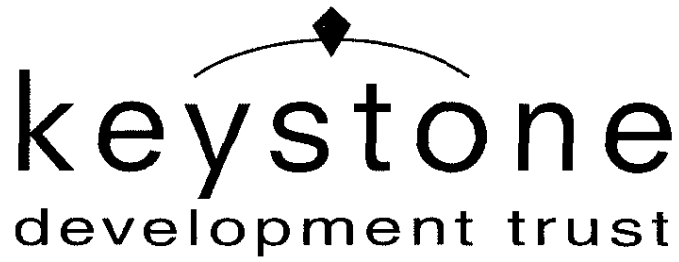


COMPANY REGISTRATION NUMBER: 4346470  
CHARITY REGISTRATION NUMBER: 1093162



**Keystone Development Trust**  
**Company Limited by Guarantee**  
**Financial statements**  
**31 March 2017**

FRIDAY  
WED



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A02 29/12/2017 #21  
COMPANIES HOUSE  
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\*A6WUP54I\*  
A10 03/01/2018 #479  
COMPANIES HOUSE

# Keystone Development Trust

## Company Limited by Guarantee

### Financial statements

Year ended 31 March 2017

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# Keystone Development Trust

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report)

#### Year ended 31 March 2017

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The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 March 2017.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Companies Act 2006 and 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 (FRS102) (effective 1 January 2015).

#### Reference and administrative details

<b>Registered charity name</b>	Keystone Development Trust
<b>Charity registration number</b>	1093162
<b>Company registration number</b>	4346470
<b>Principal office and registered office</b>	Keystone Innovation Centre Croxtan Road Thetford IP24 1JD

#### The trustees

The trustees who served during the year and at the date of approval were as follows:

Mark Allison (resigned 15 August 2016)  
Brenda Canham (Chair from 27 April 2017)  
Robert Catton (Chair to 27 April 2017, Vice Chair from 27 April 2017)  
Sheila Childerhouse (resigned 23 March 2017)  
Robert King  
Charlie Moss  
Alice Robineau (appointed 11 February 2017)  
Mark Robinson (appointed 11 May 2017)  
Monique Stevenson (resigned 27 April 2017)  
Clive Wadham-Smith  
Ryan Windsor

**Company secretary** Alan Flack (resigned 8 November 2016)

**Chief Executive** Dr Louise Humphries

**Auditor** Lovewell Blake LLP  
Chartered accountants & statutory auditor  
Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

# Keystone Development Trust

Company Limited by Guarantee

Trustees' annual report (incorporating the director's report) *(continued)*

Year ended 31 March 2017

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<b>Bankers</b>	HSBC Bank Plc 36 King Street Thetford Norfolk IP24 2AS
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# Keystone Development Trust

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### Year ended 31 March 2017

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##### Objectives and activities

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 - on 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.

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.'*

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

o 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.

o The latest published Social Mobility Indicator (Nov 2017) identified Breckland as one of the countries 'cold spots' for young people - ranked 300 / 324.

o The age demographic of Breckland is weighted by two extremes with a significantly higher than average number of people both less than 16 years old (2016: 16.2%) and are of pensionable age (2016: 21.4%) live in Breckland compared to the Norfolk average.

o Figures from the Police.uk crime map show that Thetford has a higher reported crime per 1000 residents compared to the Breckland district.

o 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).

o 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.

# Keystone Development Trust

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### Year ended 31 March 2017

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##### Objectives and activities *(continued)*

o 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). The Inspiration Trust that runs The Thetford Academy has put a substantial amount of money into the school with the new build bringing the two previous schools in the town together under one roof and continue to work in raising educational standards.

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

Our Objectives are to:

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

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

During 2016/17 Keystone's operations fit into two broad categories; those that are revenue-earning, to generate funds to support our purpose and goals, and those which provide services to our local communities, service-users and customers. 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.

##### 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: -

- **Art, Well-Being and Creative-Based Community Groups:** Keystone provides a range of projects and services including recovery through art and an arts café that help people develop a range of skills and experiences for pleasure and, in some cases, to help facilitate a recovery from a range of difficult situations through art. This also included a Heritage Open Day where people from the local area were invited to share their stories, photographs and other memorabilia from Thetford during the London overspill era (1957 onward) which attracted great interest. These projects also include community music lessons and the provision of local exhibitions where resources allow, including drumming lessons.
- **Youth Activities:** This year we have really stepped up our commitment to young people. Through Breckland YAB funding we ran activities for young adults living on the Abbey Estate in Thetford to provide 'Positive Activities' in an effort to reduce antisocial behaviour - most of these activities were work / career focused. Due to the interest in catering in particular, we also started a Youth Café set up with funding from Comic Relief. As a natural progression in our support for local young people we also started an apprenticeship programme and are current supporting three young people in Customer Services, Business Admin and Catering. This year, Keystone are also part of a new BBO North Cambridge wide ESF funded provision for young people who are NEET - at risk of being NEET - allowing us to extend our provision geographically and build our expertise.

