

**Keystone Accountability
Trustees' Report and Accounts
For the Year Ended
31 March 2017**

Charity number: 1118999
Company number: 6000240

SATURDAY



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25/11/2017 #392
COMPANIES HOUSE

KEYSTONE ACCOUNTABILITY

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KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT

I. REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|-------------------------------------|---|
| Name of Charity | Keystone Accountability (Known commonly as Keystone) |
| Charity Registration Number | 1118999 |
| Company Registration Number | 6000240 |
| Address of registered office | 222 Kensal Road Unit 121 London W10 5BN |
| Charity's Trustees | Alice Brown Emma Turner Jack Lange |
| Chief Executive | David Bonbright |
| Bankers | HSBC The Helicon, 1 South Place London EC2M 2UP |
| Solicitors | Bates, Wells & Braithwaite 2 – 6 Cannon Street London EC4M 6HY |
| Independent Examiners | Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL |

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

II. STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of the governing document

Memorandum and Articles of Association of Keystone Accountability, dated 15 November 2006.

Constitution: Incorporated company limited by guarantee and not having a share capital. Company registered in England and Wales.

Recruitment and appointment of Trustees

The Articles of Association of Keystone Accountability provide that there shall be at least three Trustees. Trustees are recruited by the Chief Executive and the existing Trustees through their personal and professional networks. New Trustees are appointed by resolution of the Trustees. The Trustees' board is renewed annually by a third.

Induction and training of Trustees

The Chief Executive provides an induction on Keystone's objectives and work to new Trustees. He provides them with a detailed presentation of the Constituent Voice™ methodology and tools as well as of its underlying principles and philosophy. He also briefs them on their legal obligations under charity and company law. A Trustees' induction pack has been compiled and is provided to all newly appointed Trustees. As the method, tools and types of services offered by Keystone evolve, the Trustees are provided with detailed presentations of new developments during board meetings and on an ongoing basis through e-mail and telephone conversations.

Staffing structure

Keystone delivers Constituent Voice™ services to development and humanitarian actors through an experienced global team of consultants, programme managers and analysts, supported by finance, HR and administrative capacity. Ground Truth Solutions, a project of Keystone set up in 2014, has grown in size and strength over recent years and has developed its own staffing structure within the Keystone umbrella, led by Nick Van Praag. Over the course of the next financial year, Ground Truth Solutions will branch off from Keystone and become an independent entity, based in Austria, while maintaining strong links to Keystone through shared mission and methodologies.

Remuneration of key management personnel and staff

The Remuneration Committee was established in April 2015 to ensure that remuneration arrangements support the strategic aims of Keystone Accountability and enable the recruitment, motivation and retention of skilled staff while also complying with the Charities SORP regulation.

The main role and function of the Remuneration Committee is to assist the Board in developing and administering a fair and transparent procedure for setting policy on the human resources strategy and remuneration of staff. This does not include the performance review and remuneration of the Chief Executive, which is the responsibility of the Trustees. Staff remunerations are determined on the basis of merit, qualifications, and competence, with regard to the organisation's operating results, individual performance, and comparable market statistics.

The Remuneration Committee consists of three members of the senior management team:

- David Bonbright – Chief Executive and Remuneration Committee chairman
- Nick Van Praag – Director of Ground Truth Solutions
- Andre Proctor – Independent Consultant

Over the course of the next financial year, current membership of the Committee will be replaced by members from the Board of Trustees.

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

Trustee remuneration, benefits, donations and expenses

None of the Trustees have been paid any remuneration or received any other benefits from an employment with Keystone. Similarly, Keystone has not received any donations from its Trustees during the year.

During the 2016/17 fiscal year, a total of £16,523.56 was paid to Alice Brown for consultancy services relating to a client project of Covox, a Keystone related party. During the year, Alice Brown served as a trustee on the board of Keystone Accountability US. As of 10 May 2017, Alice Brown became a trustee of Keystone Accountability UK.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of Keystone Accountability 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, which 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 issued by the UK Charity Commission;
- Make judgements and 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 charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that 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.

Related parties:

- Keystone Accountability US is a non-profit 501(c)(3) organisation with similar purposes to Keystone (UK). It works to fulfil its mission by, among other things, supporting Keystone (UK) projects. Keystone Accountability US is a related party by virtue of shared Trustees but otherwise operates as a separate entity.
- Keystone Accountability South Africa is a Company incorporated under Section 21 of the South African Companies Act (Company not having share capital), with similar purposes to Keystone (UK). Keystone Accountability South Africa is a related party by virtue of a shared Trustee - the Chief Executive of Keystone Accountability (UK) - but otherwise operates as a separate entity.
- Covox Ltd was established in March 2014 as a company limited by guarantee. Covox was a related party during the year by virtue of one-hundred per cent ownership by the Chief Executive of Keystone and the Director of Ground Truth Solutions.

III. OBJECTIVES AND ACTIVITIES

Objectives of the Charity (as set out in the Memorandum and Articles of Association):

- To advance the efficiency and effectiveness of charities and to improve the effective use of resources for charitable purposes
- To promote the voluntary sector (being charities and organisations established anywhere in the world for exclusively charitable purposes as determined in accordance with the law of

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

England and Wales) and voluntary organisations (being non-political organisations, independent of local or national governments or other statutory authorities, established for purposes that add value to whole or a significant section of the community and which are not permitted by their constitutions to make a profit for private distribution) for the benefit of the public

- To advance education
- To relieve poverty
- To advance any other exclusively charitable purposes recognised as such by the laws of England and Wales for the benefit of the public.

