



Keystone Development Trust

(Formerly known as Keystone Community Partnership Development Trust Ltd)

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

Annual Report and Financial Statements

Year Ended
31 March 2005



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KEYSTONE DEVELOPMENT TRUST

Trustees report and financial statements for the year ended 31 March 2005

Contents

Page:

1	Trustees and Advisors
2	Trustees' Report
10	Report of the Independent Auditors
12	Statement of financial activities
13	Balance sheet
14	Cash flow statement
15	Notes forming part of the financial statements

KEYSTONE DEVELOPMENT TRUST

Trustees and Advisors

Trustees

Sylvia Armes
Bill Bishop
Sheila Childerhouse (Chair until 7 September 2004)
Brenda Canham (from 13 December 2004)
Gillian Hickling
Ivan Johnson
Charlie Moss
Thelma Paines
Pat Pearson (Elected Chair with effect from 7 September 2004)
Joanna Spicer
John Steed
Jim Thorndyke
Stephen Walker
Sandra Walmsley (until 30 June 2004)
Stuart Wright

Chief Executive

Neil Stott

Secretary

Tim Swaine

Registered office

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

Registered Charity number

1093162

Company number

4346470

Auditors

Baker Tilly, 87 Guildhall Street, Bury St Edmunds, Suffolk, IP33 1PU

Solicitors

Kester Cunningham John, Fairstead House, 7 Bury Road, Thetford, Norfolk, IP24 3PJ

Bankers

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

KEYSTONE DEVELOPMENT TRUST

Report of the Trustees' for the year ended 31 March 2005

The Trustees submit their annual report and the audited financial statements of the charity for the year ended 31 March 2005. 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. Originally named Keystone Community Partnership Development Trust Limited, Companies House approved a change of name to Keystone Development Trust on 23 April 2003. 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 fourteen trustees drawn from various backgrounds within the Keystone area of benefit.

Decisions are made on a day-to-day basis by the executive management team. Higher level decisions are made by the trustees at meetings which are held bi-monthly.

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 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.'

Review of developments, achievements and forward plans

Since April 2003 Keystone has moved from being a funding administrator to a local delivery organisation. This has not always been an easy transition. It has meant an exponential growth in staff, the adoption of new policies and practices as well as undertaking the development of complex new projects. Despite these hurdles the Trust and its staff have achieved a great deal in a short space of time. KDT's core work now focuses in 5 key areas which are detailed below.

However there are some overarching and headline themes to the Trust's work. For the next year these will be:

- To support the migrant worker communities and the integration into the indigenous community;
- To work with the communities in west Thetford to improve the facilities and services available;
- To provide vocational training opportunities in Thetford;
- To develop services that can be accessed by rural communities;

KEYSTONE DEVELOPMENT TRUST

Report of the Trustees' for the year ended 31 March 2005 (continued)

- To deliver high quality children's and youth activities;
- To work on breaking down inter-generational barriers;
- To develop social enterprises that meet local needs and / or provide income to the Trust;
- To develop support for the voluntary sector and encourage volunteering; and
- To complete construction of the Keystone Innovation Centre

Children and Youth

We believe that by working with children and young people we are making a double investment – in the future of the area and the future of the young person. Over the last couple of years Keystone has been building its capacity as a provider of youth and children's activities. Through projects such as the Kollektiv, Imagine and the KTeam, Keystone has been delivering high quality activity for young people, a fact that has been recognised by OFSTED amongst others.

Our Children and Youth projects have developed in response to a number of recognised local issues such as:

- A population profile that contains a higher proportion of young people than average
- Lack of leisure opportunities for young people in the area
- Rural isolation of many young people
- Low levels of educational achievement locally
- Low levels of self esteem amongst young people
- Lack of youth provision and facilities
- High youth unemployment in Thetford

Over the last year Keystone staff have achieved a great deal in working with young people:

- Successful launch of the KTeam and 3 separate programmes of activity engaging hundreds of 5 to 11 year olds in positive activities
- Successfully launched the Big Sitting Room on the Abbey Estate, Thetford
- Making significant progress with the SK8 group in developing a new skate facility for Thetford
- Successfully piloting the Games Machine and securing contracts for delivery with Parish and District Councils
- Continue to expand the membership of the Kollektiv
- Successfully launched the Keystone Children's and Youth Foundation with the Awesome event
- Undertook a detailed consultation exercise with young people (Youth Speaks)