# Keystone Development Trust

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### Year ended 31 March 2017

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##### Objectives and activities *(continued)*

- **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 31 March 2018 from Children in Need. There was a short period where the project had not secured external funding so Keystone continued the delivery through its own reserves in order to provide continuation of delivery to the community. Funding for the new sessions has led to an enhanced delivery to those aged between 9 and 15. The project provides activity and support sessions and informal mentoring to young people with a focus on practical life skills for younger members and support to pursue potential future career related opportunities for older members. We also secured funding from the Suffolk High Sheriff to run a year-long pilot of this project in Mildenhall - which proved very successful.
- **META:** was set up by Keystone to meet the needs of the emerging communities on the Norfolk / Suffolk borders. Funding had been minimal for a couple of years and both staff and the organisation lacked formal accreditation. Such accreditation to give debt and immigration advice is increasingly important in the delivery of such a service. Over the last year Keystone have been working closely with GYROS to upskill META staff and determine the future of the service.
- **Men's Sheds:** as a result of community consultation with local residents we identified a gap in the provision for men. Through research we identified a successful movement of 'Men's Sheds' and set about morphing Keystone's Green Ventures Bike Project into a Men's Bike Shed. Using a vacant property on York Way the bike project relocated to a smaller workshop area, with a shop front and opposite the Abbey Community Centre. 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! The success of attracting local men of all ages led to a further gardening based shed - the Grow Shed. Thetford Town Council provided two allotments to the Shedders, and the Princes Trust sent a team of young people in Nov / Dec 2016 to clear the site, and build a shed, patio area, raised beds, bug den, compost and also fundraised to buy tools.
- **Community Meals:** In May 2016 we opened a Community Café within the Abbey Neighbourhood Centre - thanks to Capital Funding from Breckland Council and revenue funding from the Celia Della Hoy Croxton Trust. Primarily to offer a place for local people to meet on the estate and for us to start to rebuild our relationship with one of the communities we serve. As well as the Youth Cafe evolving, we have also be able to offer free weekly community meals using weekly donations from the Tesco Fareshare Scheme (Fareshare is a national scheme, which aims to reduce food waste whilst recognising opportunities to help alleviate some of the challenges of poverty). During the winter months we also offered free community meals to our older residents through the Norfolk Warm and Well Fund.

# Keystone Development Trust

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### Year ended 31 March 2017

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##### Achievements and performance *(continued)*

##### 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.

##### o Keystone Buildings:

**The Innovation Centre;** by the end of the year, the Innovation Centre was 95% occupied. This is a vast improvement on last year's figures, due in part to the partitioning up of the top floor. As a whole, the Centre houses 12 businesses throughout the three floors supporting over 50 jobs, all of which cover various business sectors including healthcare, training and professional services. 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 64% 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 95%. The factory houses 17 businesses within, supporting over 40 jobs. The factory offers a range of offices and light industrial units including printers, designers, electricians, builders, carpenter, IT, tailors and groups working with children and families. Keystone also managed, by relocating the Green Bike Ventures into York Way as a Men's Shed, to find space to accommodate the newly formed Thetford Boxing Club. It also now houses our Finance department.

The **Abbey Community Neighbourhood Centre;** the centre is used by local residents and associations on a regular basis. This year we 'reopened' the Centre with new activities, a community Café (Abbey Café) and with additional office and meeting room space is now the home of Keystone's Communities Team.

**Riversdale;** is rented 'as a whole' to the Riversdale Management Committee providing them with a base to house many local voluntary organisations in Thetford. This year we have held many discussion as to how we can better work together to ensure a future of a town centre community location and will follow this through with more direct involvement next year.

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. This year Keystone have also secured funding through The Suffolk Community Foundation to pilot several new community activities including a Women's Art and Craft Club, Walking Group, activities for young people. This has given us the insight into the needs of local residents.

##### o Social Enterprise café

Cafe One is a social enterprise dedicated to providing healthy, local, seasonal and fair trade food with as few food miles as possible. 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. This year we have reduced the opening hours of Café One to allow local groups such as the University of the Third Age to use the space for their meetings in the afternoons. We are also supporting young people through and apprenticeship and work placement opportunities.



# Keystone Development Trust

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### Year ended 31 March 2017

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##### **Achievements and performance** *(continued)*

o **Keystone Research and Consultancy** has been quiet this year as our senior staff focused their attention on the restructure of the Trust itself. The Social Incubator East project, launched in June 2015 and supporting up to 80 aspiring entrepreneurs formally restructured into the Cambridge Judge Business School in June 2017 and our direct involvement ended.

##### **Achievements and performance**

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

##### **To promote financial inclusion**

- o Affordable hire rates for community facilities
- o Provision of managed workspace to generate employment opportunities
- o Sustainable work opportunities through the Trust's social enterprises
- o Provision of affordable second hand bikes
- o Apprenticeship programme within Keystone - supporting 3 apprenticeships
- o Embedding financial literacy into our youth projects

##### **To facilitate social inclusion**

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

##### **To protect the environment**

- o All the buildings provide paper recycling facilities to tenants and staff which are well used.
- o Upcycling of bikes through the Men's Shed programme.
- o Community meals through the Tesco Fair Share scheme

##### **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.

Factors which affect the delivery of our objectives include:

##### **Ability to secure external funding**

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 looking to make the Trust's capital assets work 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**

The enterprises activities of the Trust have been reviewed this year and as a result some e.g. Green Venture Bikes have closed - others have been reformed. Thus, 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.

##### **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.

# Keystone Development Trust

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### Year ended 31 March 2017

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##### Achievements and performance *(continued)*

###### 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

Total income for the year amounted to £648,305 (2016 £676,293). Expenses in relation to furtherance of the charity's objects amounted to £808,470 (2016: £814,958), with other expenditure being the loss on disposal of tangible fixed assets of £210,369.

Unrestricted funds carried forward at the end of the year amounted to £88,830 (2016: £135,450) of which £94,900 (2016: £94,900) has been designated to future expenditure and restricted funds amounted to £4,298,791 (2016: £4,412,336).

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

- Breckland Youth Advisory Board in delivering Positive Activities to young people
- Norfolk County Council Public Health in delivering a Smoking Cessation project
- Children In Need for delivering two youth programmes through A\*Spire
- Suffolk Community Foundation: various funds - supporting young people, women, walking group.
- Norfolk Community Foundation: various funds - supporting young people, Men's Shed
- Breckland Council: Capital grant to reconfigure the Abbey Neighbourhood Centre & community café.
- Number of smaller trusts - providing revenue and small capital items funding (bingo machine)

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

The Trust has many volunteers that help in the running of the projects and the charity. During the year 1,012 (2016 - 726) hours were given by volunteers to the Trust with an estimated value of £7,590 (2016 - £5,589). Without the help of the volunteers many of the projects run would not be able to continue in the same format they do today. These figures are not included within the accounts.

