

KEYSTONE DEVELOPMENT TRUST

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

CONTENTS AND CHARITY INFORMATION

CONTENTS	PAGE
Trustees Report	1 - 4
Independent Examiners Report	5
Statement of Financial Activities	6
Balance Sheet	7
Statement of Cash Flow	8
Notes to the Financial Statements	9 - 20

TRUSTEES

Jeremy Stone (Chair)  
Brenda Canham  
Charles Watt  
Ryan Windsor  
Clive Wadham-Smith  
Rob Pugh

REGISTERED OFFICE

Abbey Neighbourhood Centre  
Exeter Way  
Thetford  
Norfolk  
IP24 1EE

CHARITY REGISTRATION NUMBER

1093162

COMPANY REGISTERED NUMBER

04346470

INDEPENDENT EXAMINERS

Ian Shipley FCCA  
For and on behalf of:  
Prentis & Co LLP  
Chartered Accountants  
115c Milton Road  
Cambridge  
CB4 1XE

BANKERS

HSBC Bank Plc  
18 London Street  
Norwich  
NR2 1LG

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## TRUSTEES REPORT

The Board of 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 2023. 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 published in October 2019 (effective 1 January 2019).

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

**Objectives, Strategies, Aims and Activities**

Keystone Development Trust is a **Community Resource and Support Organisation** committed to improving the quality of life and opportunities for people who live, study and work in the Thetford and surrounding areas, through sustainable, community led regeneration.

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, services, organisations or enterprises.

In order to achieve this, the Trust seeks to identify needs through research, consultation and discussion with partners, other organisations and local residents.

Keystone provides building space, professional expertise and acts as an umbrella or resource body to enable these individuals and groups to deliver activities and services needed.

Delivery of our Objectives, Strategic Aims and Activities is reviewed by the Board of Trustees and Senior Management as part of our standing agenda at each full board meeting throughout the year, and underpins all activities considered and undertaken by team members of Keystone on a daily basis. The Organisation's direction, what it stands for and its evolving journey to deliver this strategy is so strong and focused that its impact on enabling significant community initiatives has been felt and embraced greatly since the end of 2019 when our Strategic Direction was communicated much wider.

These aims, and the work underpinning them, demonstrate the Public Benefit as required by the Charities Act 2006. The Trustees confirm that they have had due regard to Charity Commission guidance on public benefit.

**During 2022/23 Keystone's operations fell into two broad categories:**

1. The management of its owned properties to produce income for the provision of social enterprise activities.
2. The provision of help and support to our local community across a broad range of activities and projects.

**Keystone Properties**

These are split into two categories. Those we own and those we lease. In all cases from them we provide services and assistance to a broad range of organisations and individuals.

**Freehold**

The Enterprise Factory.

The Abbey Neighbourhood Centre

**Leasehold**

Riverside managed on behalf of Breckland, The Brandon Centre managed on behalf of Suffolk County Council, St John's Community Centre Mildenhall, together with two houses rented out to provide income.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## TRUSTEES REPORT

**The future**

Our plans agreed in November 2019 just prior to the pandemic, to fundamentally change the future of Keystone were finally in 2022/23 able to be put in action. These called for the selling of the two large assets the charity held, namely The Innovation Centre and The Enterprise Factory. To use these funds for investment and direct grants to the people and charities of Thetford, Mildenhall and Brandon. We have successfully sold The Innovation Centre and expect to sell The Enterprise Factory during 2024. This first sale has transformed our balance sheet and positions us well for our intended new role.

**Fundraising**

Keystone Development Trust does not openly fundraise or solicit donations from the public.

**Financial result**

The board of Keystone Development Trust are reporting a deficit of £249,250 (2022: a deficit of £65,045). The deficit for 2022/23 was made up of unrestricted funds only.