Young people tend to get a bad press at the moment. Anti-social behaviour is high on the political agenda and ASBOs and Dispersal Orders are becoming increasingly used both

KEYSTONE DEVELOPMENT TRUST

Report of the Trustees' for the year ended 31 March 2005 (continued)

nationally and locally. Whilst these can be useful tools they cannot change young peoples' behaviour alone. Providing them with *opportunity*, giving them *responsibility* and *listening* to them are also crucial. If you do this you often find that young people have a huge amount of energy, commitment and integrity. With that in mind, over the next year we intend to:

- Continue to develop the Games Machine and offer sessions across the KDT area
- Develop regular youth provision on Barnham Cross and Redcastle estates in Thetford
- Seek funding to continue to develop the Big Sitting Room and explore the feasibility of further venues
- Widen the range of musical opportunities available through the Kollektiv
- Establish definite plans for a new skate venue in the town
- Seek to identify funding for the delivery of activity outside the CER wards
- Develop the next phase of the highly successful Imagine project
- Implement a detailed fundraising strategy for the Children and Youth Foundation
- Research the issues around youth unemployment in the area and work with agencies to address the problem.

At a strategic level KDT will continue to engage with local partners who are involved in similar work and develop joint working arrangements where beneficial. We will also pay close attention to strategic developments that will affect the delivery of our work such as the creation of Children's Trusts and agenda being taken forward by the Government's *Every Child Matters* strategy.

Keystone Communities

The aim of the Keystone Communities work is to **provide support for communities and groups to help themselves**, through building the capacity of neighbourhoods, communities and voluntary groups in order to find solutions to the problems that they face. We are working to build social capital in the Keystone area – the trust and social networks that underpin communities and help them to flourish.

Over the last year our achievements in this area have been:

- The continuing expansion of the TAVO network and increasing take-up of the services offered to smaller community and voluntary groups
- The commissioning of a 'Skills Survey' of migrant workers in the Breckland area
- Providing support for a group of volunteers to set up META (Multilingual & European Thetford Association) – a support organisation for migrant workers
- Setting up a range of services to support the migrant worker community including 2 versions of a translated Information Pack, support for the CAB and a qualification equivalency service.
- Working with the community to secure the reopening of the Community Centre on the Abbey Estate in Thetford.
- Awarding nearly £15,000 in grants to smaller community and voluntary groups through the Community Grants scheme.

Much of Keystone's work in this area is about supporting smaller *voluntary and community groups*. Through TAVO (Thetford Area Voluntary Organisations) these groups can get free advice on funding, constitutions as well as access to free training and networking events.

KEYSTONE DEVELOPMENT TRUST

Report of the Trustees' for the year ended 31 March 2005 (continued)

Groups can also apply for grants of up to £500 through the Keystone Community Grants scheme. Over the coming year we will continue to expand the range of services available to smaller groups locally, including offering free CRB checks for volunteers and assisting them with measuring their impact.

Keystone has Community Development Workers that are funded by European Objective 2 funding and the East of England Development Agency (EEDA). KDT take a *neighbourhood based approach* to much of its community work - focused on the three estates of West Thetford. Here we work alongside the local community to try and tackle the issues which affect people's quality of life. This involves supporting the development of new and existing groups, dealing with statutory agencies, developing projects but most importantly building trust with the local community. During 2005-6 we intend to continue working with these groups to secure extra funding for these areas as well as strengthening the groups themselves. We will also use the Abbey Neighbourhood Centre as a base for community development work on that estate.

KDT is also working with *migrant worker communities* through the Breckland New Communities project, funded through the Home Office, European Social Fund and Breckland Council. The main objective of this project is about improved access to jobs and services for the migrant communities that now reside in the KDT area. However, the project also seeks to support the development of good relationships between these 'new' communities and the existing residents, something which can only be of benefit to us all. Over the coming year the project will be building on the findings of the 'Skills Survey' as well as working to support the development of META.