# Keystone Development Trust

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### Year ended 31 March 2017

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##### Financial review *(continued)*

##### 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 2017 to 2018 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.

##### Reserves Policy

Trustees aim is to hold unrestricted reserves at a level to cover at least three months basic running costs (based on 2016 this amounts to approximately £32,800) to ensure the core activities of the charity carry on into the future. Unrestricted undesignated reserves have decreased during the year by £46,620 to leave a deficit of £6,070, including fixed assets of £40,585, (2016 - surplus of £40,550, including fixed assets of £4,414). The Trust is continuing to work to maximise unrestricted income from various sources in order to build up a level of reserve which enables activity to continue.

##### Investment Policy

The Trustees have a policy of investing all available funds overnight in higher investment accounts although this year the benefit of this has been negligible. 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.

# Keystone Development Trust

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### Year ended 31 March 2017

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##### Plans for future periods

The main thrust of the financial model going forward is to make the Capital Assets (buildings) work much harder for the Trust. 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 from 1 April 2018.

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 longer term. We have re-engaged with Locality and look forward to developing our 'master vision' in the next year.

In the financial year 2017/18 we will start to see the evidence of change in the finances. Whilst the restructure of the financial systems and process continues, it has not been a smooth and complete transition, we have also invested in expert advice including a comprehensive VAT Review in November 2017 and a working day with SAGE on site in the same month. All will help future proof our systems.

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 although as yet we are still mainly looking at short term pilot funding. The current financial year will see more strategic and long term applications being submitted.

The Trust'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. We have also made space for the CAB in the Abbey Neighbourhood Centre - providing amongst other things debt advice.

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 support 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.

# Keystone Development Trust

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### Year ended 31 March 2017

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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 cafes. We will encourage our young people to make healthy choices and cook in healthy ways through our children's activities. If successful with funding, we will start a Women's Empower programme in Thetford in January 2018. We will also follow up on initial conversations with partners about social prescribing.

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

#### Structure, governance and management

The Trustees submit their annual report and the audited financial statements of the charity for the year ended 31 March 2017. The charity is constituted as a company limited by guarantee. The financial statements are the full statutory financial statements of the charitable company and should be read in conjunction with the Annual Report.

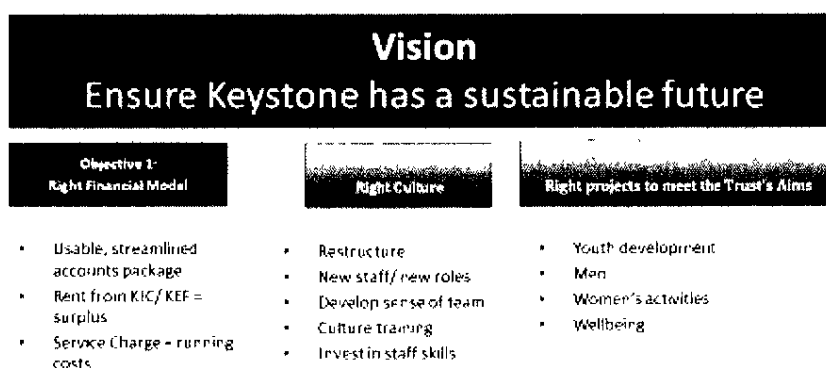
Keystone Development Trust is a company limited by guarantee and a charity governed by Memorandum and Articles of Association. The directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. There are currently eight 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.

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

The Trustees consider the Board of Trustees, Chief Executive and Director of Finance to 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.

In June 2016 finances presented to the Board of Trustees by the Director of Finance highlighted that the Trust was still running at a loss - it was costing more money to run than it was generating. The money secured from the sale of The Limes in March 2016 would last only two years if we continued as is. Thus, a comprehensive restructure of the Trust commenced in earnest and focused on three key components:



# Keystone Development Trust

## Company Limited by Guarantee

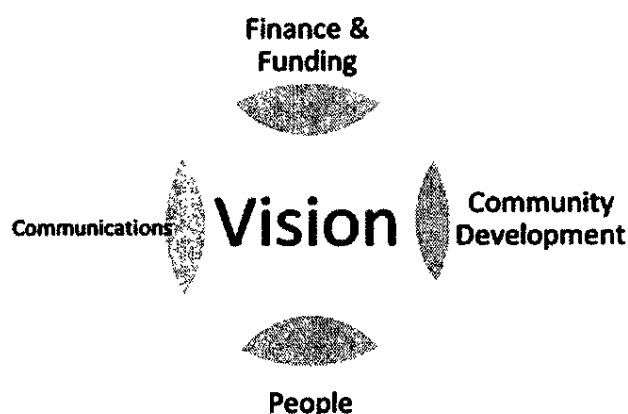
### Trustees' annual report (incorporating the director's report) *(continued)*

#### Year ended 31 March 2017

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In September 2016, led by the Chief Executive Dr Louise Humphries, a major staff restructure commenced which saw several changes at all levels across the Trust using the following model.

## Enabling strategies



Financial support was secured from Lovewell Blake to manage the transition of all financial data from Exchequer software into SAGE. This allows us to readily access information about financial performance and to be able to share this knowledge to staff managing different projects and cost centres. This transition proved more laborious than anticipated and thus the Trust struggled to keep on top of financial reporting to funders and chasing of debtors. Whilst improvement work continues on this system we are confident that the ability of SAGE will vastly improve manager and Trustee knowledge on finance of the Trust. It has also allowed us to strip out duplicated admin activities.