Charity's aims and strategies:

Keystone's strategic aim is to improve the effectiveness of social purpose organisations. Keystone helps social change organisations understand and improve their performance by harnessing feedback, especially from the people they serve.

Specifically, we help them improve by:

- considering other actors' views, behaviours and incentives when planning their work;
- listening to different constituents' views of their plans, actions and reports; and
- using this data to strengthen relationships, improve work during implementation, and feed into measuring impact.

We have created an original methodology that we call Constituent Voice™ – a way to listen and respond to the people most involved in social change. We publish resources including our tools and reports. We make all our intellectual property available for free using a Creative Commons license. We also conduct research on issues related to planning, measuring and reporting social change for the purpose of improving our own work and influencing the sector of social development.

Statement on Public Benefit

The 'objectives and activities' and 'achievement and performance' sections of this report set out activities that Keystone undertakes for public benefit.

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Commission in determining the activities undertaken by the charity.

In the interest of transparency, the Trustees make the following observations on the two key principles of public benefit.

Principle 1: There must be an identifiable benefit or benefits

- 1a It must be clear what the benefits are.

The benefits are clearly set out in the accounts of Achievement and Performance given in the body of this report.

- 1b The benefits must be related to the aims.

The Trustees review the activities of the charity against its aims on an ongoing basis and are satisfied that all activities continue to be related to the aims.

- 1c Benefits must be balanced against any detriment or harm.

No specific issues of detriment or harm have been identified.

Principle 2: Benefit must be to the public or a section of the public

- 2a The beneficiaries must be appropriate to the aims.

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

The organisations that Keystone Accountability works for all work for the public benefit and are mostly registered charities. For instance, they include grantees, grantmakers and international humanitarian agencies like Oxfam and CARE International.

- 2b Where the benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted by geographical or other restrictions; or by the ability to pay any fees charged.

There are no restrictions on benefits.

- 2c People in poverty must not be excluded from the opportunity to benefit.

Privileging the voices of people in poverty is central to what Keystone Accountability does in assisting charitable organisations to achieve their aims more effectively. In fact, Keystone's Constituent Voice™ method provides a way for any charity to establish the evidence base for meeting this duty.

- 2d Any private benefits must be incidental.

A number of private benefits do necessarily arise from the activities of the charity. In particular, the charity finds it essential to employ and remunerate staff. These private benefits are a necessary step in achieving the charity's aims.

Activities

Constituent Voice™ systems in the development sector

Keystone helps organisations understand and improve their social performance by harnessing feedback, especially from the people they serve. We seek to improve the effectiveness of social change organisations and we want every organisation in the world to cultivate Constituent Voice™. We provide the methods, tools and services that allow organisations to really know how their constituents experience them, and what to do with that knowledge once they have it. Our Constituent Voice™ method does for organisations seeking to create social value what the customer satisfaction industry does for consumer-facing businesses.

In 2016/17, Keystone provided consulting services to organisations wishing to deepen their ability to plan for, assess, learn from, and report their impacts. During the year, Keystone has provided consultancy services to 17 organisations, including Ashoka, CARE UK, Center for Employment Opportunities, CECF and the UK's Department for International Development (DFID), covering organisational planning, performance management, monitoring and evaluation processes.

In line with Keystone's strategy to increase the incentives and rewards for practicing Constituent Voice™, Keystone co-founded Feedback Labs – a convening body for organisations engaged in feedback practises – and continues its partnership with charity rating agencies such as Charity Navigator, which is incorporating Constituent Voice™ methodology into its rating model for charities.

Constituent Voice™ systems in the humanitarian sector

Ground Truth Solutions (Ground Truth) was set up in 2012, led by Nicholas van Praag, with the aim of introducing Constituent Voice™-based practices and methodologies into the humanitarian space. It has since grown into a stand-alone project within Keystone. Ground Truth provides humanitarian agencies with direct feedback from people affected by crisis. Its approach is to systematically collect the views of affected people on key aspects of humanitarian programming, analyse what they say, and help agencies to understand and communicate the resulting insight back to affected communities.

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

Over the year, Ground Truth has received grants for developing and piloting its approach from the IKEA Foundation and the Swiss Agency for Development and Cooperation. Additionally, ongoing projects continued in several countries in partnership with DanChurchAid (DCA), Save the Children and the International Rescue Committee. New projects were started jointly with DFID, Switzerland's Federal Department for Foreign Affairs, the Organisation for Economic Co-Operation and Development, the Refugee Children Fund for Europe, the International Federation of Red Cross and Red Crescent Societies as well as the International Committee of the Red Cross. Through to the end of 2016/17, Ground Truth has worked in 20 countries.

Keystone Performance Surveys

Keystone is a global pioneer in the development and delivery of organisation-to-organisation feedback. Keystone Performance Surveys provide cutting edge performance data for social purpose organisations by enabling them to measure how well they are working with other organisations and how they compare to their peers.

Keystone Performance Surveys provide detailed and actionable data about the value organisations add to others. Organisations working for development and social change lack a unifying performance principle, such as profit maximisation. While measuring impact is technically possible, there hasn't been a cost-effective measurement approach that solves this structural problem of performance management.

Keystone solves this core structural problem by making the perspectives of the people who are meant to enjoy the benefits of development – the primary constituents – visible to other decision makers in the system. These constituents' voices are central to managing the performance of programs aimed at development and social change yet they are mostly neglected or ignored. Keystone surveys and services provide a continuous and representative flow of feedback that organisations use to be accountable to the experiences of their primary constituents.