Keystone People

Keystone People is all about the projects and support that KDT provides for *individuals* in our target area. As in keeping with other areas of Keystone's work the philosophy is of a 'hand up' not a 'hand out'. Building the capacity and capabilities of individuals to help themselves is a cornerstone of good community development work and of the work undertaken at Keystone.

This is a relatively new area of work for the Trust which we intend to expand over the 2005/6 financial year. In particular we will:

- Launch *Keystone Prospects* – free Level 1 training courses in vocational subjects for people who are either out of work or wanting to improvement their employment status.
- Launch the Building Block – providing a dedicated space for the delivery of training in Carpentry and Bricklaying. We will work with partners to maximise the usage of this facility.
- Develop more volunteering and mentoring opportunities at KDT – through these KDT can offer opportunities for local people to develop skills and get involved in our projects. Our mentoring work will enable people to develop skills and confidence which will enable them to move into future employment or training.

KEYSTONE DEVELOPMENT TRUST

Report of the Trustees' for the year ended 31 March 2005 (continued)

Keystone Enterprise

Economically, the KDT area has an over-reliance on agriculture and manufacturing. Levels of skills and education are lower than average – a fact reflected in lower wages. However, Thetford has a young, energetic population and an excellent strategic location; we believe that there is a great deal of potential that can be tapped into locally to create future prosperity for the whole of the KDT area. Clearly Keystone can only have a limited influence on the overall economy of our area but we aim to make a difference where we can.

During the last year much of KDT's work in this area has been in planning and project development. 2005/6 should see the fruition of this work.

KDT will continue to support the development of *Social Enterprises* – businesses that have a social purpose. KDT itself is a social enterprise, trying to balance its aim of improving the quality of life locally with the need to be economically viable and sustainable. KDT already runs *Keystone Community Transport*, its own community transport social enterprise and hopes to set up *Green Ventures* - a furniture reuse business - in the summer of 2005. KDT also offers a *Social Enterprise Service* for social entrepreneurs who are looking to develop businesses. This provides advice, a database of resources and signposting to other support and is funded through European Objective 2 and EEDA.

Keystone will also continue to support *entrepreneurship and small business*. We have start-up units at our Keystone Enterprise Factory and intend to have start-up office space in the Innovation Centre. We also work with business support advisors such as Business Link and NWES to encourage them to deliver training and support in Thetford.

Finally Keystone remains committed to supporting the *local rural economy*. KDT has supported development of monthly farmers markets in Thetford and has funded the production of a local food directory. We hope to develop further projects in this area and have recently been contacting producers about possible projects, as well as liaising with organisations such as East Anglian Food Links.

Keystone Property

Keystone has been in a fortunate position to secure funding from EEDA, Objective 2 and others to develop a number of buildings in Thetford. These buildings will not only provide a base for KDT activities but will (to varying degrees) provide some regular long term income for the Trust as well as an asset base. The present year promises to be as busy as the last in terms of building development and KDT will continue to look for opportunities, and funding, in order to increase the asset base in order to ensure a sustainable future for the charity.

Taken building by building we anticipate the following developments:

The Limes

The Limes was completed on time and within budget in May 2005. During 2005/6 its facilities will be promoted to groups, commercial organisations and statutory bodies within the Thetford area.

KEYSTONE DEVELOPMENT TRUST

Report of the Trustees' for the year ended 31 March 2005 (continued)

Keystone Enterprise Factory (KEF)

The KEF was also completed on time and within budget in May 2005. During 2005/6 we expect a number of key developments at the KEF, including:

- Launch of the *Building Block* in Unit 1
- Establishment of Green Ventures
- Current tenants to move in (Recycle IT, Thetford Excellence Partnership, Princes Trust, Dusty Springclean)
- Rental of remaining units
- Launch of additional business support services

The Keystone Innovation Centre (KIC)

During 2004/5 the KIC overcame several hurdles including protracted land negotiations and planning issues. Fortunately KDT staff and Board Members worked tirelessly to ensure these were overcome and the building is now on site and due for completion in March 2006. KDT staff are currently working on operational and marketing plans for the building in order to ensure that some tenants can move in as soon as the building is completed.