As part of the restructure the buildings portfolio has been examined to ensure that the charges are competitive and that the Trusts Capital assets work hard for the overall activities of the Trust. This review work carries on into Year 2017/18. Within this year we partitioned up the top floor of the Innovation Centre - which had remained unlet for 18 months. By year end all offices apart from one were let. This increase the Trusts income and activity within conferencing and Café One.

Professional HR guidance was brought in to ensure we followed due process in this staff restructure. HR professional support will continue to support the Trust in the following year as all Policies and Contracts are reviewed and updated. This will help to improve the operational activity of the Trust at all levels with appraisal systems in place and clear systems for staff to follow.

The Trustees and the Chief Executive have examined the major strategic, business and operational risks which the charity faces and as a result have put a work plan in place to renew all Risk Assessments and compliance checks. Staff training has also been reviewed and staff are participating in awareness raising (e.g. Domestic Abuse Champions; Safeguarding) and skills development (ILM Management Training) and broadening out mandatory training to all relevant staff to embed a knowledge culture (First Aid, Fire Marshalling, Food Hygiene).

# Keystone Development Trust

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### Year ended 31 March 2017

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Once the restructure of the Trust had started, and the Trustees felt confident the Trust was on the right path some long serving Trustees resigned and new Trustees recruited. Shelia Childerhouse resigned in March 2017 and Alice Robineau and Mark Robinson (Breckland Council representative) were appointed at the AGM, on 11 February 2017, and 11 May 2017 respectively. Rob Catton, Chair of Trustees, resigned as Chair in April 2017 due to work commitments and ability to make meetings and Brenda Canham was appointed.

Due to the amount of detail and knowledge needed by Trustees during this restructure the Main Board appointed three sub groups - each of which reports into the main Board. These sub groups meet monthly and include Finance Sub Group - led by Mark Robinson, Properties Sub Group - led by Clive Wadham-Smith and Communities Sub Group - led by Brenda Canham.

The detailed Strategic Planning post restructure began in the following financial year with a core group of Trustees and key management staff. This is currently being written up prior to further community consultation.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set and does not seek to exclude any section of the community. We have delivered projects across all sections of the community.

#### **Trustees' responsibilities statement**

The trustees, who are also directors 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP 2015 (FRS102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

# Keystone Development Trust

## Company Limited by Guarantee

### Trustees' annual report (incorporating the director's report) *(continued)*

#### Year ended 31 March 2017

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#### **Auditor**

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

A resolution to reappoint Lovewell Blake LLP as auditors will be proposed at the forthcoming Annual General Meeting.

#### **Small company provisions**

This report has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006.

The trustees' annual report was approved on 22/12/2017 and signed on behalf of the board of trustees by:



Brenda Canham  
Trustee



# **Keystone Development Trust**

## **Company Limited by Guarantee**

### **Independent auditor's report to the members of Keystone Development Trust**

#### **Year ended 31 March 2017**

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We have audited the financial statements of Keystone Development Trust for the year ended 31 March 2017 which comprise the statement of financial activities (including income and expenditure account), balance sheet, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2017 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 Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

# Keystone Development Trust

## Company Limited by Guarantee

### Independent auditor's report to the members of Keystone Development Trust (continued)

Year ended 31 March 2017

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#### Matters on which we are required to report by exception

In light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; and
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the trustees' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

*Lovewell Blake LLP*

Mark Proctor FCA DChA (Senior Statutory Auditor)

For and on behalf of  
Lovewell Blake LLP  
Chartered accountants & statutory auditor  
Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

*22 December 2017*

# Keystone Development Trust

## Company Limited by Guarantee

### Statement of financial activities (including income and expenditure account)

31 March 2017

		2017			2016	
	Note	Unrestricted funds £	Restricted funds £	Restricted capital funds £	Total funds £	Total funds £
<b>Income and endowments</b>						
Donations and legacies	5	71	–	–	71	344
Charitable activities	6	303,339	125,998	–	429,337	463,255
Other trading activities	7	202,705	–	–	202,705	195,407
Investment income	8	112	16,080	–	16,192	15,537
Other income	9	–	–	–	–	1,750
<b>Total income</b>		<u>506,227</u>	<u>142,078</u>	<u>–</u>	<u>648,305</u>	<u>676,293</u>
<b>Expenditure</b>						
Raising funds						
Costs of other trading activities	10	(173,674)	–	–	(173,674)	(162,917)
Investment management costs	11	–	(1,636)	–	(1,636)	(4,081)
Charitable activities	12	(379,173)	(152,527)	(101,460)	(633,160)	(647,960)
Other expenditure	14	–	–	–	–	(210,369)
<b>Total expenditure</b>		<u>(552,847)</u>	<u>(154,163)</u>	<u>(101,460)</u>	<u>(808,470)</u>	<u>(1,025,327)</u>
<b>Net expenditure and net movement in funds</b>		<u>(46,620)</u>	<u>(12,085)</u>	<u>(101,460)</u>	<u>(160,165)</u>	<u>(349,034)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		135,450	124,019	4,288,317	4,547,786	4,896,820
<b>Total funds carried forward</b>		<u>88,830</u>	<u>111,934</u>	<u>4,186,857</u>	<u>4,387,621</u>	<u>4,547,786</u>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.

The notes on pages 20 to 36 form part of these financial statements.