**Reserves policy**

The reserves policy is reviewed annually. Keystone's balance sheet as at 31 March 2023 shows reserves totalling £2,682,533, (2022: £2,931,783) of which £137,651 are restricted income funds (2022: £137,651 restricted income funds), not tied up in fixed assets. The current policy is to hold six months operating costs in reserves. Free reserves currently stand at £53,405 and designated funds, as agreed by Trustees can be seen below:-

**The Trustees remain committed to a policy that the charity hold unrestricted funds (excluding those funds represented by fixed assets (sufficient to cover):**

	£
Contingency fund to cover 6 months' organisational running costs/income was to cease. (excluding the Enterprise Factory)	135,909
Contingency fund to cover 6 months of running costs of the Enterprise Factory	44,708

<b>Total Unrestricted Funds (Contingency)</b>	<b>£180,617</b>
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**Designated funds have been established and agreed by the Board of Trustees at the following levels:**

<b>Redundancy</b> – potential redundancy payments cost if the charity were to be wound up	13,881
<b>Property sinking fund</b> to meet the annual repair and maintenance costs of all buildings excluding the Enterprise Factory	22,500
<b>Enterprise Factory contingency fund</b> to cover a further 6 months running costs of the property until a sale has been completed	44,708
<b>Enterprise Factory Property Repairs/Upgrading Expenditure</b> required within the next 12 months	25,500
<b>Investment Fund</b> for longer term holdings – to generate earned income (bank interest/property Rental) to support Community Charitable Expenditure	850,000

<b>Total Designated Fund</b>	<b>£956,589</b>
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<b>Total Reserves Policy Designated</b>	<b>£1,137,206</b>
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**This reserves policy and associated performance to maintain these levels is reviewed by the Board of Trustees on an annual basis.**

As at 31 March 2023, the charity had free reserves of £53,405 after the above were designated from unrestricted funds of	£1,190,611
At 31 October 2023 Cash at Bank is	£1,154,361

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## TRUSTEES REPORT

**Going concern**

As can be seen from these accounts, the past twelve months has seen a major positive transformation of the Charity's financial condition particularly due to the sale of the Innovation Centre. During the course of last year we have upgraded our management accounting system. Full management accounts are produced monthly and are seen as an essential tool by the team.

The trustees have reviewed the current financial position. They have a good expectation that the charity will be able to meet its obligations in a good and timely manner for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Principal risks and uncertainties**

The Keystone Board has ultimate responsibility for management of risk across the Trust. The Board meets throughout the year to review the potential risks across all aspects of the organisation to determine the probability and impact of each significant risk.

Financial risk, namely generating sufficient income to meet our goals, objectives and committed costs is always an area of high risk, scrutiny and planning. The decision in 2019 to convert high value property assets into cash, with the sale of one such asset now has given the Board the comfort of long-term financial sustainability and a wider reach of our aims. Noted in our Reserves Policy above is the agreed designation of funds that provide a financial contingency for both known and potential expenditure, thus mitigating the impact of loss of income.

Risk assessments across all properties are undertaken throughout the year, with the support of "Worknest" – a trusted healthy and safety management organisation. This helps Keystone ensure compliance and inform planned preventative maintenance.

Face to face training in the following areas: Safeguarding, First Aid and Fire Safety is provided to all staff to ensure they are aware of and able to manage risks during their working day.

Other training such as GDPR and data handling, manual handling, display screen equipment, lone working etc are also provided through "IHasco" – a trusted training provider.

**Structure, governance and management****Constitution**

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

**Method of appointment or election of Trustees**

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

**Policies adopted for the induction and training of Trustees**

There are currently five Trustees. Trustees are drawn from a variety of backgrounds and skill sets. Details of the trustees and other company information are contained on page one.

Trustees are appointed through a robust process. The Chair is appointed by the trustees. All new trustees undertake an induction process. This will familiarise them with all aspects of the Charity's operations and the risks therein, both operational and financial. A program is being introduced during 2024 to ensure that both existing and new trustees are offered appropriate training for their roles.

**Pay policy for senior staff**

All Trustees give of their time freely and no Trustee received remuneration during the course of the year. The pay of senior personnel is reviewed annually and approved by the Trustees.

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KEYSTONE DEVELOPMENT TRUST

PAGE 4

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## TRUSTEES REPORT

### **Organisational structure and decision making**

The Board of Trustees administers the Charity. A Chief Operating Officer is appointed by the Trustees to manage and develop the day to day operations of the Charity. To enable efficient management and development of the organisation to the Chief Operating Officer has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and operations.