Keystone Performance Surveys are split into four main areas that provide benchmarks of feedback data and are designed for four groups of organisations.

- **Development Partnerships** - feedback from local partners of the international NGOs. A growing number of NGOs have repeated the survey and the total number of survey subscribers has grown to 88, with over 4,500 local organizations surveyed.
- **International Networks** - feedback from network members. Completed first in 2009 and again 2012, 2014 and 2017.
- **Impact Investment** - feedback from investees. Done as a cohort in 2010 and 2013. Social Investment Business completed its third consecutive partner survey in 2016.
- **Grantmaking** - feedback from grantees. Most recently done in 2016 with the Blagrove Trust.

Communications and advocacy:

Over the financial year, Keystone increased its investment in public communications and advocacy as a way to spread awareness of Constituent Voice™ and develop business opportunities. A new Communications Director position was created, tasked with leading on updating various communications platforms, including the [Keystone Accountability](#) website and social media channels, and leading on all external communications. In addition, Chief Executive David Bonbright continued to contribute to developing the field of constituent voice and feedback loops through various publications and speaking events. These included:

- Bonbright, D. et al. (2016) User Voice: Putting people at the heart of impact practice. *Report by New Philanthropy Capital and Keystone Accountability.*
- Bonbright, D. Garner, P. and Lumley, T. (2016) Who should measure the impact of non-profits? Responses to Caroline Fiennes and Ken Berger. *Alliance Magazine* 21(1).
- Hopkins, K. (2016) The value of feedback for impact and beyond. *Evidence and Impact: Essay Collection.* Centre for Youth Impact.

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

Selection of speaking events:

- David Bonbright as guest speaker in Jennifer McCrea's Course in Exponential Fundraising at Harvard University's Kennedy School Executive Education. Sept. 2016
- IMPCON 2016, Oct. 2016
- Global Summit on Community Philanthropy, Dec. 2016
- Leap Ambassadors Convening, Nov. 2016

Feedback Commons

Keystone continued to invest in the development of the Feedback Commons, an online question database platform which allows organisations to survey their constituents and benchmark their performance against others in their sector. Over the year, the number of users has grown to 125. Early feedback from users has been positive and has formed our strategic plan for the coming year.

IV. ACHIEVEMENTS AND PERFORMANCE

Keystone client feedback

In previous years, we have collected feedback from our current and former clients through a one-question survey asking, "Based on your experience with Keystone Accountability, how likely are you to recommend it to a friend, colleague, or organisation similar to yours?" In 2016/17, mindful of the risk of survey fatigue among our clients, we took a different approach and experimented with conducting face-to-face conversations to collect feedback. With under 100 unique client engagements this also provided an opportunity for a more "ethnographic" approach to client feedback, allowing us to conduct intensive deep-dives into our clients' experiences of working with us. In particular, we wanted to understand how our online platform, the Feedback Commons, can be a tool for clients in collecting their own feedback; insights that we would later feed into our ongoing Feedback Commons strategy and development plan.

Client feedback comments included:

On Keystone's work:

- *"Leaders in feedback sector"*
- *"Good methodology, high importance on focus on feedback and accountability"*
- *"Big improvement to regular satisfaction surveys among partners"*

Areas highlighted to improve:

- *"Offer a survey app or partner with firm that does"*
- *"Good job, but took a bit too long"*
- *"More attention for capacity development and other non-financial support"*

Holding one-to-one conversations was a positive learning opportunity and we will continue to use this approach, combined with micro-surveys linked to client projects and wider field surveys, during the coming year.

(In the previous year, in response to our one-question survey, we received a 'Net Promoter Score'¹ of +36.)

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

IV. ACHIEVEMENTS AND PERFORMANCE (continued)

Other indicators

There is considerable adoption on trademarked use of the term, "constituent voice", across the sector. Other organisations are starting to study, test and use Constituent Voice™ methodology in their own work. In one case we know of, a large provider of consulting services to non-profits is now offering "constituent voice" services.

| Indicator | Performance score | | | | | |
|------------------------|--|------|------|------|------|------|
| Quality of tools | <p>Maryland Nonprofits publishes a report on Constituent Voice™ amongst its members, citing Keystone as a useful resource.</p> <p>Feedback from DFID about Keystone's work: "Keystone's surveys have provided us with invaluable information about the quality of our partnerships in development. This knowledge has been an important part of improving our relationships and programme performance. It is something that all development organisations should pay close attention to."</p> <p>Keystone asked to present its methodology as an "expert" at World Vision learning event on Beneficiary Feedback Mechanisms.</p> <p>Ground Truth covered in Humanitarian Policy Group ODI report "Time to let go. Remaking humanitarian action for the modern era".</p> | | | | | |
| Quality of approach | <p>In addition to several publications, Keystone's work has manifested itself in a variety of places:</p> <ul style="list-style-type: none"> Keystone's Constituent Voice™ methodology is included in the 'Strategy and Sustainability Management' course at the University of Modena, Italy. In November 2016, Keystone was one of a cohort of seven to organise the first London Feedback Summit. 95 people attended the workshop which consisted of several plenaries and eight breakout sessions. Keystone was invited to do a training series for Centre for Youth Impact after presenting at their annual event in September 2016. | | | | | |
| Influence on the field | No. of the first 20 results on search engines with the following terms related directly to Keystone: | 2017 | 2016 | 2015 | 2014 | 2013 |
| | "Constituent Voice" | | | | | |
| | - Google | 18 | 16 | 11 | 7 | 8 |
| | - Bing | 10 | 13 | 6 | 4 | 2 |
| | - Yahoo | 10 | 14 | 5 | 4 | 4 |
| | "Impact Planning, Assessment and Learning" | | | | | |
| | - Google | 15 | 10 | 11 | 1 | 2 |
| | - Bing | 5 | 3 | 3 | 1 | 5 |
| | - Yahoo | 5 | 5 | 6 | 3 | 4 |

