportunities in the next financial year.

Structure, governance and management

a. Constitution

The charity is constituted under a Trust deed and is a registered charity number 1093162.

b. Method of appointment or election of Trustees

The management of the Charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

c. Policies adopted for the induction and training of Trustees

There are currently six Trustees drawn from various backgrounds within the Keystone area of benefit. Details of Trustees, and other company information, are contained on 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.

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d. Pay policy for senior staff

The Trustees consider the Board of Trustees, Chief Executive, Financial Controller, Contracts Manager and Community Manager comprise the key management personnel of the Charity. All Trustees give their time freely and no Trustee received remuneration in the year. The pay of key management personnel is reviewed annually and approved by the Trustees.

e. Organisational structure and decision making

The Board of Trustees administers the Charity. The Board meets bi monthly. There are three sub committees for Finance, Communities and Properties – each chaired by a different Trustee. 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.

f. Risk management

The Trustees have assessed the major risks to which the Charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

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TRUSTEES' REPORT (continued)
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Plans for future periods

a. Future developments

The main thrust of the financial model going forward is to make the Capital Assets (buildings) work much harder for the Charity. Over the next three years we will phase in an increase of the Service Charge to tenants in both the Enterprise Factory and Innovation Centre to fully cover the costs of running those buildings. This will allow us to budget that all rental income received can be used to support the running of community projects. The calculation of the service charge is bound in regulation through the RICS so we will be using this year's costings and next year's budgeting alongside dilapidation surveys to calculate and start to implement.

This opportunity for planned longer term funding will help us work towards our longer term strategic plan in which we are looking to refocus our delivery as place based initiatives using the four community centres as the core. 'Distressed communities that have been decades in the making will take a decade or so to unwind' (Will Lambe, FRB Atlanta April 2015) and thus our funding plans need to be longer term. We have re engaged with Locality and look forward to developing our 'master vision' in the next year.

This year we have started to see the evidence of change in the finances.

Rent reviews continue as leases for office space and industrial units come up for renewal and the income from rent is steadily increasing to reflect current market rates in Thetford.

Funding applications have continued to be successful. Having successfully delivered on small pilot projects we have started to secure longer term funding – such as the BBO Programme in North Cambridgeshire. More strategic and long term applications have been submitted in partnership with other organisations.

The Charity's key priorities for the current year include:

o To tackle financial inclusion through support, advice, training and job creation.

This includes continuing with apprenticeships, work placements for young people and, where possible, recruiting from the local area.

o To combat social exclusion through empowering individuals, groups and communities.

We have a number of activities running at St Johns and the Abbey to bring people together. The Community café in the Abbey Neighbourhood Centre has become a focal point for breakfast with local residents. We have again secured 'Warm and Well' funding for community gatherings for local residents of the Abbey Estate through the winter period. In this current year we are supporting residents associations in both the Abbey Estate in Thetford and St John's Estate in Mildenhall.

o To protect the environment through recycling, local procurement and saving historic buildings. The Men's Shed, already upcycling bikes for resale is also looking to develop a Wood Shed to make furniture from old wooden pallets of which there are plenty discarded by tenants at the Enterprise Factory. The work through the Fairshare scheme on food waste reduction will develop further with the installation of a community fridge in the Abbey Neighbourhood Centre. Litter remains an issue on the Abbey Estate so this current year is seeing a number of litter pick initiatives.

o To generate wealth through property and social enterprise development.

We will continue to review the profitability of all aspects of the Trust and to start to look at some longer term investments.

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o To promote health and wellbeing through food and activities.

We will try to embed healthy choices in our menus at the two cafés. We will encourage our young people to make healthy choices and cook in healthy ways through our children's activities.

The Trustees continually review the future operations and financial position of the Charity on a regular basis.

Information on fundraising practices

Keystone has not yet implemented a fundraising strategy for the Trust and the communities it serves. Going forward we will launch a place-based community fundraising strategy centred on our community capital assets of; the Abbey, Riversdale and St Johns Mildenhall. These activities will be facilitated by Keystone staff but led by community activists through 'Friends of' groups.

To ensure due diligence, Keystone will work with the Institute of Fundraising Code of Fund Raising Practice and staff supporting the fundraising groups will access the Institute's training.

