

**Keystone Accountability
Trustees' Report and Accounts
For the Year Ended
31 March 2018**

Charity number: 1118999
Company number: 6000240

KEYSTONE ACCOUNTABILITY

TABLE OF CONTENTS

| CONTENTS | Page |
|--|-------------|
| TRUSTEES' REPORT | |
| I. Reference and administrative details | 1 |
| II. Structure, governance and management | 2 - 3 |
| III. Objectives and activities | 4 - 7 |
| IV. Achievements and performance | 7 - 8 |
| V. Financial review | 8 - 9 |
| VI. Plans for the coming year | 9 - 10 |
| INDEPENDENT AUDITOR'S REPORT | 11 - 13 |
| STATEMENT OF FINANCIAL ACTIVITIES | 14 |
| BALANCE SHEET | 15 |
| NOTES TO THE FINANCIAL STATEMENTS | 16 - 20 |

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 Jack Lange Emma Turner (appointed 17 November 2017) Nomvula Dlamini (appointed 10 May 2017, resigned 17 November 2017) |
| 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 |
| Auditors | Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL |

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

II. STRUCTURE, GOVERNMENT 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 3 Trustees. The Trustees and the Chief Executive conduct a periodic review of the skills and capacities required at Trustee level and prospective members are identified from their personal and professional networks in line with the priority areas for the organisation. 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™ method and tools as well as of its underlying principles and philosophy. 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. A Trustees' induction pack is provided to all newly appointed Trustees, including information about their legal obligations under charity law, and they are directed towards training and other third-party sources of information relevant to their role.

Organisation structure

Keystone delivers Constituent Voice™ (CV) services to development actors through a skilled and experienced team led by the Chief Executive, who is part of a permanent consulting team consisting of one Senior Consultant and two Junior Consultants, supported by two freelance consultants and a freelance communications specialist. A Director of Operations has responsibility for HR and governance, and oversees a two-person finance and administration function.

Ground Truth Solutions, a project of Keystone set up in 2014 to deliver CV services in the humanitarian sector, has grown in size over recent years and developed its own staffing structure within Keystone, led by Nick Van Praag. Over the course of the 2017/18 financial year, Ground Truth Solutions has branched off from Keystone and become an independent entity based in Austria, while maintaining strong links to Keystone through shared mission and methods.

Arrangement for setting remuneration of key management personnel and staff

The Remuneration Committee is responsible for ensuring that remuneration arrangements support the strategic aims of Keystone Accountability and enable the recruitment, motivation and retention of senior management staff while also complying with the Charities SORP regulation. Remuneration is 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 is comprised of two Keystone Accountability trustees, Emma Turner and Jack Lange, supported by one Keystone Accountability US trustee (see note on related parties).

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 accepted any donations from its Trustees during the year.

A total of £494.66 was paid to Alice Brown in April 2017 for consultancy services relating to a client project of Covox, a Keystone related party. During the previous 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

TRUSTEES' REPORT (continued)

Keystone Accountability UK, and has subsequently not received remuneration from Keystone or related parties.

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 adequate 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 shared Trustees but otherwise operates as a separate entity.
- Covox Ltd was established in March 2014 as a company limited by guarantee. Covox is a related party by virtue of one-hundred per cent ownership by the Chief Executive of Keystone and co-founder Andre Proctor, who serves on the Keystone Accountability South Africa board and is also employed by Keystone as a freelance consultant.

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 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

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

- 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' 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 impact evaluation.

We have created an original methodology called [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.

III. OBJECTIVES AND ACTIVITIES (continued)

Statement on Public Benefit

The 'objectives and activities' and 'achievement and performance' sections of this report set out activities that Keystone Accountability 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 Save the Children.

- 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. What our Constituent Voice™ method does for organisations seeking to create social value is analogous what the customer satisfaction industry does for consumer-facing businesses.

Organizations working for development and social change lack a unifying performance principle, such as profit maximization. While measuring impact is technically possible, there has not 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 programmes aimed at development and social change, yet they are mostly neglected or ignored. Keystone consulting services support organisations to establish a continuous and representative flow of feedback that they can use to be accountable to the experiences of their primary constituents.