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

IV. ACHIEVEMENTS AND PERFORMANCE (continued)

Other indicators

| | |
|------------------------|--|
| Influence on the field | <p>By examining which search results for "Constituent Voice" and "Impact Planning, Assessment and Learning" are directly related to Keystone's work, and which are coming from other organisations, we get an understanding of the wider dissemination and use of these terms beyond Keystone. We can see that both IPAL and Constituent Voice are gaining traction terms in the wider sector. We expect this to continue to change in coming years. Further evidence of our influence on the field can be seen by Keystone's involvement in various publications and speaking events – see above.</p> |
| Website traffic | <p>Keystone's initial blog site was launched in September 2013 and kept separate from its main website. In previous years, this report included blog site hits as well as website hits, shown separately. In January 2015, Keystone completely overhauled the look and content of its website and merged its main site and the stand-alone Wordpress blog site. Although we were not able to provide complete web traffic statistics for the last fiscal year, in 2016/17, Keystone's website had an unprecedented 104,370 views and 69,836 visitors and since November 2016, the average number of visitors has been around 10,500 per month.</p> <p>The most read blog posts were:</p> <p>Keystone:</p> <ul style="list-style-type: none">• <i>In partnering, rules don't work, but principles might</i>, 303 views• <i>From client feedback to radical redesign</i>, 239 views• <i>Shifting the power to service users</i>, 211 views <p>Ground Truth:</p> <ul style="list-style-type: none">• <i>Commitment issues at #WHSummit</i>, 355 views• <i>What's in a logo</i>, 292 views• <i>Istanbul summit: bargaining for an upgrade</i>, 281 views |

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

V. FINANCIAL REVIEW

The total income for 2016/17 was £1,463,208 (2015/16: £699,882) and the total expenditure was £1,221,677 (2015/16: £753,941). The balance of funds carried forward to the 2017/18 year are £(3,139) in unrestricted funds and £296,956 in restricted funds (2015/16: £52,286 and £nil respectively).

Risk review statement

The Trustees have examined the major risks faced by Keystone and have identified the absence of sufficient funding to carry the organisation, should there be a slowdown in earned income, to be the most pressing issue facing the organisation. A strategic plan is in place and entrusted to the Chief Executive to build up a reserve fund of £120,000, which would create a cushion of approximately three months to cover core operating costs during a slowdown.

While the charity has negative unrestricted reserves at year end, significant contract income has been secured for the following financial year and support committed from external organisations to the extent that this does not change the going concern assumption.

Principal risks and uncertainties

The Trustees have considered the major risks to which Keystone is exposed and confirm that systems and controls have been established to manage those risks. The Trustees recognise that the risks that the organisation faces are becoming more complex as the organisation grows and develops operations in various locations. There is a need to continually develop, monitor and strengthen organisational risk management systems to manage these evolving issues.

While Keystone has grown successfully over the last few years in a difficult funding environment, the Trustees are aware that the company remains heavily reliant on a small number of unrestricted projects to help cover its core operating costs. A funding strategy was put in place in 2016 to broaden Keystone's portfolio of projects and funders and full cost recovery is sought in project and funding proposals. This strategy will begin to bear fruit in the 2017/18 fiscal year. Keystone is also constantly looking at the market to see where it can expand and offer its existing products to new clients as well develop new products to expand its client base.

Keystone continues to work to secure the financial resources it requires to successfully deliver its business plan; this includes, but is not limited to ensuring sufficient flexible funding is in place to safeguard continuity in core operations.

Policy on reserves

As mentioned, at the year-end, Keystone held negative funds of £(3,139) in unrestricted funds. The Board has a policy on reserves set out below that is included in the Charity's financial controls. Total reserves are below the desired amount.

Keystone's reserves policy is to build up reserves as rapidly as possible:

- To assure the continuation of Keystone's activities during three months in case of periods of low income.
- To provide assurance to members of staff and to those with whom we undertake commitments of Keystone's reliability as an employer and business partner, respectively.
- As a precaution against adverse economic conditions and any consequent decline in the charity's income to permit the development of ambitious programmes.
- The level of unrestricted reserves needed for these purposes is set at £120,000 (approximately three months of core ordinary operating costs).
- The level of the reserves will be reviewed by the Board once a year as part of the budget review and approval process.

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

V. FINANCIAL REVIEW (continued)

Significant work has taken place over the last 12 months to strengthen and improve Keystone's internal systems, policies and procedures. More robust systems have been introduced to ensure the production of regular financial management information to promote more effective decision-making alongside the strengthening of internal controls to mitigate risk of error, waste or fraud. Keystone is in the process of optimising the utilisation of its financial accounting system, which should enhance the reporting of management accounts and production of financial statements.

VI. PLANS FOR THE YEAR THROUGH 31 MARCH 2018

Following an operational review in April 2017, we have identified a four-prong strategy that will shift Keystone's focus from its current fee-based work for individual organizations into investing more in projects that demonstrate Constituent Voice™ at a system-level, for example its work introducing Constituent Voice at the country level with DFID in Zambia. It includes entering the global supply chains services marketplace. All of these are intended to define the customers for the products and services Keystone offers through a 'lean' approach, meaning we will frequently test our progress and make adjustments accordingly.