The Abbey Neighbourhood Centre

Renovation and refurbishment work on the Abbey Community Centre was being managed by Breckland Council whom it was agreed would transfer ownership to KDT for a nominal sum once completed. Unfortunately, although originally scheduled for completion in November 2004, this work was delayed on several occasions much to the frustration of all. However, the work and transfer of ownership have now been completed, KDT's Community Development team have transferred to the building and it is due to open in September 2005. The staff team will be working hard to develop activities and encourage groups, companies and other organisations to use the building and its excellent facilities.

Riversdale

Completion of the purchase of Riversdale from Breckland Council has now taken place and a programme of improvements has been prepared. KDT has been successful in securing an additional £40,000 of funding, in addition to the European Objective 2 funds already committed, to improve the building and most works are expected to occur this financial year. KDT will be working closely with the management committee and tenants to ensure that the disruption is minimised.

Keystone Resources

A small, but efficient, team of staff and volunteers provides advice and support to the rest of the organisation covering finance, human resources, facilities management and maintenance, customer and reception services, public relations, marketing, communications, and IT. We will increasingly offer these services to other organisations in order to generate other sources of income.

KEYSTONE DEVELOPMENT TRUST

Report of the Trustees' for the year ended 31 March 2005 (Continued)

Results for the Year

Total income for the year amounted to £2,817,608. Expenses incurred in managing and administering the charity were £17,098 and costs in furtherance of the charity's objects amounted to £1,927,934. Unrestricted and restricted funds carried forward at the end of the year amounted to £45,815 and £2,294,912 respectively.

Reserves Policy

The Trustees are aware that SRB and European funding will be reducing to zero during the period up to 31 March 2007. It is therefore felt prudent to build up reserves to cover at least three months basic running costs to ensure the core activities of the charity into the future. The Trust will be working to maximise unrestricted income from various sources in order to build up a level of reserve which will enable 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.

Risk Management

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.

Statement of Trustees' Responsibilities

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable 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 estimates that are reasonable and prudent; and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

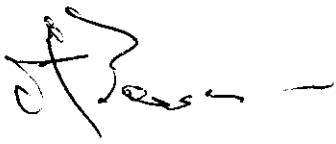
KEYSTONE DEVELOPMENT TRUST

Report of the Trustees' for the year ended 31 March 2005 (Continued)

Auditors

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

This report was approved by the Trustees on 29 September 2005



Pat Pearson
Chair



Sheila Childerhouse
Vice Chair

KEYSTONE DEVELOPMENT TRUST

Independent auditors' report to the members of Keystone Development Trust

We have audited the financial statements of Keystone Development Trust for the year ended 31 March 2005 on pages 12 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if any information specified by law regarding members of the Trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees' 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 United Kingdom Auditing Standards 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 judgements 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.

KEYSTONE DEVELOPMENT TRUST

**Independent auditors' report to the members of Keystone Development Trust
(continued)**

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company as at 31 March 2005 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

*Chartered Accountants
and Registered Auditors*
87 Guildhall Street
Bury St Edmunds
Suffolk IP33 1PU

12 October 2005

KEYSTONE DEVELOPMENT TRUST

Statement of financial activities for the year ended 31 March 2005

	Note	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2005 £	Total 2004 £
Incoming resources						
Donations		986	-	-	986	25,558
Grants received		-	1,433,857	1,277,112	2,710,969	3,043,871
Activities for generating funds:						
Investment income and interest		12,875	-	-	12,875	23,352
Other income		52,431	40,347	-	92,778	53,429
Total incoming resources available for charitable Application		<u>66,292</u>	<u>1,474,204</u>	<u>1,277,112</u>	<u>2,817,608</u>	<u>3,146,210</u>
Charitable expenditure						
Cost of activities in furtherance of the objectives of the charity:	4					
Grants payable	3	-	460,559	258,340	718,899	844,585
Community activities		25,593	524,580	131,633	681,806	610,357
Support costs		-	523,895	3,334	527,229	231,245
Management & administration of the charity		-	17,098	-	17,098	13,084
Total charitable expenditure	5	<u>25,593</u>	<u>1,526,132</u>	<u>393,307</u>	<u>1,945,032</u>	<u>1,699,271</u>
Net incoming/(outgoing) resources	6	40,699	(51,928)	883,805	872,576	1,446,939
Transfers between funds		(16,930)	16,930	-	-	-
Fund balances at 31 March 2004		22,046	165,715	1,280,390	1,468,151	21,212
Fund balances at 31 March 2005		<u>45,815</u>	<u>130,717</u>	<u>2,164,195</u>	<u>2,340,727</u>	<u>1,468,151</u>