In 2017/18, Keystone provided consulting services to organisations wishing to deepen their ability to plan for, assess, learn from, and report their impacts. In 2017/18, Keystone provided consulting services to 19 organisations, including Ashoka, CARE International, CARE USA, CIVICUS, Comic Relief, Charities Aid Foundation, and USAID Malawi mission, covering organisational planning, performance management, monitoring, and evaluation processes.

Constituent Voice™ systems in the humanitarian sector

Ground Truth Solutions is a programme of Keystone that 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. Over the year, grants for developing and piloting the Ground Truth Solutions

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

approach were given by the IKEA Foundation and the Swiss Agency for Development and Cooperation. Additionally, ongoing projects continued in several countries in partnership with DanChurchAid, 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. Started in 2018, the Conrad N. Hilton Foundation supports Ground Truth Solutions financially in the development of the Humanitarian Voice Index. In total, through the end of 2017/18, Ground Truth has worked in 23 countries. After seven years of incubation within the Keystone umbrella, Ground Truth Solutions became an independent entity during 2017-18, registered in Austria.

Keystone Performance Surveys

Keystone has adapted the Constituent Voice™ method for organisations wishing to collect feedback from organizations that they partner with to achieve their aims, rather than the people ultimately meant to benefit from their work, and has become a global pioneer in the development and delivery of organisation-to-organisation feedback. Our tried-and-tested tool for this is the Keystone Partner Survey, developed over to the last decade to help organisations carry out a deep dive into the state of their relationships. Using the Keystone Partner Survey, organisations can surface underlying trends in the way they engage with other organisations, identify areas for improvement, and engage their partners in a continuous cycle of learning and collective performance management. Keystone provides benchmarks by which organisations can assess their performance against peers.

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

- **Development Partnerships** - feedback from local partners of international NGOs (INGOs). 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 NGOs surveyed. Seven surveys of this kind were conducted in 2017/18;
- **International Networks** - feedback from network members. Completed first in 2009, two network surveys were conducted in 2017/18;
- **Impact Investment** - feedback from impact investor investees. Conducted first in 2010, two surveys of this kind conducted in 2017/18;
- **Grantmaking** - feedback from foundation grantees. Done first in 2008, no grantee surveys of this kind conducted in 2017/18.

Communications and advocacy

Keystone has continued to contribute to developing the field of constituent voice and feedback loops through presentations at various events, including: the Stanford Center on Philanthropy and Civil Society's Digital Impact world tour 2017; the launch of New Philanthropy Capital's 'Global innovations in measurement and evaluation', in which beneficiary feedback is named as a case study; Centre for Youth Impact Gathering 2017 on shaping the future of impact measurement; Global Giving's social impact academy; and the 2017 Feedback Summit of Feedback Labs.

In line with Keystone's strategy to increase the incentives and rewards for practicing Constituent Voice™, Keystone is a member serving on the steering committee of Feedback Labs – a membership and convening body for organisations engaged in feedback practises. Keystone also continues to work with leading rating and sector-influencing agencies such as Charity Navigator and GuideStar to incorporate feedback into their work.

Feedback Commons

With support from the Fund for Shared Insight, Keystone has continued to invest in the development of the [Feedback Commons](#), a purpose-built online survey and database platform

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

that allows organisations to design and send surveys, and collect, analyse, and share their feedback data, including benchmarking their performance against others in their sector. As well as using the Feedback Commons to support its consulting services, Keystone has developed a series of DIY toolkits and interactive tutorials for users to run their own feedback systems independently of any consulting relationship with Keystone. The number of users has grown in 2017/18 to 465 from 125 in 2016/17.

IV. ACHIEVEMENTS AND PERFORMANCE

Keystone client feedback

Over the last year Keystone has systematically collected feedback from clients during and after each engagement. Taking all client feedback received over the year, Keystone received an average Net Performance Score (NPS) of +36. (The NPS is calculated by subtracting the percentage of respondents who, in response to the question *“On a scale of 0-10, how likely would you be to recommend Keystone to others”*, gave a score of 6 or less out of 10, from the percentage of respondents who gave a score of 9 or more out of 10. The scale for NPS runs from -100 to +100.) This is a reasonably good score but we think we can do better and we aim to achieve an average of +60 or above for our client feedback in 2018/19.