# Keystone Development Trust

## Company Limited by Guarantee

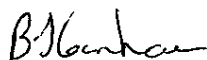
### Balance sheet

31 March 2017

		2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	19		4,096,485		4,161,774
Investments	20		130,707		130,707
Programme related investments	21		250		250
			<u>4,227,442</u>		<u>4,292,731</u>
<b>Current assets</b>					
Stocks	22	3,233		4,532	
Debtors	23	209,393		100,310	
Cash at bank and in hand		73,970		314,785	
		<u>286,596</u>		<u>419,627</u>	
<b>Creditors: Amounts falling due within one year</b>	24	(126,417)		(164,572)	
<b>Net current assets</b>			160,179		255,055
<b>Total assets less current liabilities</b>			<u>4,387,621</u>		<u>4,547,786</u>
<b>Net assets</b>			<u>4,387,621</u>		<u>4,547,786</u>
<b>Funds of the charity</b>					
Restricted capital funds			4,186,857		4,288,317
Restricted funds			111,934		124,019
Unrestricted funds			88,830		135,450
<b>Total charity funds</b>	27		<u>4,387,621</u>		<u>4,547,786</u>

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

These financial statements were approved by the board of trustees and authorised for issue on 22.11.2017 and are signed on behalf of the board by:



Brenda Canham  
Trustee

Company registration number: 4346470

The notes on pages 20 to 36 form part of these financial statements.

# Keystone Development Trust

## Company Limited by Guarantee

### Statement of cash flows

Year ended 31 March 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Net expenditure	(160,165)	(349,034)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	104,278	115,921
Other interest receivable and similar income	(16,192)	(15,537)
Loss on disposal of tangible fixed assets	—	208,619
<i>Changes in:</i>		
Stocks	1,299	744
Trade and other debtors	(109,083)	(12,447)
Trade and other creditors	(38,155)	29,581
Cash generated from operations	(218,018)	(22,153)
Interest received	16,192	15,537
Net cash used in operating activities	(201,826)	(6,616)
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(38,989)	(16,442)
Proceeds from sale of tangible assets	—	268,417
Net cash (used in)/from investing activities	(38,989)	251,975
<b>Net (decrease)/increase in cash and cash equivalents</b>	(240,815)	245,359
<b>Cash and cash equivalents at beginning of year</b>	314,785	69,426
<b>Cash and cash equivalents at end of year</b>	73,970	314,785

The notes on pages 20 to 36 form part of these financial statements.

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements

Year ended 31 March 2017

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#### 1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Keystone Innovation Centre, Croxton Road, Thetford, IP24 1JD.

#### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)), Companies Act 2006 and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

#### 3. Accounting policies

##### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### Going concern

The financial statements have been prepared on a going concern basis, as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

##### Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

---

#### 3. Accounting policies *(continued)*

##### Income

All income is included in the Statement of Financial Activity when the charitable company is legally entitled to the income, the receipt is probable and the amount can be quantified with reasonable accuracy. Donations in kind are recorded at their estimated value where material.

- Donations and legacies are received by way of grants, donations and gifts and are included in full in the Statement of Financial Activities when receivable.
- Investment income is included when receivable.
- Charitable activity is included when receivable.
- Grants are credited to income in the period in which they are received unless the grant carries pre-conditions that require the income to be deferred into a future period.
- Rental income is recognised on an accrual basis with reference to the period to which the income relates.

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

##### Expenditure

Expenditure is recognised on an accruals basis and when a liability is incurred.

Expenditure is shown exclusive of VAT where applicable. Direct charitable expenditure and costs of raising funds are allocated to the function in which they arise. Costs relating to premises are attributed to projects based on the number of people based in them; all other costs attributed to projects are based on incurred costs which are identifiable to each specific project.

Cost	Apportionment
Staff costs	Time spent on the project
Premises costs	Employee numbers
Communications	Employee numbers
Postage & stationery etc.	Employee numbers
Finance & professional fees	Employee numbers

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.

##### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

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#### 3. Accounting policies *(continued)*

##### Operating leases *(continued)*

Lease income is recognised in income or expenditure on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

##### Tangible assets

Tangible fixed assets are stated at cost less depreciation. Tangible fixed assets costing more than £500 are capitalised.

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.

##### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold land and buildings	-	Over 50 years
Machinery and office equipment	-	Over 5 years
Computer hardware	-	Over 3 years
Vehicles	-	Over 4 years

##### Investments

Unlisted equity investments are initially recorded at cost, and subsequently measured at fair value. If fair value cannot be reliably measured, assets are measured at cost less impairment.

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

##### Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.



# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

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#### 3. Accounting policies *(continued)*

##### **Programme related investments**

Programme related investments are made exclusively to further the charity's aims by funding specific activities. Equity instruments are measured at their fair value at the reporting date if this can be measured reliably, or at cost less impairment. Concessionary loans are either initially measured at the amount received and paid and then adjusted in subsequent years to reflect repayments, interest and any impairment, or they are initially measured at the fair value and subsequently at their amortised cost using the effective interest method.

Programme related investments that are measured at cost or amortised cost are assessed for objective evidence of impairment at the end of each reporting period. Any impairment losses are recognised immediately as a cost within 'expenditure on charitable activities' in the statement of financial activities.

##### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

##### **Cash at bank and in hand**

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

##### **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.

##### **Debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

##### **Defined contribution plans**

The Trust operates a stakeholder pension scheme through the Pension Trust for employees. The assets of the scheme are held separately and contributions payable are charged to the Statement of Financial Activities.

##### **Redundancy**

Where an obligation to make a redundancy or termination payment exists, the costs incurred by the Charity are accounted for on an accruals basis and included within employee benefits.

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

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#### 4. Limited by guarantee

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.