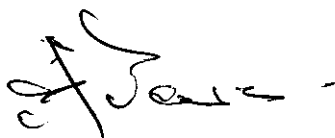
The above figures all relate to continuing operations and include all income and expenditure and gains and losses arising during the year. The notes on pages 15 to 25 form part of these financial statements.

KEYSTONE DEVELOPMENT TRUST

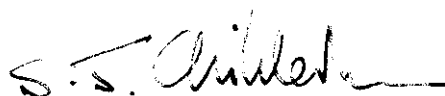
Balance sheet as at 31 March 2005

	Note	2005 £	2004 £
Fixed assets			
Tangible assets	10	<u>2,172,891</u>	<u>1,091,755</u>
Current assets			
Debtors	11	547,431	562,089
Cash at bank and in hand		314,577	810,453
		<u>862,008</u>	<u>1,372,542</u>
Creditors: amounts falling due within one year	12	<u>(572,186)</u>	<u>(861,564)</u>
Net current assets		<u>289,822</u>	<u>510,978</u>
Total assets less current liabilities		<u>2,462,713</u>	<u>1,602,733</u>
Creditors: Amounts falling due after more than one year	14	<u>(121,986)</u>	<u>(134,582)</u>
Net assets		<u><u>2,340,727</u></u>	<u><u>1,468,151</u></u>
Funds			
Unrestricted funds:			
- General	15	45,815	22,046
Restricted funds:			
- Income	16	130,717	165,715
- Capital	17	2,164,195	1,280,390
		<u>2,340,727</u>	<u>1,468,151</u>

The financial statements were approved by the Trustees on 29 September 2005



Pat Pearson
Chair



Sheila Childerhouse
Vice Chair

The notes on pages 15 to 25 form part of these financial statements.

KEYSTONE DEVELOPMENT TRUST

Cash flow statement for the year ended 31 March 2005

	Note	2005	2004
		£	£
Reconciliation of net movement in funds to net cash inflow from operating activities			
Net movement in funds		872,576	1,446,939
Net interest received		(3,210)	(19,786)
Depreciation		76,201	12,299
Increase in debtors		(273,542)	(562,089)
Decrease in creditors		(293,009)	(561,206)
Net cash inflow from operating activities		379,016	316,157
Returns on investments and servicing of finance			
Interest received		12,875	23,352
Interest paid		(9,665)	(3,566)
		3,210	19,786
Capital expenditure			
Payments to acquire tangible fixed assets		(867,039)	(1,104,054)
Financing			
Loan advanced		-	150,000
Loan repaid		(11,063)	(4,483)
		(11,063)	145,517
Decrease in cash in the year	21	(495,876)	(622,594)
Cash at bank and in hand at 1 April 2004	22	810,453	1,433,047
Cash at bank and in hand at 31 March 2005	22	314,577	810,453

The notes on pages 15 to 25 form part of these financial statements.

KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2005

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention, and have been prepared in accordance with applicable accounting and financial reporting standards including the Statement of Recommended Practice (SORP) - 'Accounting and Reporting by Charities', published in October 2000.

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 is shown exclusive of VAT where applicable. Direct charitable expenditure and costs of generating funds are allocated to the function in which they arise. Expenditure on management and administration of the charity and other costs are apportioned on the basis of employee numbers.

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:-

KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2005 (cont.)

1 Accounting policies (*Continued*)

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.

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.

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 and recoverable income tax is accrued within the financial statements.

2 Incoming resources

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

KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2005 (cont.)