The following selection of comments is taken from mid-point and after-action client surveys:

- *“Keystone helped to support and guide our organisation strategically. They did a great job of framing the concept of Constituent Voice as a learning process that should be shared at all levels of the organisation.”* (Vitamin Angels)
- *“You gave us ideas that pushed our thinking and ... how to apply it.”* (Teach for All)
- *“Great capacity for steep learning curve. Went beyond strict focus of mandate to provide really useful recommendations.”* *“Keystone are an agile and flexible consultancy offering important learning and evaluation services.”* (Better Buying team at the University of Delaware)
- *“Being open to a somewhat different measurement challenges, helping to flesh out the initial idea, earning the cooperation of the country offices, providing thoughtful feedback in the final report.”* (CARE USA)

External indicators of success

We are the source (and sometimes the proximate cause) of the following achievements in the emergence of a Constituent Voice field:

- Increasing adoption of the term Constituent Voice™ by other organisations who are starting to use, study, and test the method
- New laws, rules, policies, and special programs of government aid agencies, including: US federal legislation requiring closed feedback loops in humanitarian and development aid (which we instigated and helped draft): Sec. 7034 (m), “Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018”, S.1780 — 115th Congress (2017-2018)); USAID Local Works (our work was cited by Congress and USAID as a key source for the program design); DFID policy on feedback in humanitarian and development aid (based on the US legislation)
- The incorporation of Constituent Voice into prominent performance, measurement, evaluation, rating, and reporting models, including, in the US nonprofit sector, Charity Navigator, GuideStar, The Performance Imperative, and InterAction’s impact evaluation guidelines. Through Bridges Fund Management Impact Management Project, Constituent Voice™ is being featured as an essential part of understanding impact (and risk) in the fast-growing field of Impact Investing. Through CIVICUS: Global Alliance for Citizen Participation, it forms the kernel of the new generation of NGO accountability
- The incorporation of Constituent Voice requirements into request for proposals from bilateral and multilateral funders (World Bank, USAID, SIDA, DFID)

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

Communications

Traffic to our website increased by 30% in 2017/18, with 138,629 page views and 104,186 users. The most read blog posts were:

- Storytelling as a tool for change (315 page views)
- Responding to the sound of (mostly) silence (253 page views)
- Collecting feedback from young people 10 tips (209 page views)
- Get a grant to work with Keystone Accountability (194 page views)
- Surveys: you're doing it wrong (175 page views).

V. FINANCIAL REVIEW

The total income for 2017/18 was £1,551,697 and the total expenditure was £1,742,833. The balance of funds carried forward to the 2018/19 year are £102,680 in unrestricted funds.

Policy on reserves

As mentioned, at the year-end, Keystone held a total of £102,680 in unrestricted income. 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.

Principal risks and uncertainties

The Trustees have examined the major risks faced by Keystone and have identified the absence of sufficient unrestricted funding to carry the organisation should there be a slow-down in earned income to be the most pressing one. A strategic plan is in place and entrusted to the Chief Executive to build up a reserve fund of approximately three months' operating costs to ensure operations against a slow-down.

The Trustees confirm that significant work has taken place over the last 12 months to strengthen and improve Keystone's internal systems, policies and procedures. The Trustees recognise that 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 organisation is moving from a funding model that including a number of unrestricted grants to one that will need to be fully cost recovering on a regular volume of fee-for-service consulting contracts. A full-cost-recovery template has been developed and is being used as a guide to budgeting and new systems are being used to monitor delivery of each project against budget. A funding strategy was put in place in 2016 to broaden Keystone's portfolio of projects and funders. This strategy began to bear fruit in 2017/18 and we expect progress to continue into the next 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 ACCOUNTABILITY

TRUSTEES' REPORT (continued)

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.

The staff handbook addresses risks related to staff safety and well-being.