Trustees' responsibilities statement

The Trustees (who are also directors of Keystone Development Trust for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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TRUSTEES' REPORT (continued)
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Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by the Trustees, on 20 December 2019 and signed on their behalf by:



Jeremy Stone

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEYSTONE DEVELOPMENT TRUST

Opinion

We have audited the financial statements of Keystone Development Trust (the 'charity') for the year ended 31 March 2019 set out on pages 17 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2019 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 requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEYSTONE DEVELOPMENT TRUST

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charity 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEYSTONE DEVELOPMENT TRUST

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' 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 its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MA Partners Audit LLP

MA Partners Audit LLP

Chartered Accountants
Statutory Auditors

7 The Close
Norwich
Norfolk
NR1 4DJ
20 December 2019

MA Partners Audit LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and legacies	2	1,307	934	-	2,241	787
Charitable activities	3	399,964	84,655	-	484,619	358,533
Other trading activities	4	191,972	-	-	191,972	200,950
Investments	5	67	17,400	-	17,467	14,095
Total income		593,310	102,989	-	696,299	574,365
Expenditure on:						
Raising funds	4	137,255	-	-	137,255	125,882
Charitable activities		477,576	60,758	57,240	595,574	611,873
Total expenditure	8	614,831	60,758	57,240	732,829	737,755
Net income / (expenditure) before transfers		(21,521)	42,231	(57,240)	(36,530)	(163,390)
Transfers between Funds	19	(57,402)	-	57,402	-	-
Net income / (expenditure) before other recognised gains and losses		(78,923)	42,231	162	(36,530)	(163,390)
Gains on revaluations of fixed assets	12	-	-	219,293	219,293	-
Net movement in funds		(78,923)	42,231	219,455	182,763	(163,390)
Reconciliation of funds:						
Total funds brought forward		54,714	91,062	4,078,455	4,224,231	4,387,621
Total funds carried forward		(24,209)	133,293	4,297,910	4,406,994	4,224,231

The notes on pages 21 to 38 form part of these financial statements.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 04346470

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	12	3,947,661		3,997,643	
Investment property	13	350,000		130,707	
Total tangible assets			4,297,661		4,128,350
Investments	14		250		250
			4,297,911		4,128,600
Current assets					
Stocks	15	7,554		8,422	
Debtors	16	131,082		95,538	
Cash at bank and in hand		102,041		96,430	
		240,677		200,390	
Creditors: amounts falling due within one year	17	(131,594)		(104,759)	
Net current assets			109,083		95,631
Net assets			4,406,994		4,224,231
Charity Funds					
Restricted funds:					
Restricted funds	19	133,293		91,062	
Restricted fixed asset funds	19	4,297,910		4,078,455	
Total restricted funds			4,431,203		4,169,517
Unrestricted funds	19		(24,209)		54,714
Total funds			4,406,994		4,224,231

The charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Trustees consider that the charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the charity to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 MARCH 2019

The financial statements were approved and authorised for issue by the Trustees on 20 December 2019 and signed on their behalf, by:



Jeremy Stone

The notes on pages 21 to 38 form part of these financial statements.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(4,598)	17,925
Cash flows from investing activities:			
Dividends, interest and rents from investments		17,467	14,095
Purchase of tangible fixed assets		(7,258)	(9,560)
Net cash provided by investing activities		10,209	4,535
Change in cash and cash equivalents in the year		5,611	22,460
Cash and cash equivalents brought forward		96,430	73,970
Cash and cash equivalents carried forward	22	102,041	96,430

The notes on pages 21 to 38 form part of these financial statements.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Keystone Development Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Company status

The charity is a company limited by guarantee. The members of the company are the Trustees 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.

1.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. Accounting Policies (continued)

1.4 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time of the Friends is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at Headquarters.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land and buildings	-	100 years straight line (from 1 April 2018)
Plant and machinery	-	5 years straight line
Motor vehicles	-	4 years straight line
Computer equipment	-	3 years straight line

Freehold land is not depreciated.

During the year the Trustees reappraised the economic lives of the fixed assets held. As a result, the rate of depreciation charged on freehold property has been revised.

1.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. Accounting Policies (continued)

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.14 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 Pensions

The charity operates a defined contribution pension scheme and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

1. Accounting Policies (continued)

1.16 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

In assessing the carrying value of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets. During the year the Trustees reappraised the economic lives of freehold property to 100 years, as shown in note 1.6.