### **Risk management**

The changes in operational and financial procedures over the past year together with the sale of the Innovation Centre has substantially reduced the ongoing financial and operational risks to which the Charity is exposed. Trustees are fully conscious of the responsibilities in this area.

### **Trustees' responsibilities statement**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees, on 09/11/23 and signed on their behalf by:



Charles Watt

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF KEYSTONE DEVELOPMENT TRUST  
('THE COMPANY')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31st March 2023.

## RESPONSIBILITIES AND BASIS OF REPORT

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

## INDEPENDENT EXAMINER'S STATEMENT

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Association of Chartered Certified Accountants which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their own accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).



IAN SHIPLEY FCCA  
FOR AND ON BEHALF OF:  
PRENTIS & CO LLP  
CHARTERED ACCOUNTANTS  
& INDEPENDENT EXAMINERS

115c Milton Road  
Cambridge  
CB4 1XE

23<sup>rd</sup> November 2023

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Total Funds 2023 £	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £
<b>INCOME FROM:</b>							
Donations and legacies	3	760	-	760	78,116	750	78,866
Charitable activities	4	286,115	18,429	304,544	291,513	71,452	362,965
Other trading activities	6	25,882	-	25,882	13,422	-	13,422
Investments	5	439	17,520	17,959	-	17,520	17,520
Other		1,313	-	1,313	23,681	-	23,681
Profit on disposal of fixed assets		86,348	-	86,348	-	-	-
<b>TOTAL INCOME</b>		<b>400,857</b>	<b>35,949</b>	<b>436,806</b>	<b>406,732</b>	<b>89,722</b>	<b>496,454</b>
<b>EXPENDITURE ON:</b>							
Raising funds	7	3,278	-	3,278	1,898	-	1,898
Charitable activities	8	646,829	35,949	682,778	520,813	38,788	559,601
<b>TOTAL EXPENDITURE</b>		<b>650,107</b>	<b>35,949</b>	<b>686,056</b>	<b>522,711</b>	<b>38,788</b>	<b>561,499</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>(249,250)</b>	<b>-</b>	<b>(249,250)</b>	<b>(115,979)</b>	<b>50,934</b>	<b>(65,045)</b>
Transfers between funds	18	1,666,910	(1,666,910)	-	8,588	(8,588)	-
<b>NET MOVEMENTS IN FUNDS</b>		<b>1,417,660</b>	<b>(1,666,910)</b>	<b>(249,250)</b>	<b>(107,391)</b>	<b>42,346</b>	<b>(65,045)</b>
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward		(227,049)	3,158,832	2,931,783	(119,658)	3,116,486	2,996,828
Total funds carried forward		1,190,611	1,491,922	2,682,533	(227,049)	3,158,832	2,931,783

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 9 to 20 form part of these financial statements.


## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## BALANCE SHEET

	Notes	2023		2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	12		1,004,021		2,670,931
Investments	14		250		250
Investment Property	13		350,000		350,000
<b>TOTAL FIXED ASSETS</b>			<u>1,354,271</u>		<u>3,021,181</u>
<b>CURRENT ASSETS</b>					
Stocks	15	500		500	
Debtors	16	65,163		115,999	
Cash at bank and in hand		1,376,032		118,728	
<b>TOTAL CURRENT ASSETS</b>		<u>1,441,695</u>		<u>235,227</u>	
<b>CREDITORS: amounts falling due within one year</b>	17	<u>(87,622)</u>		<u>(189,205)</u>	
<b>NET CURRENT ASSETS</b>			1,354,073		46,022
<b>CREDITORS: amounts falling due after more than one year</b>	17		<u>(25,811)</u>		<u>(135,420)</u>
<b>TOTAL NET ASSETS</b>			<u>2,682,533</u>		<u>2,931,783</u>
<b>THE FUNDS OF THE CHARITY</b>					
Unrestricted funds		53,405		(227,049)	
Designated funds		<u>1,137,206</u>	1,190,611	<u>-</u>	<u>(227,049)</u>
Restricted funds		137,651		137,651	
Restricted Fixed Asset Fund		<u>1,354,271</u>	<u>1,491,922</u>	<u>3,021,181</u>	<u>3,158,832</u>
<b>TOTAL CHARITY FUNDS</b>	18		<u>2,682,533</u>		<u>2,931,783</u>