#### 5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
<b>Donations</b>			
Donations	71	—	71
	<u>71</u>	<u>—</u>	<u>71</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
<b>Donations</b>			
Donations	—	344	344
	<u>—</u>	<u>344</u>	<u>344</u>

#### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Grants	1,033	105,422	106,455
Rental income and service charges	247,937	—	247,937
Facilities management (Brandon)	—	8,515	8,515
Room hire	11,755	12,061	23,816
Green bikes	14,037	—	14,037
Recharges	24,369	—	24,369
Miscellaneous	4,208	—	4,208
	<u>303,339</u>	<u>125,998</u>	<u>429,337</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Grants	—	129,988	129,988
Rental income and service charges	247,496	—	247,496
Facilities management (Brandon)	—	12,497	12,497
Room hire	11,302	5,160	16,462
Green bikes	43,692	—	43,692
Recharges	6,302	—	6,302
Miscellaneous	6,818	—	6,818
	<u>315,610</u>	<u>147,645</u>	<u>463,255</u>

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

---

#### 7. Other trading activities

	Unrestricted Funds £	<b>Total Funds 2017 £</b>	Unrestricted Funds £	Total Funds 2016 £
Cafe	101,432	101,432	113,380	113,380
Conferencing	101,273	101,273	78,527	78,527
Consultancy	—	—	3,500	3,500
	<u>202,705</u>	<u>202,705</u>	<u>195,407</u>	<u>195,407</u>

#### 8. Investment income

	Unrestricted Funds £	Restricted Funds £	<b>Total Funds 2017 £</b>
Bank interest	112	—	112
Rental income - St Johns	—	16,080	16,080
	<u>112</u>	<u>16,080</u>	<u>16,192</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Bank interest	37	—	37
Rental income - St Johns	—	15,500	15,500
	<u>37</u>	<u>15,500</u>	<u>15,537</u>

#### 9. Other income

	Restricted Capital Funds £	<b>Total Funds 2017 £</b>	Restricted Capital Funds £	Total Funds 2016 £
Gain on disposal of tangible fixed assets held for charity's own use	—	—	1,750	1,750
	<u>—</u>	<u>—</u>	<u>1,750</u>	<u>1,750</u>

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

#### 10. Costs of other trading activities

	Café £	Conferencing £	Consultancy £	Total funds 2017 £
Staff costs	50,051	38,810	—	88,861
Food	40,122	—	—	40,122
Premises costs	5,613	19,750	—	25,363
Depreciation	936	249	—	1,185
Office costs	5,938	2,259	—	8,197
Advertising	231	973	—	1,204
Recharges	1,623	5,497	—	7,120
Finance costs	90	1,268	—	1,358
Travel	14	—	—	14
Legal and professional	—	250	—	250
	<u>104,618</u>	<u>69,056</u>	<u>—</u>	<u>173,674</u>

	Café £	Conferencing £	Consultancy £	Total funds 2016 £
Staff costs	57,977	17,851	—	75,828
Food	43,161	—	—	43,161
Premises costs	1,940	7,114	—	9,054
Depreciation	1,100	166	—	1,266
Office costs	6,875	6,390	—	13,265
Advertising	509	1,508	—	2,017
Recharges	3,130	10,412	—	13,542
Finance costs	(625)	977	—	352
Grants paid by KDT	344	—	—	344
Travel	63	—	—	63
Legal and professional	—	215	3,810	4,025
	<u>114,474</u>	<u>44,633</u>	<u>3,810</u>	<u>162,917</u>

#### 11. Investment management costs

	Restricted Funds £	Total Funds 2017 £	Restricted Funds £	Total Funds 2016 £
Property costs	1,636	1,636	4,081	4,081

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

#### 12. Expenditure on charitable activities

	Unrestricted Funds £	Restricted Funds £	Restricted Capital Funds £	Total Funds 2017 £
Staff Costs	52,782	95,206	–	147,988
Direct Costs	160,283	57,321	–	217,604
Grants	–	–	–	–
Depreciation	1,633	–	101,460	103,093
Support costs	164,475	–	–	164,475
	<u>379,173</u>	<u>152,527</u>	<u>101,460</u>	<u>633,160</u>

	Unrestricted Funds £	Restricted Funds £	Restricted Capital Funds £	Total Funds 2016 £
Staff Costs	78,200	83,961	–	162,161
Direct Costs	215,225	42,727	1,750	259,702
Grants	–	200	–	200
Depreciation	349	–	114,306	114,655
Support costs	85,896	25,346	–	111,242
	<u>379,670</u>	<u>152,234</u>	<u>116,056</u>	<u>647,960</u>

#### 13. Analysis of support costs

	Support costs £	Total 2017 £	Total 2016 £
Staff costs	102,050	102,050	80,923
Premises	5,342	5,342	11,442
Communications and IT	1,679	1,679	907
General office	6,813	6,813	5,248
Postage and stationery	3,346	3,346	831
Finance and professional fees	34,133	34,133	3,696
Governance costs	11,112	11,112	8,195
	<u>164,475</u>	<u>164,475</u>	<u>111,242</u>

#### Analysis of governance costs

	Total 2017 £	Total 2016 £
Auditors remuneration	9,050	8,195
Auditors remuneration (prior year)	2,062	–
	<u>11,112</u>	<u>8,195</u>

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

#### 14. Other expenditure

	Restricted Capital Funds £	Total Funds 2017 £	Restricted Capital Funds £	Total Funds 2016 £
Loss on disposal of tangible fixed assets held for charity's own use	—	—	210,369	210,369

#### 15. Net expenditure

Net expenditure is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of tangible fixed assets	104,278	115,921
Profit on disposal of tangible fixed assets	—	(1,750)
Loss on disposal of tangible fixed assets	—	210,369
Operating lease costs	2,792	—

#### 16. Auditors remuneration

	2017 £	2016 £
<b>Fees payable to Lovewell Blake LLP</b>		
Fees payable for the audit of the financial statements	9,050	—
Fees payable for other non-audit services	20,617	—

	2017 £	2016 £
<b>Fees payable to RSM UK Audit LLP</b>		
Fees payable for the audit of the financial statements	2,062	8,195
Fees payable for other non-audit services	2,200	1,145

#### 17. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2017 £	2016 £
Wages and salaries	321,826	306,666
Social security costs	11,871	17,074
Employer contributions to pension plans	5,202	7,546
	338,899	331,286

The average head count of employees during the year was 30 (2016: 34).