3 Grants payable

	Income £	Capital £	Total £
Acorn Grants	1,039	-	1,039
Ancient House Museum	-	30,073	30,073
Brandon HERS	-	50,000	50,000
Brandon Project Worker	7,369	-	7,369
Burrell Museum	-	7,221	7,221
Community Grants	14,853	-	14,853
Community Learning	73,280	-	73,280
Croxton Village Hall	-	5,500	5,500
Equalities - Adult Education	8,562	-	8,562
Equalities - Breckland District Council	36,172	-	36,172
Forest Heath District Council	100	-	100
Great Hockham Village Hall	-	9,394	9,394
Hopton Village Hall	-	15,000	15,000
Objective 1 – Community Development (revenue)	18,000	-	18,000
Objective 2 - Childminding (revenue)	10,916	-	10,916
Objective 2 - Post 16 Bridge	88,498	-	88,498
Objective 2 - Supported Employment 1 (capital)	-	9,243	9,243
Objective 2 - Supported Employment 1 (revenue)	38,696	-	38,696
Objective 2 - Supported Employment 2 (capital)	-	5,178	5,178
Objective 2 - Supported Employment 2 (revenue)	11,510	-	11,510
Objective 2 - Thetford Regeneration (capital)	-	89,788	89,788
Objective 2 - Thetford Regeneration (revenue)	49,799	-	49,799
Objective 2 - Voluntary Sector Support 1 (capital)	-	499	499
Objective 2 - Voluntary Sector Support 1 (revenue)	34,261	-	34,261
Suffolk ACRE	18,083	5,700	23,783
Sustainable Brecks	32,579	-	32,579
St Cuthberts	-	25,744	25,744
Thetford Carnival	3,000	-	3,000
Thetford Music Club	-	5,000	5,000
Thetford Tourism & Heritage	13,592	-	13,592
The Wayland Partnership	250	-	250
Total	460,559	258,340	718,899

KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2005 (cont.)

4 Charitable expenditure

	Unrestricted Funds £	Restricted Income Funds £	Restricted Capital Funds £	Total 2005 £	Total 2004 £
Staff Costs	-	723,146	-	723,146	463,055
Temporary Staff	-	18,423	-	18,423	57,808
Staff Recruitment	-	15,893	-	15,893	21,411
Staff Training	-	16,966	-	16,966	18,708
Travel & Subsistence	35	16,924	263	17,222	12,514
Establishment Costs	5,667	92,652	16,306	114,625	70,505
Office Costs	346	10,828	8,000	19,174	29,562
Computer/ICT	-	16,157	997	17,154	35,089
Vehicle Expenses	8,553	16,086	882	25,521	35,504
Marketing & Promotion	259	34,349	577	35,185	43,551
Meetings & Conferences	1,838	30,187	1,069	33,094	3,935
Finance Expenses (note 7)	8,895	770	-	9,665	7,596
Legal & Professional Fees	-	73,192	30,672	103,864	43,149
Grants	-	460,559	258,340	718,899	844,585
Depreciation	-	-	76,201	76,201	12,299
	25,593	1,526,132	393,307	1,945,032	1,699,271

5 Total resources expended

	Staff Costs £	Depreciation £	Other £	Total 2005 £	Total 2004 £
Grants	-	-	718,899	718,899	844,585
Community Activities	467,558	72,867	141,381	681,806	610,357
Support Costs	255,588	3,334	268,307	527,229	231,245
Management & Admin	-	-	17,098	17,098	13,084
	723,146	76,201	1,145,685	1,945,032	1,699,271

KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2005 (cont.)

6 Net incoming/(outgoing) resources

	2005 £	2004 £
Net incoming resources are stated after charging:		
Depreciation	76,201	12,299
Auditors remuneration - audit services	11,750	10,000
- other services	8,391	2,000
	<u> </u>	<u> </u>

The charitable income and net incoming resources for the year are attributable to the charitable company's continuing principal activity as described on page 2. All of the income is generated within the United Kingdom.