2. Income from donations and legacies

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	1,307	934	2,241	787
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2018	515	272	787	
	<hr/>	<hr/>	<hr/>	

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

3. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Grants	-	68,763	68,763	30,537
Rental income & service charges	317,672	-	317,672	248,374
Room Hire	3,979	15,867	19,846	22,750
Green Bikes / Thetford Men's Shed	8,993	-	8,993	4,260
Recharges	39,786	-	39,786	32,745
Miscellaneous	13,281	25	13,306	8,514
Consultancy income	4,900	-	4,900	-
Facilities management (Brandon)	11,353	-	11,353	11,353
	<u>399,964</u>	<u>84,655</u>	<u>484,619</u>	<u>358,533</u>
<i>Total 2018</i>	<u>311,185</u>	<u>47,348</u>	<u>358,533</u>	

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

4. Trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Charity trading income				
Café	111,260	-	111,260	110,898
Conferencing	80,712	-	80,712	90,052
	<u>191,972</u>	<u>-</u>	<u>191,972</u>	<u>200,950</u>
Fundraising trading expenses				
Cafe - advertising	50	-	50	85
Cafe - food	45,036	-	45,036	41,236
Cafe - premises costs	5,648	-	5,648	2,615
Cafe - office costs	(722)	-	(722)	-
Cafe - bank charges	1,197	-	1,197	640
Cafe - travel	61	-	61	64
Conferencing - advertising	768	-	768	503
Conferencing - premises costs	2,875	-	2,875	717
Conferencing - office costs	2,358	-	2,358	1,488
Conferencing - bank charges	1,153	-	1,153	669
Conferencing - Cafe food	-	-	-	611
Wages and salaries	76,379	-	76,379	74,715
NI	1,663	-	1,663	1,999
Pensions	789	-	789	540
	<u>137,255</u>	<u>-</u>	<u>137,255</u>	<u>125,882</u>
Net income from trading activities	<u>54,717</u>	<u>-</u>	<u>54,717</u>	<u>75,068</u>

5. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	67	-	67	45
Rental income - St Johns	-	17,400	17,400	14,050
	<u>67</u>	<u>17,400</u>	<u>17,467</u>	<u>14,095</u>
Total 2018	<u>45</u>	<u>14,050</u>	<u>14,095</u>	

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Direct costs

	Total 2019 £	Total 2018 £
Advertising	84	1,287
Rent, rates & utilities	93,169	90,630
Vehicle costs	649	1,122
Travel costs	4,128	3,646
Technology costs	10,444	14,080
Insurance	19,195	16,068
Premises costs	52,245	40,547
Repairs & maintenance	16,895	23,857
Staff training	6,037	3,977
Other direct costs	10,930	11,993
Wages and salaries	137,079	154,242
National insurance	971	5,874
Pension cost	902	2,058
Depreciation	57,240	108,402
	409,968	477,783
<i>Total 2018</i>	<i>477,783</i>	

7. Support costs

	Total 2019 £	Total 2018 £
Finance & professional fees	19,187	27,317
Postage & stationery	8,052	7,276
Communications & IT	15,905	14,534
General office	11,854	9,522
Premises	-	14
Wages and salaries	118,388	69,443
National insurance	11,092	5,641
Pension cost	1,128	343
	185,606	134,090
<i>Total 2018</i>	<i>134,090</i>	

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Analysis of Expenditure by expenditure type

	Staff costs 2019 £	Depreciation 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading	78,831	-	58,423	137,254	125,882
Costs of raising funds	78,831	-	58,423	137,254	125,882
Charitable activities	269,560	57,240	268,774	595,574	611,873
	<u>348,391</u>	<u>57,240</u>	<u>327,197</u>	<u>732,828</u>	<u>737,755</u>
<i>Total 2018</i>	<u>314,855</u>	<u>108,402</u>	<u>314,498</u>	<u>737,755</u>	

9. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charity	57,240	108,402
Operating lease rentals	<u>3,117</u>	<u>4,405</u>

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

1 Trustee received reimbursement of expenses amounting to £220 in the current year (2018 - 2 amounting to £334).

10. Auditors' remuneration

	2019 £	2018 £
Fees payable to the charity's auditor and its associates for the audit of the charity's annual accounts	5,715	5,550
Fees payable to the charity's auditor and its associates in respect of:		
All other non-audit services not included above	4,515	-
Fees payable to the charity's previous auditor in respect of all other non-audit services not included above	<u>-</u>	<u>3,313</u>

Included within 2018 finance and professional fees shown in the note 7 above, is a credit of £2,600, being the over accrual of audit fees by the previous auditor.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Staff costs

Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	331,846	298,400
Social security costs	13,726	13,515
Other pension costs	2,819	2,940
	<hr/> 348,391 <hr/>	<hr/> 314,855 <hr/>

The average number of persons employed by the charity during the year was as follows:

2019	2018
No.	No.
34	33

No employee received remuneration amounting to more than £60,000 in either year.