The trustees consider that the charitable company is entitled to exemption from the requirement to have an audit under the provisions of Section 477(1) of the Companies Act 2006. Members have not required the charitable company under Section 476 of the Companies Act 2006, to obtain an audit for the year ended 31st March 2023. The directors acknowledge their responsibilities for ensuring that the charitable company keeps accounting records which comply with Section 386 and 387 of the Companies Act 2006 and for preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at 31st March 2023 and of its deficit for the year then ended in accordance with the requirements of Section 396 and which otherwise comply with the requirements of the Act relating to the financial statements as far as applicable to the charitable company.

The financial statements, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved by the board on 08/11/2023 and signed on its behalf.

  
 CHARLES WATT  
 TRUSTEE

The notes on pages 9 to 20 form part of these financial statements.



## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## STATEMENT OF CASH FLOWS

	Notes	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash used in operating activities	20	(457,119)	(39,898)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income		17,959	17,520
Purchase of tangible fixed assets		(17,188)	(23,695)
Disposal of tangible fixed assets		1,713,652	-
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES		1,714,423	(6,175)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		1,257,304	(46,073)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		118,728	164,801
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		1,376,032	118,728

The notes on pages 9 to 20 form part of these financial statements.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## NOTES TO THE FINANCIAL STATEMENTS

## 1. ACCOUNTING POLICIES

## 1.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1st January 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

## 1.2. GOING CONCERN

The trustees have considered the financial position of the charity and the 2022 and 2023 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 bankers. Cost savings have been implemented and others are being reviewed over the coming months together with ways of increasing the Trust's income from its buildings and services that it delivers. The Trustees are also considering the possible sale of property assets should this be necessary to assist cash flow. As a consequence, 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.

## 1.3. INCOME

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

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the charity's accounting policies.

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

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

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

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

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## NOTES TO THE FINANCIAL STATEMENTS

## 1.4. EXPENDITURE

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

Expenditure on raising funds include all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

## 1.5. GOVERNMENT GRANTS

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of Financial Activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of Financial Activities as the related expenditure is incurred.

## 1.6. INTEREST RECEIVABLE

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

## 1.7. TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing £250 or more are capitalised.

Tangible fixed assets, other than Freehold Land and Buildings, are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Freehold Land and Buildings had been recognised under the cost model however, during 2020 the Board decided to adopt the revaluation model. Under the revaluation model Freehold Land and Buildings are initially recognised at cost but thereafter will be stated at fair value where this can be measured reliably.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting date.

Fair values are determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuers.

Gains and losses on revaluation are recognised in the Statement of Financial Activities, with a separate revaluation reserve being showing in the Statement of Funds note.

Depreciation is provided on the following bases:

Improvements to property	- 10 years straight line
Plant and machinery	- 5 years straight line
Motor vehicles	- 4 years straight line
Computer equipment	- 3 years straight line

## 1.8. INVESTMENTS

Fixed assets investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'gains/(losses) on investments' in the Statement of Financial Activities.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## NOTES TO THE FINANCIAL STATEMENTS

## 1.9. STOCKS

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

## 1.10. DEBTORS

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

## 1.11. CASH AT BANK AND IN HAND

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

## 1.12. LIABILITIES AND PROVISIONS

Liabilities are recognised where there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

## 1.13. 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.

## 1.14. PENSIONS

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

## 1.15. FUND ACCOUNTING

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

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

## 2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

Critical areas of judgement:

In assessing the carrying value of tangible fixed assets the trustees estimate the anticipated useful lives and residual value of the assets.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## NOTES TO THE FINANCIAL STATEMENTS