VI. PLANS FOR THE YEAR THROUGH 31 MARCH 2018

Aims and objectives and activities planned to achieve them

As the market for Constituent Voice strengthens, Keystone will move from bespoke CV-oriented consultancies to the delivery of more standardized, and therefore scalable, products and services. We have already invested in standardising four product offerings – the Keystone Performance Survey, the Equity, Diversity and Inclusion survey, cloud-based Constituent Voice Learning Systems, and a light-touch feedback and learning Measurement Review – with a view to creating a reliable stream of regular, repeatable client engagements that can be delivered at a high margin. We will focus our marketing of these standardised products through partnerships with key influencers in our core markets and other multi-organization affiliations (membership bodies, funder portfolios, advocacy campaigns, and project partnerships). By working with clusters of organizations we highlight the value of benchmarks, collective impact, and shared value. This network approach also recognizes that our historically deepest markets – international development NGOs, foundations, and official aid – are in many ways best understood as network hubs.

Alongside these standardised products we will continue to offer bespoke consulting services for organisations looking to deepen their engagement with core constituent groups and turning to Constituent Voice™ as a way to do so. Historically, the bulk of this work comes from referrals from clients, and we expect this to continue to be the case as we harness our own client feedback system to stimulate referrals.

Our long-term goal is to contribute to a networked global support system for a growing field of Constituent Voice practitioners through the following means:

- ✓ **Method.** We aim to be an accessible model for all feedback practitioners. We will document and share the Constituent Voice method in practice through our service work, including the continuing publication of our learning. All our IP is shared through a Creative Commons license.
- ✓ **Tools.** Our cloud-based Constituent Voice platform, the Feedback Commons, will operate on a freemium model, with basic services available for free, so that small non-profits can do Constituent Voice and be part of the global feedback data commons. The data commons will itself be a public good and we will seek to link to other feedback data sets.
- ✓ **Training and certification.** We are co-sponsoring the Feedback Academy, a globally accessible online training curriculum on Constituent Voice. Working through Feedback Labs, we will develop certification-based training for practitioners and Constituent Voice service providers. This could in time lead to formal tie ins to degree-granting institutions.
- ✓ **User-based quality assurance.** With Feedback Labs, we are co-sponsoring the creation of the Feedback Factory – an online collective of certified feedback services providers. The Feedback Factory will be marketplace adding value for both providers and receivers of feedback services. For users, it will be a one stop shop to identify, contract with, and subsequently rate “certified” feedback service providers.
- ✓ **Rating and standards.** We will continue to create rewards and other incentives to support uptake of good feedback practices. Block chain and related developments in information technology offering interesting possibilities to advance Constituent Voice that we are watching closely.

KEYSTONE ACCOUNTABILITY

TRUSTEES' REPORT (continued)

The indicators against which we will measure our performance in the next year are as follows:

Service Delivery Aims

| Item | Target |
|---|--------|
| Constituent Voice™-based Evaluative systems | 15 |
| Org-to-org 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? | +60 |

Fundraising statement

We are aware of our obligations under the Charities Act to report our fundraising policy. We engage with statutory funders, trust and foundations in order to raise our income but do not engage in public fundraising. We are therefore not registered with the fundraising regulator, although we do follow their guidance when evaluating potential approaches to grant-giving bodies.

This report was approved by the Board of Trustees on 26 OCTOBER 2018 and signed on its behalf, by:



Jack Lange
Trustee

AUDITOR'S REPORT TO THE TRUSTEES OF KEYSTONE ACCOUNTABILITY

Opinion

We have audited the financial statements of Keystone Accountability (the 'charitable company') for the year ended 31 March 2018 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 2018 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.

AUDITOR'S REPORT TO

THE TRUSTEES 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

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.

AUDITOR'S REPORT TO THE TRUSTEES OF KEYSTONE ACCOUNTABILITY

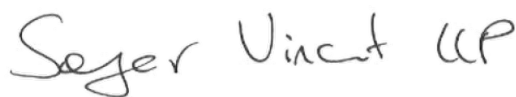
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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.

Use of our report

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.