7 Interest payable

	2005 £	2004 £
On bank loans and overdrafts	9,665	7,596
	<u> </u>	<u> </u>

8 Staff costs

	2005 £	2004 £
Wages and salaries	639,089	411,538
Social security costs	61,755	41,261
Pension costs	22,302	10,256
	<u> </u>	<u> </u>
	<u>723,146</u>	<u>463,055</u>

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

	Number	Number
Charitable activities	<u>31</u>	<u>19</u>

No members of the Trustees' received emoluments or were reimbursed for expenses incurred during the year. No employees were paid more than £50,000.

KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2005 (cont.)

9 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 £22,302 (2004 - £10,256) represents contributions payable by the charitable company to the fund for the year. At the year end contributions totalling £444 (2004 - £Nil) were payable to the fund and are included in creditors.

10 Tangible fixed assets

	Freehold land and buildings £	Machinery and office equipment £	Computer hardware and software £	Vehicles £	Total £
Cost					
At 1 April 2004	1,040,355	12,135	29,647	21,917	1,104,054
Additions	1,039,772	82,783	14,581	20,201	1,157,337
At 31 March 2005	2,080,127	94,918	44,228	42,118	2,261,391
Depreciation					
At 1 April 2004	-	2,427	9,872	-	12,299
Charge for the year	32,658	18,983	14,030	10,530	76,201
At 31 March 2005	32,658	21,410	23,902	10,530	88,500
Net book value					
At 31 March 2005	2,047,469	73,508	20,326	31,588	2,172,891
At 31 March 2004	1,040,355	9,708	19,775	21,917	1,091,755

Included within freehold land and buildings is £168,200 relating to freehold land which has not been depreciated.

Included within freehold land and buildings is £278,594 relating to an asset in construction.

11 Debtors

	2005 £	2004 £
Trade debtors	159,866	63,223
Other debtors	155,062	273
Prepayments	22,096	357,382
Accrued income	210,407	141,211
	547,431	562,089

KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2005 (cont.)

12 Creditors: amounts falling due within one year

	2005 £	2004 £
Loan (note 14)	12,468	10,935
Trade creditors	13,623	87,615
Other creditors	79,612	5,227
Accruals	359,463	321,492
Deferred income (note 13)	107,020	436,295
	<u>572,186</u>	<u>861,564</u>

13 Deferred income

	2005 £	2004 £
Balance at 1 April 2004	436,295	1,411,835
Amount released to incoming resources	(436,295)	(1,411,835)
Amount deferred in year	107,020	436,295
	<u>107,020</u>	<u>436,295</u>
Balance at 31 March 2005		

Deferred income comprises grants received in advance for projects to be carried out in future accounting periods.

14 Creditors: amount falling due after more than one year

	2005 £	2004 £
Loan:		
Due 1 – 2 years	13,068	11,657
Due 2 – 5 years	44,604	39,462
	<u>57,672</u>	<u>51,119</u>
Due in more than 5 years by instalments	64,314	83,463
	<u>121,986</u>	<u>134,582</u>

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

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

KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2005 (cont.)

15 Unrestricted funds

	Balance at 1 April 2004 £	Incoming Resources £	Resources expended £	Transfers £	Balance at 31 March 2005 £
General fund	22,046	66,292	(25,593)	(16,930)	45,815

16 Restricted income funds

	Balance at 1 April 2004 £	Incoming Resources £	Resources expended £	Transfers £	Balance at 31 March 2005 £
CER Projects	-	580,266	(584,186)	5,424	1,504
SRB Projects	146,115	637,987	(718,608)	11,506	77,000
Equalities	16,034	137,326	(146,470)	-	6,890
Enterprise Factory	-	86,016	(53,840)	-	32,176
The Limes	3,566	-	(1,490)	-	2,076
Community Finance	-	10,000	-	-	10,000
Hallmarks	-	22,609	(21,538)	-	1,071
	165,715	1,474,204	(1,526,132)	16,930	130,717

17 Restricted capital funds

	Balance at 1 April 2004 £	Incoming Resources £	Resources expended £	Transfers £	Balance at 31 March 2005 £
CER Projects	14,874	158,369	(160,842)	-	12,401
SRB Projects	72,147	243,727	(185,030)	-	130,844
Equalities	576	-	(288)	-	288
Enterprise Factory	678,246	407,882	(23,695)	-	1,062,433
Innovation Centre	214,613	266,591	(5,178)	-	476,026
The Limes	156,751	198,101	(11,640)	-	343,212
Riversdale	143,183	2,442	(6,634)	-	138,991
	1,280,390	1,277,112	(393,307)	-	2,164,195

KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2005 (cont.)