3.	INCOME FROM DONATIONS AND LEGACIES - CURRENT YEAR	Unrestricted Funds	Restricted Funds	Total Funds
		2023	2023	2023
		£	£	£
	Donations	760	-	760
	- PRIOR YEAR	Unrestricted Funds	Restricted Funds	Total Funds
		2022	2022	2022
		£	£	£
	Donations	4,497	750	5,247
	Government grants	73,619	-	73,619
		78,116	750	78,866
4.	INCOME FROM CHARITABLE ACTIVITIES - CURRENT YEAR	Unrestricted Funds	Restricted Funds	Total Funds
		2023	2023	2023
		£	£	£
	Grants	-	17,929	17,929
	Rental income and service charge	237,491	-	237,491
	Room hire	22,181	-	22,181
	Green bikes/Thetford shed	1,993	-	1,993
	Recharges	22,556	-	22,556
	Miscellaneous	1,894	500	2,394
		286,115	18,429	304,544
	- PRIOR YEAR	Unrestricted Funds	Restricted Funds	Total Funds
		2022	2022	2022
		£	£	£
	Grants	-	71,452	71,452
	Rental income and service charge	235,357	-	235,357
	Room hire	22,825	-	22,825
	Green bikes/Thetford shed	4,297	-	4,297
	Recharges	27,510	-	27,510
	Miscellaneous	1,390	-	1,390
	Facilities management (Brandon)	134	-	134
		291,513	71,452	362,965
5.	INVESTMENT INCOME - CURRENT YEAR	Unrestricted Funds	Restricted Funds	Total Funds
		2023	2023	2023
		£	£	£
	Rental income - St Johns	-	17,520	17,520
	Bank interest received	439	-	439
		439	17,520	17,959
	- PRIOR YEAR	Unrestricted Funds	Restricted Funds	Total Funds
		2022	2022	2022
		£	£	£
	Rental income - St Johns	-	17,520	17,520

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## NOTES TO THE FINANCIAL STATEMENTS

6.	INCOME FROM OTHER TRADING ACTIVITIES - CURRENT YEAR	Unrestricted Funds	Restricted Funds	Total Funds
		2023	2023	2023
		£	£	£
	Café	1,810	-	1,810
	Conferencing	24,072	-	24,072
		<u>25,882</u>	<u>-</u>	<u>25,882</u>
	- PRIOR YEAR	Unrestricted Funds	Restricted Funds	Total Funds
		2022	2022	2022
		£	£	£
	Café	1,198	-	1,198
	Conferencing	12,224	-	12,224
		<u>13,422</u>	<u>-</u>	<u>13,422</u>
7.	EXPENDITURE ON RAISING FUNDS - CURRENT YEAR	Unrestricted Funds	Restricted Funds	Total Funds
		2022	2022	2022
		£	£	£
	Café - food	495	-	495
	Café - other	103	-	103
	Conferencing - premises costs	2,286	-	2,286
	Bikes and sheds	394	-	394
		<u>3,278</u>	<u>-</u>	<u>3,278</u>
	EXPENDITURE ON RAISING FUNDS - PRIOR YEAR	Unrestricted Funds	Restricted Funds	Total Funds
		2022	2022	2022
		£	£	£
	Café - food	479	-	479
	Café - premises costs	228	-	228
	Café - other	159	-	159
	Conferencing - premises costs	224	-	224
	Bikes and sheds	808	-	808
		<u>1,898</u>	<u>-</u>	<u>1,898</u>
8.	ANALYSIS OF EXPENDITURE BY ACTIVITIES - CURRENT YEAR	Activities undertaken directly	Support costs	Total funds
		2023	2023	2023
		£	£	£
	Charitable activities	414,211	268,567	682,778
	- PRIOR YEAR	Activities undertaken directly	Support costs	Total funds
		2022	2022	2022
		£	£	£
	Charitable activities	317,272	242,329	559,601

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## NOTES TO THE FINANCIAL STATEMENTS

## ANALYSIS OF DIRECT COSTS

	Total Funds 2023 £	Total Funds 2022 £
Staff costs	125,183	150,682
Rent, rates and utilities	166,545	118,120
Premises costs	81,757	48,995
Insurance	19,175	17,581
Repairs and maintenance	28,630	16,262
Technology costs	11,589	11,551
Other direct costs	1,747	-
Travel costs	2,078	849
Advertising	350	739
Staff training	827	28
Vehicle costs	3,718	3,399
Profit on revaluation of freehold property	(43,100)	(62,738)
Depreciation	13,547	11,804
Sundry expenses	2,165	-
	<u>414,211</u>	<u>317,272</u>