The following offers a tabular summary of Keystone's operational plans over the next year:

Service Delivery Aims

| Item | Target |
|---|--------|
| System level projects | 2 |
| Constituent Voice™-based Evaluations | 5 |
| Organisation Constituent Voice™ Systems | 7 |
| Benchmark surveys | 30 |

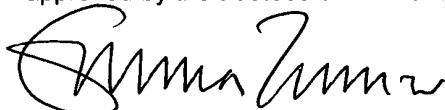
Quality Aims

| Question | Indicator: Net Promoter Score |
|---|-------------------------------|
| Based on your experience of Keystone Accountability, how likely are you to recommend it to a friend, colleague or an organisation similar to yours? | 45 |

VII. AUDITOR

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the strategic report of a small company has been approved by the trustees on 22 November 2017 and signed on their behalf by



Emma Turner
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEYSTONE ACCOUNTABILITY

Opinion

We have audited the financial statements of Keystone Accountability (the 'charitable company') for the year ended 31 March 2017 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 March 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
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the trustees' annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEYSTONE ACCOUNTABILITY

Opinions on other matters 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
- The trustees' annual report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable 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 in relation to which 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; or
- The trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' annual report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

**INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS OF KEYSTONE ACCOUNTABILITY**

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Noelia Serrano (Senior statutory auditor)
24 November 2017
for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Keystone Accountability

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2017

| | Note | Unrestricted £ | Restricted £ | 2017 Total £ | 2016 Total £ |
|---|------|-------------------|-----------------|--------------------|--------------------|
| Income from: | | | | | |
| Donations and legacies | | 252,836 | - | 252,836 | 64,455 |
| Charitable activities | | | | | |
| Constituent Voice for development sector | 3 | 495,882 | 35,043 | 530,925 | 276,755 |
| Constituent Voice for humanitarian sector (Ground Truth Solutions) | | - | 636,607 | 636,607 | 331,842 |
| Performance surveys | | 42,837 | - | 42,837 | 22,330 |
| Advocacy and communication | | - | - | - | - |
| Investments | | 3 | - | 3 | 2 |
| Other | | - | - | - | 4,498 |
| Total income | | 791,558 | 671,650 | 1,463,208 | 699,882 |
| Expenditure on: | | | | | |
| Raising funds | 4 | 269,115 | - | 269,115 | 14,113 |
| Charitable activities | 4 | | | | |
| Constituent Voice for development sector | | 479,282 | 35,043 | 514,325 | 399,462 |
| Constituent Voice for humanitarian sector (Ground Truth Solutions) | | - | 339,651 | 339,651 | 263,797 |
| Performance surveys | | 45,593 | - | 45,593 | 35,411 |
| Advocacy and communication | | 52,993 | - | 52,993 | 41,158 |
| Total expenditure | 6 | 846,983 | 374,694 | 1,221,677 | 753,941 |
| Net income / (expenditure) for the year | 5 | (55,425) | 296,956 | 241,531 | (54,059) |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | | 52,286 | - | 52,286 | 106,345 |
| Total funds carried forward | | (3,139) | 296,956 | 293,817 | 52,286 |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14a to the financial statements.

Keystone Accountability

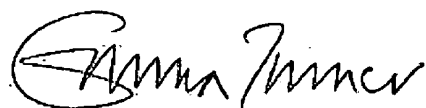
Balance sheet

Company no. 6000240

As at 31 March 2017

| | Note | £ | 2017 £ | 2016 £ |
|--|------|----------------|----------------|----------------|
| Fixed assets: | | | | |
| Tangible assets | 9 | | 21,017 | 3,902 |
| | | | <u>21,017</u> | <u>3,902</u> |
| Current assets: | | | | |
| Debtors | 10 | 188,938 | | 71,357 |
| Cash at bank and in hand | | 342,518 | | 387,278 |
| | | <u>531,456</u> | | <u>458,635</u> |
| Liabilities: | | | | |
| Creditors: amounts falling due within one year | 11 | (258,656) | | (410,251) |
| | | | <u>272,800</u> | <u>48,384</u> |
| Net current assets | | | | |
| | | | <u>293,817</u> | <u>52,286</u> |
| Net assets | | | | |
| | | | | |
| The funds of the charity: | 14 | | | |
| Restricted income funds | | | 296,956 | - |
| Unrestricted income funds: | | (3,139) | | 52,286 |
| | | <u></u> | <u>293,817</u> | <u>52,286</u> |
| Total charity funds | | | | |

Approved by the trustees on 22 November 2017 and signed on their behalf by



Emma Turner
Trustee

Keystone Accountability

Statement of cash flows

For the year ended 31 March 2017

| | Note | 2017 £ | 2016 £ |
|--|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 5 | (24,122) | 312,899 |
| Cash flows from investing activities: | | | |
| Interest from investments | | 3 | 2 |
| Purchase of fixed assets | | <u>(20,641)</u> | <u>(1,598)</u> |
| Change in cash and cash equivalents in the year | | <u>(44,760)</u> | <u>311,303</u> |
| Cash and cash equivalents at the beginning of the year | | 387,278 | 75,975 |
| Cash and cash equivalents at the end of the year | | <u><u>342,518</u></u> | <u><u>387,278</u></u> |

Keystone Accountability

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies

a) Statutory information

Keystone Accountability is a charitable company limited by guarantee and is incorporated in United Kingdom. The registered office address is 222 Kensal Road, Suite 232, London, W10 3BN.