The full-time equivalent average employee numbers equated to 13 (2016: 19).

Wages and salaries include £36,167 (2016: £nil) of redundancy and non-contractual termination payments.

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

#### 17. Staff costs *(continued)*

##### Key Management Personnel

Key management personnel consist of the Chief Executive (including acting Chief Executive costs) and the Director of Finance. The total amount paid to key management personnel during the year was £80,160 (2016 - £78,402) Included within the amounts is £Nil (2016 - £14,750) for services invoiced for the Chief Executive role.

#### 18. Trustee remuneration and expenses

No Trustees received emoluments or were reimbursed for expenses incurred during the year.

#### 19. Tangible fixed assets

	Freehold land and buildings £	Machinery and office equipment £	Computer hardware £	Vehicles £	Total £
<b>Cost</b>					
At 1 April 2016	5,220,199	267,458	12,114	7,940	5,507,711
Additions	34,508	311	4,170	–	38,989
<b>At 31 March 2017</b>	<u>5,254,707</u>	<u>267,769</u>	<u>16,284</u>	<u>7,940</u>	<u>5,546,700</u>
<b>Depreciation</b>					
At 1 April 2016	1,062,589	265,142	10,266	7,940	1,345,937
Charge for the year	101,710	1,195	1,373	–	104,278
<b>At 31 March 2017</b>	<u>1,164,299</u>	<u>266,337</u>	<u>11,639</u>	<u>7,940</u>	<u>1,450,215</u>
<b>Carrying amount</b>					
<b>At 31 March 2017</b>	<u>4,090,408</u>	<u>1,432</u>	<u>4,645</u>	<u>–</u>	<u>4,096,485</u>
At 31 March 2016	<u>4,157,610</u>	<u>2,316</u>	<u>1,848</u>	<u>–</u>	<u>4,161,774</u>

Included within freehold land and buildings is £147,108 (2016 - £147,108) relating to freehold land which has not been depreciated.

Freehold land and buildings includes an amount of £200,000 relating to an asset donated during 2005. The value is based on a professional valuation carried out on 14 December 2004 by Merrifields Chartered Surveyors.

£3,884,377 (2016 - £3,952,943) of the net book value of the freehold land and buildings is rented out to third parties. During the year depreciation of £96,436 (2016 - £108,689) was charged in relation to these properties. These properties are also owner occupied and the element of each property that meets the definition of an investment property has not been separately presented. The Trustees believe that any partial apportionment would not present a true and fair view.

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

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#### 20. Investments

	<b>Investment properties £</b>
<b>Cost or valuation</b>	
At 1 April 2016 and 31 March 2017	130,707
<b>Impairment</b>	
At 1 April 2016 and 31 March 2017	
<b>Carrying amount</b>	
At 31 March 2017	130,707
At 31 March 2016	130,707

All investments shown above are held at valuation.

#### Investment properties

The investment asset relates to two properties in Mildenhall that were purchased by Keystone Development Trust in December 2014. The properties have a restriction on the income that is generated from them in that all monies generated are to be used solely for the running of and maintenance of the properties and community centre in Mildenhall. The assets have been valued at market value by the Trustees on a discounted cash flow basis. The Trustees have reviewed this valuation and consider the value included within the accounts is still appropriate.

#### 21. Programme related investments

	<b>Foundation East £</b>
<b>Cost</b>	
1 April 2016 and 31 March 2017	250
<b>Impairment</b>	
1 April 2016 and 31 March 2017	-
<b>Carrying amount</b>	
At 31 March 2017	250
At 31 March 2016	250

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

#### 22. Stocks

	<b>2017 £</b>	<b>2016 £</b>
Consumables	2,848	4,032
Finished goods	385	500
	<u>3,233</u>	<u>4,532</u>



# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

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#### 23. Debtors

	2017	2016
	£	£
Trade debtors	134,643	74,757
Prepayments and accrued income	71,350	25,553
Other debtors	3,400	—
	<u>209,393</u>	<u>100,310</u>

#### 24. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	62,397	35,965
Accruals and deferred income	31,729	37,966
Social security and other taxes	12,909	61,490
Other creditors	19,382	29,151
	<u>126,417</u>	<u>164,572</u>

#### 25. Deferred income

	2017	2016
	£	£
At 1 April 2016	21,490	24,928
Amount released to income	(21,490)	(24,928)
Amount deferred in year	16,670	21,490
<b>At 31 March 2017</b>	<u>16,670</u>	<u>21,490</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.

#### 26. Pensions and other post retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £5,202 (2016: £7,546).

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

#### 27. Analysis of charitable funds

##### Unrestricted funds

Year ended 31 March 2017

	At 1 Apr 2016	Income	Expenditure	Transfer	At 31 Mar 2017
	£	£	£	£	£
General Funds	40,550	506,227	(552,847)	—	(6,070)
Designated	94,900	—	—	—	94,900
	<u>135,450</u>	<u>506,227</u>	<u>(552,847)</u>	<u>—</u>	<u>88,830</u>

Year ended 31 March 2016

	At 1 Apr 2015	Income	Expenditure	Transfer	At 31 Mar 2016
	£	£	£	£	£
General	59,319	511,054	(542,243)	12,420	40,550
Designated	75,562	—	—	19,338	94,900
	<u>134,881</u>	<u>511,054</u>	<u>(542,243)</u>	<u>31,758</u>	<u>135,450</u>

##### Restricted funds

Year ended 31 March 2017

	At 1 Apr 2016	Income	Expenditure	Transfer	At 31 Mar 2017
	£	£	£	£	£
Children and Youth	36,445	37,189	(49,975)	—	23,659
Keystone Communities	8,318	65,733	(66,617)	—	7,434
Keystone Property	73,874	30,641	(19,389)	—	85,126
Keystone Resources	5,382	8,515	(18,182)	—	(4,285)
	<u>124,019</u>	<u>142,078</u>	<u>(154,163)</u>	<u>—</u>	<u>111,934</u>