## ANALYSIS OF SUPPORT COSTS

	Total Funds 2023 £	Total Funds 2022 £
Staff costs	105,000	130,000
Finance and professional fees	96,981	44,718
General office	36,026	45,792
Communications and IT	15,055	15,694
Governance costs	9,660	2,243
Postage and stationery	5,845	3,882
	<u>268,567</u>	<u>242,329</u>

9.	INDEPENDENT EXAMINER AND AUDITORS REMUNERATION	2023	2022
		£	£
	Fees payable to the charity's independent examiner	<u>2,500</u>	<u>2,000</u>
10.	STAFF COSTS	2023	2022
		£	£
	Wages and salaries	217,283	265,286
	Social security costs	8,546	9,922
	Contribution to defined contribution pension schemes	4,354	5,474
		<u>230,183</u>	<u>280,682</u>
		2023	2022
		No.	No.
	The average number of persons employed by the charity during the year	<u>15</u>	<u>18</u>

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

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £54,268 (2022; £160,495)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS

11. TRUSTEES REMUNERATION AND EXPENSES

During the year, no trustees received any remuneration or other benefits (2022: £NIL).

During the year ended 31st March 2023, no expenses were reimbursed or paid directly to trustees (2022: £540 to one trustee).



## KEYSTONE DEVELOPMENT TRUST

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## NOTES TO THE FINANCIAL STATEMENTS

12.	TANGIBLE FIXED ASSETS	Improvements to	Leasehold Property £	Freehold Property £	Plant and Machinery £	Motor Vehicles £	Computer Equipment £	Total £
	- CURRENT YEAR							
	COST OR VALUATION							
	At 1st April 2022		53,263	2,609,551	283,677	16,441	22,884	2,985,816
	Additions		15,421	-	657	-	1,110	17,188
	Disposals		-	(1,713,652)	-	-	-	(1,713,652)
	Revaluation		-	43,100	-	-	-	43,100
	At 31st March 2023		68,684	938,999	284,334	16,441	23,994	1,332,452
	DEPRECIATION							
	At 1st April 2022		5,326	-	276,035	12,190	21,334	314,885
	Charge for the year		6,868	-	3,199	2,125	1,354	13,546
	At 31st March 2023		12,194	-	279,234	14,315	22,688	328,431
	NET BOOK VALUE AT 31ST MARCH 2023		56,490	938,999	5,100	2,126	1,306	1,004,021
	- PRIOR YEAR	Improvements to	Leasehold Property £	Freehold Property £	Plant and Machinery £	Motor Vehicles £	Computer Equipment £	Total £
	COST OR VALUATION							
	At 1st April 2021		-	2,580,876	280,862	16,441	21,204	2,899,383
	Revaluation		-	62,738	-	-	-	62,738
	Additions		19,200	-	2,815	-	1,680	23,695
	Reclassify/revaluation		34,063	(34,063)	-	-	-	-
	At 31st March 2022		53,263	2,609,551	283,677	16,441	22,884	2,985,816
	DEPRECIATION							
	At 1st April 2021		-	-	272,801	10,065	20,215	303,081
	Charge for the year		5,326	-	3,234	2,125	1,119	11,804
	At 31st March 2022		5,326	-	276,035	12,190	21,334	314,885
	NET BOOK VALUE AT 31ST MARCH 2022		47,937	2,609,551	7,642	4,251	1,550	2,670,931

The 2023 valuations were made by the directors this year with reference to the relevant sources. The value are fair value based on open market value.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## NOTES TO THE FINANCIAL STATEMENTS

## 13. INVESTMENT PROPERTY

	Freehold Investment Property 2023	Freehold Investment Property 2022
VALUATION	£	£
At 1st April 2022	350,000	350,000
At 31st March 2023	<u>350,000</u>	<u>350,000</u>

The 2022 and 2023 valuations were made by the directors with reference to the relevant sources. The values are fair value, based on open market value.