b) Basis of preparation

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

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

While the charity has negative unrestricted reserves at year end, significant contract income has been secured for the following financial year and support committed from external organisations to the extent that this does not change the going concern assumption.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

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

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

g) Interest receivable

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

1 Accounting policies (continued)

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

| | |
|------------------------------|-----|
| ● Raising funds | 21% |
| ● CV – development sector | 27% |
| ● CV – humanitarian sector | 16% |
| ● Performance surveys | 3% |
| ● Advocacy and communication | 7% |
| ● Support costs | 20% |
| ● Governance costs | 6% |

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

- | | |
|------------------------------------|---------|
| ● Fixtures, fittings and equipment | 3 years |
|------------------------------------|---------|

Keystone Accountability

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies (continued)

m) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash 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.

o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

p) Pensions

Keystone Accountability UK entered into a defined benefit contribution scheme for all UK employees in August 2016. All staff on the payroll in Austria pay a social security contribution from their gross salaries which covers accident insurance, pension contributions and other social security benefits.

q) Foreign currencies

Income and expenditure received or spent in foreign currencies are translated into the presentational currency of Great British Pound at the rate ruling on the day the transaction took place. Assets and liabilities held in foreign currencies are translated to the presentational currency at the rate ruling on the last day of the financial year being presented. Any gains or losses on the translation of foreign currencies into the presentational currency are presented separately within the Statement of Financial Activities.

2 Detailed comparatives for the statement of financial activities

| | Unrestricted £ | Restricted £ | 2016 Total £ |
|---|-------------------|-----------------|--------------------|
| Income from: | | | |
| Donations and legacies | 64,455 | - | 64,455 |
| Charitable activities | | | |
| Maximising the impact of social purpose organisations | | | |
| Constituent Voice for development sector | 273,201 | - | 273,201 |
| Constituent Voice for humanitarian sector | - | 317,895 | 317,895 |
| Performance surveys | 39,831 | - | 39,831 |
| Investments | 2 | - | 2 |
| Other | 4,498 | - | 4,498 |
| Total income | 381,987 | 317,895 | 699,882 |
| Expenditure on: | | | |
| Raising funds | 14,113 | - | 14,113 |
| Charitable activities | | | |
| Maximising the impact of social purpose organisations | | | |
| Constituent Voice for development sector | 324,584 | - | 324,584 |
| Constituent Voice for humanitarian sector | - | 384,366 | 384,366 |
| Performance surveys | 30,877 | - | 30,877 |
| Total expenditure | 369,574 | 384,366 | 753,940 |
| Net expenditure | 12,412 | (66,471) | (54,059) |
| Net movement in funds | | | |
| Total funds brought forward | 39,874 | 66,471 | 106,345 |
| Total funds carried forward | 52,286 | - | 52,286 |

Keystone Accountability

Notes to the financial statements

For the year ended 31 March 2017

3 Income detail

| | Unrestricted £ | Restricted £ | 2017 Total £ | 2016 Total £ |
|--------------------------------------|-------------------|-----------------|--------------------|--------------------|
| The grants received were as follows: | | | | |
| Keystone Accountability USA | 252,836 | – | 252,836 | 64,455 |
| SDC | – | 147,916 | 147,916 | 99,690 |
| IKEA Foundation | – | 280,443 | 280,443 | 139,882 |
| Plan UK | – | – | – | 82,968 |
| International Rescue Committee | – | 141,083 | 141,083 | 14,167 |
| DCA (ECHO) | – | 67,165 | 67,165 | 64,156 |
| DFID | – | 35,043 | 35,043 | 13,871 |
| | <u>252,836</u> | <u>671,650</u> | <u>924,486</u> | <u>479,189</u> |

Income from charitable activities includes £495,882 (2016: £273,201) of unrestricted consultancy income through Constituent Voice for the development sector and £42,837 (2016: £39,831) of unrestricted performance survey fees.

Charitable company

Notes to the financial statements

For the year ended 31 March 2017

4 Analysis of expenditure

| | Charitable activities | | | | | | | | |
|------------------------|---|-------------------------|--------------------------|------------------------------|-----------------------------|------------------|---------------|------------|------------|
| | Maximising the impact of social purpose organisations | | | | | | | | |
| | Raising funds | CV - development sector | CV - humanitarian sector | Keystone Performance Surveys | Advocacy and Communications | Governance costs | Support costs | 2017 Total | 2016 Total |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Staff costs | 99,977 | 135,228 | 79,000 | 14,927 | 31,464 | 24,974 | 95,175 | 480,745 | 274,261 |
| Audit and accountancy | - | - | - | - | - | 6,550 | 8,886 | 15,436 | 7,726 |
| Legal expenses | - | - | - | - | - | 14,409 | 4,858 | 19,267 | 4,937 |
| Consultancy | 91,357 | 110,468 | 153,499 | 6,575 | 18,913 | 8,868 | 929 | 390,609 | 364,975 |
| Data collection costs | - | 121,543 | - | - | - | - | - | 121,543 | - |
| Depreciation | - | - | - | - | - | - | 3,527 | 3,527 | 848 |
| Other expenses | - | - | - | - | - | - | 10,669 | 10,669 | 2,835 |
| Other staff costs | 3,035 | 53,252 | 54,899 | 3,915 | - | 6,550 | 24,964 | 146,615 | 112,257 |
| Office costs | - | - | - | - | - | - | 25,068 | 25,068 | 13,409 |
| Premises expenses | - | - | - | - | - | - | 31,828 | 31,828 | 14,867 |
| Foreign exchange gains | - | - | - | - | - | - | (23,630) | (23,630) | (42,173) |
| Support costs | 51,088 | 64,454 | 34,554 | 12,877 | 2,616 | 16,685 | (182,274) | - | - |
| Governance costs | 23,658 | 29,380 | 17,699 | 7,299 | - | (78,036) | - | - | - |
| Total expenditure 2017 | 269,115 | 514,325 | 339,651 | 45,593 | 52,993 | - | - | 1,221,677 | 753,941 |
| Total expenditure 2016 | 14,113 | 399,462 | 263,797 | 35,411 | 41,158 | - | - | 753,941 | |

Of the total expenditure, £846,983 was unrestricted (2016: £369,574) and £374,694 was restricted (2016: £384,366).