18 Analysis of net assets between funds

	Tangible Fixed assets £	Net current assets £	Long term Loan £	Total £
Unrestricted funds				
General	150,000	17,801	(121,986)	45,815
Restricted income funds				
CER Projects	-	1,504	-	1,504
SRB Projects	-	77,000	-	77,000
Equalities	-	6,890	-	6,890
Enterprise Factory	-	32,176	-	32,176
The Limes	-	2,075	-	2,075
Community finance	-	10,000	-	10,000
Hallmarks	-	1,071	-	1,071
	-	130,716	-	130,716
Restricted capital funds				
CER Projects	9,181	3,220	-	12,401
SRB Projects	132,104	(1,260)	-	130,844
Equalities	288	-	-	288
Enterprise Factory	993,420	69,013	-	1,062,433
Innovation Centre	446,794	29,232	-	476,026
The Limes	319,541	23,671	-	343,212
Riversdale	121,563	17,429	-	138,992
	2,022,891	141,305	-	2,164,196
Total funds 2005	2,172,891	289,822	(121,986)	2,340,727
Total funds 2004	1,091,755	510,978	(134,582)	1,468,151

CER Projects – projects funded through the Community Economic Regeneration programme utilising ERDF (European Regional Development Funds) and ESF (European Social Funds) funding.

SRB Projects – projects funded through the Single Regeneration Budget, a source of funding received via the East of England Development Agency.

Equalities – a Home Office funded project to support the inclusion of minority ethnic communities, and in particular the Portuguese community.

KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2005 (cont.)

18 Analysis of net assets between funds (Continued)

Enterprise Factory – a major capital project providing for the purchase and refurbishment of a warehouse building. This will be utilised for a variety of social enterprises, small businesses and vocational training activities.

Innovation Centre – the purchase of land and the construction of a 30,000 square foot building which will provide conference/meeting space, catering and office accommodation for a range of businesses in Thetford.

The Limes – the purchase, renovation and refurbishment of a listed building within Thetford which will provide office accommodation for the Trust in addition to community facilities.

Riversdale – the purchase and refurbishment of a building to continue its use as a voluntary sector hub.

Keystone Community Finance - Keystone Community Finance is a project being delivered in partnership with Peddars Way Housing Association and Rainbow Savers Credit Union. The project will facilitate access to credit union services in Thetford through the establishment of 2 collection points.

Hallmarks - Hallmarks is a learning evaluation tool developed by EEDA. Keystone has taken over the leadership of this project and is seeking ways in which to make it a self funding operation.

19 Capital commitments

	2005 £	2004 £
Amounts contracted, not provided for	430,092	-

20 Related party transactions

Pat Pearson (Chairman) is also the owner of Pearsons (Thetford) Limited, a waste management company. During the year, Keystone Development Trust entered into the following transactions on an arms length basis:

	£
Purchases from Pearsons (Thetford) Limited	277
Sales to Pearsons (Thetford) Limited	60
Balance due from Pearsons (Thetford) Limited at 31 March 2005	71

KEYSTONE DEVELOPMENT TRUST

Notes forming part of the financial statements for the year ended 31 March 2005 (cont.)

21 Reconciliation of net cashflow to movement in net funds

	2005 £	2004 £
Decrease in cash in the year	(495,876)	(622,594)
Loans advanced	-	(150,000)
Repayment of loans	11,063	4,483
Movement in net funds in the year	(484,813)	(768,111)
Net funds at start of year	664,936	1,433,047
Net funds at end of year	180,123	664,936

22 Analysis of net funds

	At start of year £	Cashflow £	At end of year £
Cash at bank and in hand	810,453	(495,876)	314,577
Debt due within one year	(10,935)	(1,533)	(12,468)
Debt due after one year	(134,582)	12,596	(121,986)
Total	664,936	(484,813)	180,123