Noelia Serrano (Senior statutory auditor)

Date: 27 November 2018

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 2018

| | Note | Continuing operations | | Discontinued operations | | 2018 Total £ | 2017 Total £ |
|---|------|-----------------------|-----------------|-------------------------|------------------|--------------------|--------------------|
| | | Unrestricted £ | Restricted £ | Unrestricted £ | Restricted £ | | |
| Income from: | | | | | | | |
| Donations and legacies | 3 | 146,536 | - | - | - | 146,536 | 252,836 |
| Charitable activities | | | | | | | |
| Constituent Voice for development sector | | 674,397 | - | - | - | 674,397 | 530,925 |
| Constituent Voice for humanitarian sector (Ground Truth Solutions) | | - | - | 225,023 | 444,539 | 669,562 | 636,607 |
| Performance surveys | | 61,194 | - | - | - | 61,194 | 42,837 |
| Advocacy and communication | | - | - | - | - | - | - |
| Investments | | 8 | - | - | - | 8 | 3 |
| Total income | | 882,135 | - | 225,023 | 444,539 | 1,551,697 | 1,463,208 |
| Expenditure on: | | | | | | | |
| Raising funds | 4 | 157,111 | - | - | - | 157,111 | 269,115 |
| Charitable activities | 4 | | | | | | |
| Constituent Voice for development sector | | 529,518 | - | - | - | 529,518 | 514,325 |
| Constituent Voice for humanitarian sector (Ground Truth Solutions) | | - | - | 225,023 | 741,495 | 966,518 | 339,651 |
| Performance surveys | | 54,347 | - | - | - | 54,347 | 45,593 |
| Advocacy and communication | | 35,340 | - | - | - | 35,340 | 52,993 |
| Total expenditure | 4 | 776,316 | - | 225,023 | 741,495 | 1,742,834 | 1,221,677 |
| Net (expenditure)/income for the year | | 105,819 | - | - | (296,956) | (191,137) | 241,531 |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | | (3,139) | - | - | 296,956 | 293,817 | 52,286 |
| Total funds carried forward | | 102,680 | - | - | - | 102,680 | 293,817 |

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 Accountabilty

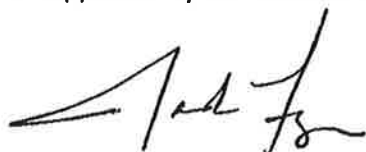
Balance sheet

Company no. 6000240

As at 31 March 2018

| | Note | £ | 2018 £ | £ | 2017 £ |
|--|------|------------------|------------------------------|------------------|------------------------------|
| Fixed assets: | | | | | |
| Tangible assets | 9 | | <u>15,038</u> | | <u>21,017</u> |
| | | | 15,038 | | 21,017 |
| Current assets: | | | | | |
| Debtors | 10 | 159,301 | | 188,938 | |
| Cash at bank and in hand | | <u>58,371</u> | | <u>342,518</u> | |
| | | 217,672 | | 531,456 | |
| Liabilities: | | | | | |
| Creditors: amounts falling due within one year | 11 | <u>(130,030)</u> | | <u>(258,656)</u> | |
| Net current assets | | | <u>87,642</u> | | <u>272,800</u> |
| Net assets | | | <u><u>102,680</u></u> | | <u><u>293,817</u></u> |
| The funds of the charity: | 14 | | | | |
| Restricted income funds | | | - | | 296,956 |
| Unrestricted income funds: | | <u>102,680</u> | | | <u>(3,139)</u> |
| Total charity funds | | | <u><u>102,680</u></u> | | <u><u>293,817</u></u> |

Approved by the trustees on 26 OCTOBER 2018 and signed on their behalf by



Jack Lange
Trustee

Keystone Accountability

Statement of cash flows

For the year ended 31 March 2018

| | Note | 2018 £ | 2017 £ |
|--|------|-----------|-----------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 5 | (263,961) | (24,122) |
| Cash flows from investing activities: | | | |
| Interest from investments | | 8 | 3 |
| Purchase of fixed assets | | (20,194) | (20,641) |
| Change in cash and cash equivalents in the year | | (284,147) | 44,761 |
| Cash and cash equivalents at the beginning of the year | | 342,518 | 387,278 |
| Cash and cash equivalents at the end of the year | | 58,371 | 342,518 |

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.

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.

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

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 | 11% |
| ● CV – development sector | 17% |
| ● CV – humanitarian sector | 41% |
| ● Performance surveys | 3% |
| ● Advocacy and communication | 1% |
| ● Support costs | 23% |
| ● Governance costs | 4% |

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

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. Costs relating to this are recognised in staff costs each month as the employer's contribution is incurred.