Keystone Accountability

Notes to the financial statements

For the year ended 31 March 2017

5 Reconciliation of net income to net cash flow from operating activities

| | 2017 £ | 2016 £ |
|---|-----------------|----------------|
| Net income / (expenditure) for the reporting period (as per the statement of financial activities) | 241,531 | (54,059) |
| Interest from investments | (3) | (2) |
| Increase in debtors | (117,581) | (19,024) |
| Decrease/(increase) in creditors | (151,595) | 382,932 |
| Depreciation charges | 3,526 | 3,052 |
| Net cash provided by operating activities | (24,122) | 312,899 |

6 Total resources expended

| This is stated after charging/(crediting): | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Depreciation of tangible fixed assets | 3,526 | 3,052 |
| Independent examiner's fee | - | 5,160 |
| Accountants' fees | | |
| -Audit fee | 6,550 | - |
| -Account preparation fee | 3,100 | - |
| -Other support services | 1,900 | - |
| Foreign exchange gains | (23,630) | (42,173) |

7 Employees

Average monthly number of employees during the year:

| | 2017 No. | 2016 No. |
|---|-------------|-------------|
| Raising funds | 1.5 | 0.1 |
| Constituent Voice for humanitarian sector | 5.1 | 1.0 |
| Constituent Voice for development sector | 2.9 | 1.0 |
| Performance surveys | 0.3 | 0.9 |
| Governance costs | 0.3 | - |
| Support costs | 2.9 | - |
| Total | 13 | 3 |

Keystone Accountability

Notes to the financial statements

For the year ended 31 March 2017

| 8. Employee costs | 2017 £ | 2016 £ |
|-----------------------|----------------|----------------|
| Salaries | 410,845 | 244,200 |
| Social security costs | 68,885 | 30,061 |
| Pension costs | 1,016 | - |
| | <u>480,746</u> | <u>274,261</u> |

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

| | | |
|---------------------|----------|----------|
| £60,000 – £70,000 | 2 | - |
| £150,001 – £160,000 | <u>1</u> | <u>1</u> |

During the year, four trustees received reimbursement of travel expenses from their country of operation to the UK for board meetings. These reimbursements totalled £2,436 (2015: £nil).

Total staff benefits paid to key management personnel, including employer's national insurance and employer's social security contributions, was £241,217 (2016: £176,409). There is also an outstanding loan amount to David Proctor-Bonbright of £48,648 (2016: £48,648) at year end. This loan is unsecured and has no guarantees against it.

9 Furniture, fittings and equipment

| | Total £ |
|--------------------------|---------------|
| Cost | |
| At the start of the year | 18,465 |
| Additions in year | 20,641 |
| Disposals in year | - |
| | <u>39,106</u> |
| At the end of the year | |
| Depreciation | |
| At the start of the year | 14,563 |
| Charge for the year | 3,526 |
| Eliminated on disposal | - |
| | <u>18,089</u> |
| At the end of the year | |
| Net book value | |
| At the end of the year | <u>21,017</u> |
| | |
| At the start of the year | <u>3,902</u> |

10 Debtors

| | 2017 £ | 2016 £ |
|----------------|----------------|---------------|
| Trade debtors | 88,097 | 21,876 |
| Staff loans | 49,570 | 49,481 |
| Accrued income | 50,892 | - |
| Prepayments | 379 | - |
| | <u>188,938</u> | <u>49,481</u> |

Keystone Accountability

Notes to the financial statements

For the year ended 31 March 2017

11 Creditors

| | 2017 £ | 2016 £ |
|------------------------------|----------------|----------------|
| Trade creditors | 21,656 | 26,970 |
| Accruals | 34,851 | 5,160 |
| Deferred income | 176,864 | 367,443 |
| Taxation and social security | 21,245 | 10,221 |
| Other creditors | 4,040 | 457 |
| | <u>258,656</u> | <u>410,251</u> |

12 Deferred income

Deferred income comprises grants received in advance.

| | 2017 £ | 2016 £ |
|---------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 367,443 | – |
| Amount released to income in the year | (280,443) | – |
| Amount deferred in the year | 89,864 | 367,443 |
| | <u>176,864</u> | <u>367,443</u> |

13a Analysis of net assets between funds (current year)

| | Unrestricted £ | Restricted £ | Total funds £ |
|-------------------------------|-------------------|-----------------|------------------|
| Tangible fixed assets | 21,017 | – | 21,017 |
| Current assets | 234,500 | 296,956 | 531,456 |
| Creditors due within one year | (258,656) | – | (258,656) |
| | <u>(3,139)</u> | <u>296,956</u> | <u>293,817</u> |

13b Analysis of net assets between funds (prior year)

| | Unrestricted £ | Restricted £ | Total funds £ |
|-------------------------------|-------------------|-----------------|------------------|
| Tangible fixed assets | 3,902 | – | 3,902 |
| Current assets | 458,635 | – | 458,635 |
| Creditors due within one year | (410,251) | – | (410,251) |
| | <u>52,286</u> | <u>–</u> | <u>52,286</u> |