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Charity was **£113,446** (2018: £95,837).

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 April 2018	5,261,390	268,810	7,940	18,120	5,556,260
Additions	1,375	4,912	-	971	7,258
At 31 March 2019	5,262,765	273,722	7,940	19,091	5,563,518
Depreciation					
At 1 April 2018	1,269,526	267,063	7,940	14,088	1,558,617
Charge for the year	52,630	1,583	-	3,027	57,240
At 31 March 2019	1,322,156	268,646	7,940	17,115	1,615,857
Net book value					
At 31 March 2019	3,940,609	5,076	-	1,976	3,947,661
At 31 March 2018	3,991,864	1,747	-	4,032	3,997,643

13. Investment property

	Freehold investment property £
Valuation	
At 1 April 2018	130,707
Surplus/(deficit) on revaluation	219,293
At 31 March 2019	350,000

The 2019 valuations were made by the directors, based on external valuations by Andrew Overman of Chilterns Limited, on 22 October 2019, on an open market basis.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

14. Fixed asset investments

	Unlisted securities £
Market value	
At 1 April 2018 and 31 March 2019	250

The investment represents 250 ordinary £1 shares in Foundation East, 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.

15. Stocks

	2019 £	2018 £
Raw materials	7,554	8,422

Stock recognised in the statement of financial activities during the year as an expense was **£47,944** (2018: £38,598).

16. Debtors

	2019 £	2018 £
Trade debtors	85,482	87,404
Other debtors	439	-
Prepayments and accrued income	45,161	8,134
	131,082	95,538

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	39,949	15,698
Other taxation and social security	19,709	21,224
Other creditors	2,264	2,648
Accruals and deferred income	69,672	65,189
	131,594	104,759

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

17. Creditors: Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 April 2018	26,306
Resources deferred during the year	60,922
Amounts released from previous years	(26,306)
	<u>60,922</u>
Deferred income at 31 March 2019	<u>60,922</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.

18. Financial instruments

	2019 £	2018 £
Financial assets measured at fair value through income and expenditure	102,291	96,680
Financial assets measured at amortised cost	85,473	87,406
	<u>187,764</u>	<u>184,086</u>
Financial liabilities measured at amortised cost	<u>57,389</u>	<u>30,701</u>

Financial assets measured at fair value through income and expenditure comprise cash & cash equivalents and fixed asset investments.

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
Designated funds						
Designated Funds	94,900	-	-	(94,900)	-	-
General funds						
Unrestricted Funds	(40,186)	593,310	(614,831)	37,498	-	(24,209)
Total Unrestricted funds	54,714	593,310	(614,831)	(57,402)	-	(24,209)
Restricted funds						
Children & Youth	15,374	4,292	(7,354)	-	-	12,312
Keystone Communities	(9,715)	30,716	(26,922)	-	-	(5,921)
Keystone Property	93,801	67,981	(26,482)	-	-	135,300
Keystone Resources	(8,398)	-	-	-	-	(8,398)
	91,062	102,989	(60,758)	-	-	133,293
Restricted fixed asset funds						
Children & Youth	6,096	-	(161)	-	-	5,935
Keystone Property	4,072,359	-	(57,079)	57,402	219,293	4,291,975
	4,078,455	-	(57,240)	57,402	219,293	4,297,910
Total restricted funds	4,169,517	102,989	(117,998)	57,402	219,293	4,431,203
Total of funds	4,224,231	696,299	(732,829)	-	219,293	4,406,994

Designated funds

The Designated Funds relate to building reserves for future repairs to buildings.

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 DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

19. Statement of funds (continued)

Keystone Communities

The funds provide support for communities and groups to help themselves build the capacity of neighbourhoods through projects like META, KAVO and the Adult work clubs.

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.