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 | 2017 Total |
|--|-----------------|----------------|------------------|
| | £ | £ | £ |
| Income from: | | | |
| Donations and legacies | 252,836 | - | 252,836 |
| Charitable activities | | | |
| Constituent Voice for development sector | 495,882 | 35,043 | 530,925 |
| Constituent Voice for humanitarian sector (Ground Truth Solutions) | - | 636,607 | 636,607 |
| Performance surveys | 42,837 | - | 42,837 |
| Advocacy and communication | - | - | - |
| Investments | 3 | - | 3 |
| Total income | 791,558 | 671,650 | 1,463,208 |
| Expenditure on: | | | |
| Raising funds | 269,115 | - | 269,115 |
| Charitable activities | | | |
| Constituent Voice for development sector | 479,282 | 35,043 | 514,325 |
| Constituent Voice for humanitarian sector (Ground Truth Solutions) | - | 339,651 | 339,651 |
| Performance surveys | 45,593 | - | 45,593 |
| Advocacy and communication | 52,993 | - | 52,993 |
| Total expenditure | 846,983 | 374,694 | 1,221,677 |
| Net (expenditure)/income | (55,425) | 296,956 | 241,531 |
| Net movement in funds | | | |
| Total funds brought forward | 52,286 | - | 52,286 |
| Total funds carried forward | (3,139) | 296,956 | 293,817 |

Keystone Accountability

Notes to the financial statements

For the year ended 31 March 2018

3 Income detail

Income from charitable activities includes £684,397 (2017: £495,882) of unrestricted consultancy income through Constituent Voice for the development sector, £225,023 (2017: nil) of unrestricted consultancy income through Constituent Voice for the humanitarian sector and £61,194 (2017: £42,837) of unrestricted performance survey fees.

| | Unrestricted £ | Restricted £ | 2018 Total £ | 2017 Total £ |
|---|-------------------|-----------------|--------------------|--------------------|
| The grants received were as follows: | | | | |
| Keystone Accountability USA | 120,911 | - | 120,911 | 252,836 |
| Gifts in kind | 25,625 | - | 25,625 | - |
| Swiss Agency for Development and Cooperation (SDC) | - | 89,864 | 89,864 | 147,916 |
| IKEA Foundation | - | 316,433 | 316,433 | 280,443 |
| International Rescue Committee | - | - | - | 141,083 |
| DCA (ECHO) | - | 38,242 | 38,242 | 67,165 |
| DFID | - | - | - | 35,043 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 146,536 | 444,539 | 591,075 | 924,486 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Keystone Accountability

Notes to the financial statements

For the year ended 31 March 2018

4 Analysis of expenditure

| | Charitable activities | | | | | | | 2018 Total £ | 2017 Total £ |
|-------------------------------|---|--------------------------------|------------------------------------|--------------------------------|---------------------|------------------|-----------|--------------------|--------------------|
| | 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 | | | |
| £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Staff costs | 80,303 | 124,919 | 312,302 | 22,308 | 8,923 | 31,232 | 176,229 | 756,216 | 480,745 |
| Audit and accountancy | - | - | - | - | - | 7,050 | 15,125 | 22,175 | 15,436 |
| Legal expenses | - | - | - | - | - | - | 8,617 | 8,617 | 19,267 |
| Bank fees and penalties | - | - | - | - | - | - | 1,396 | 1,396 | - |
| Consultancy | 20,680 | 180,947 | 36,189 | - | 5,167 | - | 15,510 | 258,493 | 390,609 |
| Insurance | - | - | - | - | - | - | 2,843 | 2,843 | - |
| Data collection costs | - | - | 96,101 | - | - | - | - | 96,101 | 121,543 |
| Depreciation | - | - | - | - | - | - | 11,959 | 11,959 | 3,527 |
| Other expenses | - | - | - | - | - | - | (2,980) | (2,980) | 10,669 |
| Other staff costs | 711 | 14,466 | 30,839 | 1,974 | 790 | 2,764 | 15,597 | 67,141 | 146,615 |
| Office costs | - | - | - | - | - | - | 16,610 | 16,610 | 25,068 |
| Premises expenses | - | - | - | - | - | - | 40,873 | 40,873 | 31,828 |
| Foreign exchange gains | - | - | - | - | - | - | 3,106 | 3,106 | (23,630) |
| Transfers to Ground Truth | - | - | 460,282 | - | - | - | - | 460,282 | - |
| | 101,694 | 320,332 | 935,713 | 24,282 | 14,880 | 41,046 | 304,885 | 1,742,834 | 1,221,677 |
| Support costs | 44,217 | 168,070 | 28,840 | 23,886 | 15,439 | 24,433 | (304,885) | - | - |
| Governance costs | 11,201 | 41,115 | 1,964 | 6,178 | 5,021 | (65,479) | - | - | - |
| Total expenditure 2018 | 157,111 | 529,518 | 966,518 | 54,347 | 35,340 | - | - | 1,742,834 | 1,221,677 |
| Total expenditure 2017 | 269,115 | 514,325 | 339,651 | 45,593 | 52,993 | - | - | | 1,221,677 |