## 14. FIXED ASSET INVESTMENTS

	Unlisted Investments 2023	Unlisted Investments 2022
COST OR VALUATION	£	£
At 1st April 2022	250	250
At 31st March 2023	<u>250</u>	<u>250</u>

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

## 15. STOCKS

	2023	2022
	£	£
Raw materials and consumables	<u>500</u>	<u>500</u>

## 16. DEBTORS

	2023	2022
Due within one year	£	£
Trade debtors	31,643	90,494
Other debtors	12,252	-
Prepayments and accrued income	21,268	25,505
	<u>65,163</u>	<u>115,999</u>

## 17. CREDITORS

	2023	2022
Amounts falling due within one year:	£	£
Trade creditors	36,557	94,032
Other taxation and social security	906	1,888
Other creditors	-	603
Bank loan due in one year	10,648	10,644
Accruals	27,444	39,487
Deferred income	12,067	42,551
	<u>87,622</u>	<u>189,205</u>

## CREDITORS

	2023	2022
Amounts falling due after 1 year:	£	£
Bank loan		
Due 1 - 2 years	10,648	10,644
Due 2 - 4 years	15,163	21,288
Due 4 years +	-	103,488
	<u>25,811</u>	<u>135,420</u>

The bank loan is secured by a fixed charge on freehold land and negative pledge.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## NOTES TO THE FINANCIAL STATEMENTS

	2023	2022
	£	£
Deferred income at 1st April 2022	42,551	13,539
Resources deferred during the year	12,067	42,551
Amounts released from previous periods	(42,551)	(13,539)
Deferred income at 31 March 2023	<u>12,067</u>	<u>42,551</u>

Deferred income comprises rents for periods in advance and rental deposits held.

18. STATEMENT OF FUNDS - CURRENT YEAR	Balance at 1st April 2022	Income	Expenditure	Transfers in/(out)	Balance at 31st March 2023
	£	£	£	£	£
UNRESTRICTED FUNDS					
Unrestricted funds	(227,049)	400,857	(650,107)	529,704	53,405
Designated funds	-	-	-	1,137,206	1,137,206
	<u>(227,049)</u>	<u>400,857</u>	<u>(650,107)</u>	<u>1,666,910</u>	<u>1,190,611</u>
RESTRICTED FUNDS					
Keystone Communities	85,917	18,429	(18,429)	-	85,917
Keystone Resources	51,734	17,520	(17,520)	-	51,734
	<u>137,651</u>	<u>35,949</u>	<u>(35,949)</u>	<u>-</u>	<u>137,651</u>
RESTRICTED FIXED ASSETS FUNDS					
Children and Youth	5,453	-	-	-	5,453
Keystone Property	3,015,728	-	-	(1,666,910)	1,348,818
	<u>3,021,181</u>	<u>-</u>	<u>-</u>	<u>(1,666,910)</u>	<u>1,354,271</u>
TOTAL RESTRICTED FUNDS	<u>3,158,832</u>	<u>35,949</u>	<u>(35,949)</u>	<u>(1,666,910)</u>	<u>1,491,922</u>
TOTAL OF FUNDS	<u>2,931,783</u>	<u>436,806</u>	<u>(686,056)</u>	<u>-</u>	<u>2,682,533</u>

STATEMENT OF FUNDS - PRIOR YEAR	Balance at 1st April 2021	Income	Expenditure	Transfers in/(out)	Balance at 31st March 2022
	£	£	£	£	£
UNRESTRICTED FUNDS					
Unrestricted funds	(119,658)	406,732	(522,711)	8,588	(227,049)
RESTRICTED FUNDS					
Keystone Communities	128,001	72,202	(72,202)	(42,084)	85,917
Keystone Resources	41,933	17,520	(17,520)	9,801	51,734
	<u>169,934</u>	<u>89,722</u>	<u>(89,722)</u>	<u>(32,283)</u>	<u>137,651</u>
RESTRICTED FIXED ASSETS FUNDS					
Children and Youth	5,613	-	(160)	-	5,453
Keystone Property	2,940,939	-	51,094	23,695	3,015,728
	<u>2,946,552</u>	<u>-</u>	<u>50,934</u>	<u>23,695</u>	<u>3,021,181</u>
TOTAL RESTRICTED FUNDS	<u>3,116,486</u>	<u>89,722</u>	<u>(38,788)</u>	<u>(8,588)</u>	<u>3,158,832</u>
TOTAL OF FUNDS	<u>2,996,828</u>	<u>496,454</u>	<u>(561,499)</u>	<u>-</u>	<u>2,931,783</u>