Year ended 31 March 2016

	At 1 Apr 2015	Income	Expenditure	Transfer	At 31 Mar 2016
	£	£	£	£	£
Children and Youth	7,693	62,068	(33,316)	—	36,445
Keystone Communities	17,021	66,224	(74,927)	—	8,318
Keystone Enterprises	—	2,040	(2,040)	—	—
Keystone Property	14,624	20,660	(30,932)	69,522	73,874
Keystone Resources	8,329	12,497	(15,444)	—	5,382
	<u>47,667</u>	<u>163,489</u>	<u>(156,659)</u>	<u>69,522</u>	<u>124,019</u>

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

##### Restricted capital funds

Year ended 31 March 2017

	At 1 Apr 2016	Income	Expenditure	Transfer	At 31 Mar
	£	£	£	£	2017
					£
Children and Youth	6,418	–	(161)	–	6,257
Keystone Property	4,281,899	–	(101,299)	–	4,180,600
	<u>4,288,317</u>	<u>–</u>	<u>(101,460)</u>	<u>–</u>	<u>4,186,857</u>

Year ended 31 March 2016

	At 1 Apr 2015	Income	Expenditure	Transfer	At 31 Mar
	£	£	£	£	2016
					£
Children and Youth	6,579	–	(161)	–	6,418
Keystone Enterprises	–	1,750	(1,750)	–	–
Keystone Property	4,707,693	–	(324,514)	(101,280)	4,281,899
	<u>4,714,272</u>	<u>1,750</u>	<u>(326,425)</u>	<u>(101,280)</u>	<u>4,288,317</u>

##### Children and Youth

To provide youth and children's activities in the local area through projects such as A\*spire, together with projects working with schools to help years 10 and 11 students around their choices in relation to work and further education.

##### Keystone Communities

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

##### Keystone Enterprise

Supports the development of social enterprises in the local area, together with starting up and running the Trusts own enterprises that include Green Ventures, a bike recycling project and Cafe One.

##### 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.

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

#### 28. Analysis of net assets between funds

As at 31 March 2017

	Tangible Fixed Assets and Investments £	Net Current Assets £	Total Funds £
<b>Unrestricted funds</b>			
General funds	40,585	(46,655)	(6,070)
Keystone Property	—	94,900	94,900
	<u>40,585</u>	<u>48,245</u>	<u>88,830</u>
<b>Restricted funds</b>			
Children and Youth	—	23,659	23,659
Keystone Communities	—	7,434	7,434
Keystone Property	—	85,126	85,126
Keystone Resources	—	(4,285)	(4,285)
	<u>—</u>	<u>111,934</u>	<u>111,934</u>
<b>Restricted capital funds</b>			
Children and Youth	6,257	—	6,257
Keystone Property	4,180,600	—	4,180,600
	<u>4,186,857</u>	<u>—</u>	<u>4,186,857</u>
<b>Total funds</b>	<u>4,227,442</u>	<u>160,179</u>	<u>4,387,621</u>

As at 31 March 2016

	Tangible Fixed Assets and Investments £	Net Current Assets £	Total Funds £
<b>Unrestricted funds</b>			
General funds	4,414	36,136	40,550
Keystone Property	—	94,900	94,900
	<u>4,414</u>	<u>131,036</u>	<u>135,450</u>
<b>Restricted funds</b>			
Children and Youth	—	36,445	36,445
Keystone Communities	—	8,318	8,318
Keystone Property	—	73,874	73,874
Keystone Resources	—	5,382	5,382
	<u>—</u>	<u>124,019</u>	<u>124,019</u>
<b>Restricted capital funds</b>			
Children and Youth	6,418	—	6,418
Keystone Property	4,281,899	—	4,281,899
	<u>4,288,317</u>	<u>—</u>	<u>4,288,317</u>
<b>Total funds</b>	<u>4,292,731</u>	<u>255,055</u>	<u>4,547,786</u>

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

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#### 29. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2017 £	2016 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	134,643	74,757
Accrued income	37,286	6,731
	<u>171,929</u>	<u>81,488</u>
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	62,397	35,966
Other creditors	19,382	29,151
Accruals	15,059	16,476
	<u>96,838</u>	<u>81,593</u>

#### 30. Operating lease commitments

##### As lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Not later than 1 year	3,325	—
Later than 1 year and not later than 5 years	2,155	—
	<u>5,480</u>	<u>—</u>

##### As lessor

The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	2017 £	2016 £
Not later than 1 year	148,520	61,407
Later than 1 year and not later than 5 years	92,669	32,300
	<u>241,189</u>	<u>93,707</u>

The operating leases represent leases on offices within five properties rented to third parties. The leases are negotiated over terms of three months to five years.

# Keystone Development Trust

## Company Limited by Guarantee

### Notes to the financial statements *(continued)*

#### Year ended 31 March 2017

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#### 31. Related parties

Between February and November 2015 Clive Wadham-Smith and Sheila Childerhouse resigned as Trustees and were appointed acting joint chief executives.

Clive Wadham-Smith is also a director and shareholder of Ante Limited, a legal services company.

During the year, Keystone Development Trust entered into the following transactions on an arm's length basis:

	2017	2016
	£	£
Purchases from Ante Limited - Professional Services	2,350	2,400
Purchases from Ante Limited - Acting Chief Exec Role	–	7,250
Amounts outstanding at the year end	<u>200</u>	<u>200</u>

The following transactions were entered into with Sheila Childerhouse.

Purchases from Sheila Childerhouse - Acting Chief Exec Role	<u>–</u>	<u>7,500</u>
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