Of the total expenditure, £1,011,289 was unrestricted (2017: £846,983) and £741,495 was restricted (2017: £374,694).

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

| | 2018 £ | 2017 £ |
|---|------------------|-----------------|
| Net expenditure / (income) for the reporting period (as per the statement of financial activities) | (191,137) | 241,531 |
| Interest from investments | (8) | (3) |
| Decrease/(increase) in debtors | 29,637 | (117,581) |
| Loss on disposal of fixed assets | 14,214 | – |
| (Decrease) in creditors | (128,626) | (151,595) |
| Depreciation charges | 11,959 | 3,526 |
| | <hr/> | <hr/> |
| Net cash provided by operating activities | (263,961) | (24,122) |
| | <hr/> <hr/> | <hr/> <hr/> |

6 Total resources expended

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| This is stated after charging/(crediting): | | |
| Depreciation of tangible fixed assets | 11,959 | 3,526 |
| Auditor's remuneration (excluding VAT) | | |
| –Audit fee | 7,050 | 6,550 |
| –Account preparation fee | – | 3,100 |
| –Other support services | 1,500 | 1,900 |
| Foreign exchange gains | 3,106 | (23,630) |
| Loss on disposal of fixed assets | 14,214 | – |
| | <hr/> | <hr/> |

7 Employees

Average monthly number of employees during the year:

| | 2018 No. | 2017 No. |
|---|-------------|-------------|
| Raising funds | 1.8 | 1.5 |
| Constituent Voice for humanitarian sector | 7.0 | 5.1 |
| Constituent Voice for development sector | 2.8 | 2.9 |
| Performance surveys | 0.5 | 0.3 |
| Advocacy and communications | 0.2 | 0.0 |
| Governance costs | 0.7 | 0.3 |
| Support costs | 4.0 | 2.9 |
| | <hr/> | <hr/> |
| | 17 | 13 |
| | <hr/> <hr/> | <hr/> <hr/> |

| 8 Employee costs | 2018 £ | 2017 £ |
|-----------------------|----------------|----------------|
| UK staff costs: | | |
| Salaries | 676,889 | 410,845 |
| Social security costs | 78,493 | 68,885 |
| Pension costs | 835 | 1,015 |
| | 756,217 | 480,745 |

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 | 2 |
| £150,000 – £160,000 | – | 1 |
| £200,000 – £210,000 | 1 | – |

During the year, no trustees received reimbursement for any expenses (2017: £2,436).

Total staff benefits paid to key management personnel, including employer's national insurance and employer's social security contributions, was £418,694 (2017: £241,217). The outstanding loan of £48,648 to David Proctor-Bonbright from the previous year has been settled.

9 Furniture, fittings and equipment

| | Total £ |
|--------------------------|---------------|
| Cost | |
| At the start of the year | 39,106 |
| Additions in year | 20,194 |
| Disposals in year | (36,352) |
| At the end of the year | 22,948 |
| Depreciation | |
| At the start of the year | 18,089 |
| Charge for the year | 11,959 |
| Eliminated on disposal | (22,138) |
| At the end of the year | 7,910 |
| Net book value | |
| At the end of the year | 15,038 |
| At the start of the year | 21,017 |

10 Debtors

| | 2018 £ | 2017 £ |
|----------------|----------------|----------------|
| Trade debtors | 124,292 | 88,097 |
| Staff loans | – | 49,570 |
| Accrued income | 34,550 | 50,892 |
| Prepayments | 459 | 379 |
| | 159,301 | 188,938 |