14a Movements in funds (current year)

| | At 1 April 2016 £ | Income & gains £ | Expenditure & losses £ | Transfers | At 31 March 2017 £ |
|---|-------------------------|------------------------|------------------------------|-----------|--------------------------|
| Restricted funds: | | | | | |
| Swiss Agency for Development and Cooperation (SDC) | - | 147,916 | (20,972) | - | 126,944 |
| IKEA Foundation | - | 280,443 | (197,488) | - | 82,955 |
| International Rescue Committee | - | 141,083 | (37,090) | - | 103,993 |
| DanChurchAid (ECHO) | - | 67,165 | (84,101) | - | (16,936) |
| Department for International Development (DFID) | - | 35,043 | (35,043) | - | - |
| Total restricted funds | - | 671,650 | (374,694) | - | 296,956 |
| Unrestricted funds | 52,286 | 791,558 | (846,983) | - | (3,139) |
| Total funds | 52,286 | 1,463,208 | (1,221,677) | - | 293,817 |

The narrative to explain the purpose of each fund is given at the foot of the note below.

14b Movements in funds (prior year)

| | At 1 April 2015 £ | Income & gains £ | Expenditure & losses £ | At 31 March 2016 £ |
|---|-------------------------|------------------------|------------------------------|--------------------------|
| Restricted funds: | | | | |
| Conrad Hilton Foundation | 8,913 | - | (8,913) | - |
| Bill & Melinda Gates Foundation | 48,261 | - | (48,261) | - |
| Swiss Agency for Development and Cooperation (SDC) | 9,297 | 99,690 | (108,987) | - |
| IKEA Foundation | - | 139,882 | 139,882 | - |
| International Rescue Committee | - | 14,167 | (14,167) | - |
| DanChurchAid (ECHO) | - | 64,156 | (64,156) | - |
| Total restricted funds | 66,471 | 317,895 | (104,602) | - |
| Unrestricted funds | 39,874 | 381,987 | (369,575) | 52,286 |
| Total funds | 106,345 | 699,882 | (474,177) | 52,286 |

Purposes of restricted funds

SDC –Funds received for the operation and running of Ground Truth Solutions, a project whose purpose is to provide humanitarian agencies with direct feedback from people affected by crisis, allowing organisations to systematically integrate this vital information into relief programmes around the world.

IKEA Foundation–Funds received for the operation and running of Ground Truth Solutions, a project whose purpose is to provide humanitarian agencies with direct feedback from people affected by crisis, allowing organisations to systematically integrate this vital information into relief programmes around the world.

International Rescue Committee – Funds received to aid the International Rescue Committee (IRC) with its Client Responsiveness Initiative by helping it to improve programing and business practices. This is done by bringing client perspectives more systematically into decision-making calculations. The initiative provides global humanitarian assistance to people affected by conflict and disaster around the world.

Keystone Accountability

Notes to the financial statements

For the year ended 31 March 2017

DanChurchAid (ECHO) – Funds received to provide feedback on the relevance of services provided by the Listen, Learn, Act project jointly implemented by DanChurchAid, Save the Children Denmark and Keystone Accountability UK. The methodology of Ground Truth Solutions measures and attempts to improve compliance with the Core Humanitarian Standard provided by the Core Humanitarian Standard (CHS) in Ethiopia, Lebanon, Mali and Nepal. The final payment is based on submission of final project accounts which were submitted after the year end and therefore the fund shows a negative balance.

Department for International Development (DFID) – Funds received as part of Keystone Accountability UK's involvement in the Mixed Migration Platform. Keystone Accountability UK is one of seven NGOs who are working in collaboration to deliver research, analysis and policy recommendations for a better understanding of mixed migration patterns in the Middle East and Europe, and to enhance the protection of, and information available to, people on the move.

15 Operating lease commitments

There are no commitments under operating leases.

16 Related party transactions

Keystone Accountability US: a non-profit 501(c)(3) organisation, incorporated in 2007 to promote aims similar to those of Keystone Accountability UK. Keystone Accountability US is a related party by virtue of shared trustees. During the year, Keystone Accountability US provided unrestricted grant funding and general donations of £252,843 to Keystone Accountability UK in 2017 (2016: £64,455). All funds had been received at the year end.

Keystone Accountability South Africa: a company incorporated under Section 21 of the South African Companies Act (Company not having share capital) manages Keystone's activities in South Africa and other African countries. Keystone Accountability South Africa is a related party by virtue of shared trustees. During the year, Keystone Accountability UK sub-contracted consultancy work totalling £72,183 to Keystone Accountability South Africa. At the year end £6,681 was yet to be paid by Keystone Accountability UK and is presented as part of the trade creditors.

During the year, Covox Limited paid expenses on behalf of Keystone Accountability, a related party by virtue of 100% of the shares are owned by the CEO of Keystone Accountability UK and the Director of Ground Truth Solutions. As part of the relationship Keystone Accountability invoiced a total value of £137,562 for the cost of expenses incurred as a result of undertaking consultancy work for Covox Limited. There were no outstanding amounts at the year end.

During the year, a total of £16,524 (2016: £17,911) was paid to Alice Brown for consultancy services related to a client project of Covox, the Manono Shared Values Project. During the year, Alice Brown served a trustee on the board of Keystone Accountability US. As of 10 May 2017, Alice Brown became a trustee of Keystone Accountability UK. She has undertaken no consultancy work for Keystone Accountability UK.