## DESIGNATED FUNDS

A breakdown of the designated funds can be found within the Trustees Report in the reserves policy on page 2.

## CHILDREN AND YOUTH

To provide youth and children's activities in the local area.

## KEYSTONE COMMUNITIES

The funds provide support for communities and groups to help themselves build the capacity of neighbourhoods.

## KEYSTONE RESOURCES

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. The restriction was lifted following the disposal of properties in the current year and accordingly a transfer of those funds made to our unrestricted funds.

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

## NOTES TO THE FINANCIAL STATEMENTS

19.	ANALYSIS OF NET ASSETS			Unrestricted	
	- CURRENT YEAR	Restricted	Restricted	Funds	Total
		Funds	Fixed Asset	(incl:	Funds
		2023	Funds	designated)	2023
		£	2023	2023	£
	Tangible fixed assets	-	1,004,021	-	1,004,021
	Fixed asset investments	-	250	-	250
	Investment property	-	350,000	-	350,000
	Current assets	137,651	-	1,304,044	1,441,695
	Creditors	-	-	(113,433)	(113,433)
		<u>137,651</u>	<u>1,354,271</u>	<u>1,190,611</u>	<u>2,682,533</u>
	- PRIOR YEAR				
		Restricted	Restricted	Unrestricted	Total
		Funds	Funds	Funds	Funds
		2022	2022	2022	2022
		£	£	£	£
	Tangible fixed assets	-	2,670,931	-	2,670,931
	Fixed asset investments	-	250	-	250
	Investment property	-	350,000	-	350,000
	Current assets	137,651	-	97,576	235,227
	Creditors	-	-	(324,625)	(324,625)
		<u>137,651</u>	<u>3,021,181</u>	<u>(227,049)</u>	<u>2,931,783</u>
20.	RECONCILIATION OF NET MOVEMENTS IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES			2023	2022
				£	£
	Net (expenditure)/income for the period (as per Statement of Financial Activities)			(249,250)	(65,045)
	Adjustments for:				
	Depreciation charges			13,546	11,804
	Investment income			(17,959)	(17,520)
	Revaluation of fixed assets			(43,100)	(62,738)
	(Increase)/decrease in stocks			-	(131)
	(Increase)/decrease in debtors			50,836	(57,105)
	Increase in creditors			(211,192)	150,837
	Net cash used in operating activities			<u>(457,119)</u>	<u>(39,898)</u>
21.	ANALYSIS OF CASH AND CASH EQUIVALENTS			2023	2022
				£	£
	Cash in hand			4,359	332
	Cash at bank			1,371,673	118,396
	Total cash and cash equivalents			<u>1,376,032</u>	<u>118,728</u>

The charity operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund. The pension cost charge represents contributions payable by the charity to the fund and amounted to £4,354 (2022 - £5,474). Contributions totalling £nil (2022 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

## FINANCIAL STATEMENTS FOR THE YEAR ENED 31ST MARCH 2023

## NOTES TO THE FINANCIAL STATEMENTS

## 23. OPERATING LEASE COMMITMENTS

At 31st March 2023 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:-

	2023	2022
	£	£
Not later than 1 year	-	1,800
Later than 1 year and not later than 5 years	-	-
	<u>-</u>	<u>1,800</u>

## 24. RELATED PARTY TRANSACTIONS

During the year, the charity purchased professional services totalling £2,867 (2022: £2,400) from Ante Limited, a company which Clive Wadham-Smith, a trustee, is a director. As at 31st March 2023 £424 (2022: £200) was owed to Ante Limited and is included within trade creditors.