Statement of funds - prior year

	<i>Balance at 1 April 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 March 2018 £</i>
Designated Funds	94,900	-	-	94,900
Unrestricted Funds	(6,070)	512,695	(546,811)	(40,186)
Restricted funds				
Children & Youth	23,659	5,052	(13,337)	15,374
Keystone Communities	7,434	22,485	(39,634)	(9,715)
Keystone Property	85,126	33,175	(24,500)	93,801
Keystone Resources	(4,285)	958	(5,071)	(8,398)
	<u>111,934</u>	<u>61,670</u>	<u>(82,542)</u>	<u>91,062</u>
Restricted fixed asset funds				
Children & Youth	6,257	-	(161)	6,096
Keystone Property	4,180,600	-	(108,241)	4,072,359
	<u>4,186,857</u>	<u>-</u>	<u>(108,402)</u>	<u>4,078,455</u>
Total restricted funds	<u>4,298,791</u>	<u>61,670</u>	<u>(190,944)</u>	<u>4,169,517</u>
Total of funds	<u><u>4,387,621</u></u>	<u><u>574,365</u></u>	<u><u>(737,755)</u></u>	<u><u>4,224,231</u></u>

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Summary of funds - current year

	Balance at 1 April 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 March 2019 £
Designated funds	94,900	-	-	(94,900)	-	-
General funds	(40,186)	593,310	(614,831)	37,498	-	(24,209)
	<u>54,714</u>	<u>593,310</u>	<u>(614,831)</u>	<u>(57,402)</u>	<u>-</u>	<u>(24,209)</u>
Restricted funds	91,062	102,989	(60,758)	-	-	133,293
Restricted fixed asset funds	4,078,455	-	(57,240)	57,402	219,293	4,297,910
	<u>4,224,231</u>	<u>696,299</u>	<u>(732,829)</u>	<u>-</u>	<u>219,293</u>	<u>4,406,994</u>

Summary of funds - prior year

	Balance at 1 April 2017 £	Income £	Expenditure £	Balance at 31 March 2018 £
Designated funds	94,900	-	-	94,900
General funds	(6,070)	512,695	(546,811)	(40,186)
	<u>88,830</u>	<u>512,695</u>	<u>(546,811)</u>	<u>54,714</u>
Restricted funds	111,934	61,670	(82,542)	91,062
Restricted fixed asset funds	4,186,857	-	(108,402)	4,078,455
	<u>4,387,621</u>	<u>574,365</u>	<u>(737,755)</u>	<u>4,224,231</u>

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,947,660	3,947,660
Fixed asset investments	-	-	250	250
Investment property	-	-	350,000	350,000
Current assets	-	240,678	-	240,678
Creditors due within one year	(24,209)	(107,385)	-	(131,594)
	<u>(24,209)</u>	<u>133,293</u>	<u>4,297,910</u>	<u>4,406,994</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	50,144	-	3,947,498	3,997,642
Fixed asset investments	-	-	250	250
Investment property	-	-	130,707	130,707
Current assets	4,570	195,822	-	200,392
Creditors due within one year	-	(104,760)	-	(104,760)
	<u>54,714</u>	<u>91,062</u>	<u>4,078,455</u>	<u>4,224,231</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(36,530)	(163,390)
Adjustment for:		
Depreciation charges	57,240	108,402
Dividends, interest and rents from investments	(17,467)	(14,095)
Decrease/(increase) in stocks	868	(5,189)
(Increase)/decrease in debtors	(35,542)	113,855
Increase/(decrease) in creditors	26,833	(21,658)
Net cash (used in)/provided by operating activities	<u>(4,598)</u>	<u>17,925</u>

KEYSTONE DEVELOPMENT TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	102,041	96,430
Total	<u>102,041</u>	<u>96,430</u>

23. Pension commitments

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to **£2,820** (2018 - £2,940). Contributions totalling **£782** (2018 - £1,199) were payable to the fund at the balance sheet date and are included in creditors

24. Operating lease commitments

At 31 March 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts payable:		
Within 1 year	1,356	3,117
Between 1 and 5 years	2,880	4,374
Total	<u>4,236</u>	<u>7,491</u>

25. Related party transactions

During the year, the charity rented property totalling **£8,690** (2018: £7,263) to Willow Properties Thetford Limited, a company which Mark Robinson, a Trustee, is a director. As at 31 March 2019, **£1,610** (2018: £210) was owed from Willow Properties Thetford Limited as is included within trade debtors.

During the year, the charity purchased professional services totalling **£2,403** (2018: £1,850) from Ante Limited, a company which Clive Wadham-Smith, a Trustee, is a director. As at 31 March 2019, **£203** (2018: £200) was owed to Ante Limited as is included within trade creditors.