11 Creditors

| | 2018 £ | 2017 £ |
|------------------------------|----------------|----------------|
| Trade creditors | 35,061 | 21,656 |
| Accruals | 22,463 | 34,851 |
| Deferred income | 10,000 | 176,864 |
| Taxation and social security | 44,187 | 21,245 |
| Other creditors | 18,319 | 4,040 |
| | <u>130,030</u> | <u>258,656</u> |

12 Deferred income

Deferred income comprises grants received in advance.

| | 2018 £ | 2017 £ |
|---------------------------------------|---------------|----------------|
| Balance at the beginning of the year | 176,864 | 367,443 |
| Amount released to income in the year | (176,864) | (280,443) |
| Amount deferred in the year | 10,000 | 89,864 |
| | <u>10,000</u> | <u>176,864</u> |

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

| | Unrestricted £ | Restricted £ | Total funds £ |
|-------------------------------|-------------------|-----------------|------------------|
| Tangible fixed assets | 15,038 | – | 15,038 |
| Current assets | 217,672 | – | 217,672 |
| Creditors due within one year | (130,030) | – | (130,030) |
| | <u>102,680</u> | <u>–</u> | <u>102,680</u> |

13b Analysis of net assets between funds (prior 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> |

14a Movements in funds (current year)

| | At 1 April 2017 £ | Income & gains £ | Expenditure & losses £ | Transfers | At 31 March 2018 £ |
|--|-------------------------|------------------------|------------------------------|-----------|--------------------------|
| Restricted funds: | | | | | |
| Swiss Agency for Development and Cooperation (SDC) | 126,944 | 89,864 | (216,808) | - | - |
| IKEA Foundation | 82,955 | 316,433 | (399,388) | - | - |
| International Rescue Committee | 103,993 | - | (103,993) | - | - |
| DanChurchAid (ECHO) | (16,936) | 38,242 | (21,306) | - | - |
| Total restricted funds | 296,956 | 444,539 | (741,495) | - | - |
| Unrestricted funds | (3,139) | 1,107,159 | (1,001,339) | - | 102,680 |
| Total funds | 293,817 | 1,551,698 | (1,742,834) | - | 102,680 |

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 31 March 2016 £ | Income & gains £ | Expenditure & losses £ | 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 |

Purposes of restricted funds

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.

DCA (ECHO) fund – Working with DanChurchAid and Save the Children Denmark, the project aimed to explore the use of Ground Truth’s methodology as a tool to measure and improve compliance with the Core Humanitarian Standard (CHS) through the eyes of affected people. The methodology was piloted in Ethiopia, Lebanon, Mali and Nepal.

The Department for International Development UAM: This was a one-year project working with Save the Children, UNHCR, and the International Rescue Committee to improve care and protection of unaccompanied children in Greece and the Balkans. Ground Truth Solutions was commissioned to assist the initiative by gathering feedback from children serviced by the project and support the three agencies to respond to their voices. Ground Truth Solutions’ goal was to ensure that direct feedback from children receiving aid from RCFE partners informed programmatic improvements and empowered minors to express their views on the support they received and on the organisations providing it.

Purposes of restricted funds (continued)

Swiss Agency for Development and Cooperation (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.

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 £120,911 to Keystone Accountability UK in 2017 (2017: £252,843). All funds had been received at the year end. Keystone UK Chief Executive, David Bonbright, earned \$144,000 during the year from Keystone US for work for Keystone US clients and partners.

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 £77,182 to Keystone Accountability South Africa. At the year end £6,798 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 Chief Executive of Keystone Accountability UK and Andre Proctor, co-founder of Keystone Accountability UK. As part of the relationship Keystone Accountability invoiced a total value of £321,536 for the cost of expenses incurred as a result of undertaking consultancy work for Covox Limited. At the year end, £59,667 was outstanding as accrued income.

During the year, a total of £495 (2017: £16,524) was paid to Alice Brown for consultancy services related to a client project of Covox, the Manono Shared Values Project. These services were carried out in April 2017. 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. Since becoming a trustee of Keystone Accountability UK she has undertaken no further consultancy work for Covox, and she has undertaken no consultancy work for Keystone Accountability UK.

There were no transactions with these entities apart from those disclosed in the financial statements.