

**Keystone Accountability  
Trustees' Report and Accounts  
For the Year Ended  
31 March 2019**

Charity number: 1118999  
Company number: 6000240

# KEYSTONE ACCOUNTABILITY

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## KEYSTONE ACCOUNTABILITY

### TRUSTEES' REPORT

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#### I. REFERENCE AND ADMINISTRATIVE DETAILS

<b>Name of Charity</b>	Keystone Accountability (Known commonly as Keystone)
<b>Charity Registration Number</b>	1118999
<b>Company Registration Number</b>	6000240
<b>Address of registered office</b>	222 Kensal Road Unit 121 London W10 5BN
<b>Charity's Trustees</b>	Alice Brown Jack Lange Emma Turner (resigned October 2018) Jeremy Nicholls (appointed 2 December 2019)
<b>Chief Executive</b>	David Bonbright
<b>Bankers</b>	HSBC The Helicon, 1 South Place London EC2M 2UP
<b>Solicitors</b>	Russell-Cooke 2 Putney Hill London SW15 6AB
<b>Auditor</b>	Sayer Vincent LLP Invicta House 108-114 Golden Lane London EC1Y 0TL

## KEYSTONE ACCOUNTABILITY

### TRUSTEES' REPORT (continued)

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## 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 organizations seeking to create social and environmental value through a skilled and experienced team led by the chief executive, who is part of a permanent consulting team consisting of one senior consultant, two consultants, two freelance senior consultants, a data analyst, and a software developer. An operations manager has responsibility for HR and governance, whilst a finance manager oversees all finance related functions.

### **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 one Keystone Accountability UK trustee 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. Trustee Jack Lange made a \$100,000 loan to Keystone in February 2019 that was repaid in full by October 2019.

### **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

## KEYSTONE ACCOUNTABILITY

### TRUSTEES' REPORT (continued)

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 Keystone co-founders David Bonbright and Andre Proctor, who also both serve on the Keystone Accountability South Africa board. David is employed as Keystone Accountability UK chief executive and Andre is employed by Keystone Accountability UK as a freelance senior 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
- 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 organisations as they seek to redress important societal problems such as poverty, inequality, environmental collapse, social trauma, and technological overreach. 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;

## KEYSTONE ACCOUNTABILITY

### TRUSTEES' REPORT (continued)

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- 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 ex post evaluation.

We have created an original methodology called [Constituent Voice™](#) – a systematic way to listen and respond to the people most affected by and involved in social change interventions. 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 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.

The organisations that Keystone Accountability works for all work to create public benefits 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.

## KEYSTONE ACCOUNTABILITY

### TRUSTEES' REPORT (continued)

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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 and freelance consultants. 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 2018/19, Keystone provided consulting services to organisations wishing to deepen their ability to plan for, assess, learn from, and report their impacts. In 2018/19, Keystone provided consulting services to over 25 organisations, including Ashoka, CARE International, CARE USA, CIVICUS, Comic Relief, Charities Aid Foundation, and Leonard Cheshire, covering organisational planning, performance management, monitoring, and evaluation processes.

##### **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, in addition to 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 process of continual 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 over 100, with over 4,500 local NGOs surveyed. Eleven surveys of this kind were conducted in 2018/19;
- **International Networks** - feedback from network members about their experience of participating in the network. Completed first in 2009, two network surveys were conducted in 2018/19;
- **Impact Investment** - feedback from impact investor investees. Conducted first in 2010, two surveys of this kind conducted in 2018/19;

## KEYSTONE ACCOUNTABILITY

### TRUSTEES' REPORT (continued)

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- **Grantmaking** - feedback from foundation grantees. Done first in 2008, no grantee surveys of this kind were conducted in 2018/19.

#### **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 Shared Insight Gathering event 2018, the Listening Fund Convening, Social Value UK conference, and International Civil Society Week where Keystone delivered a workshop on mechanisms for accountability that civil societies should consider.

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 practices. Keystone also continues to work with leading rating and sector-influencing agencies such as Charity Navigator and Candid 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 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 from 465 in 2017/18 to 581 in 2018/19. This year we built 8 custom private neighbourhoods for CVLS on Feedback Commons.

#### **Theory of Change tool**

The most popular tool downloaded from Keystone's website is its free 'Theory of Change' tool and guidelines.

## 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 +52. (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 it fell below our target from 2017/18 of +60, which we hope to achieve through our client feedback in 2019/20.

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

- "Overall we have no doubt it will improve our beneficiaries experience of our programme overall and impact as a result." (Jamie's Farm)
- "Keystone helped CARE build a useful system that analyses data, produces useful visuals and asks questions we don't ask enough from our partners." (CARE)
- "The constituent voice process aligns with our values as an organization. We plan to continue to survey our customers, feed that info back, get input and adjust on a continual basis." (West Side Campaign Against Hunger)



## KEYSTONE ACCOUNTABILITY

### TRUSTEES' REPORT (continued)

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#### 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 non-profit sector, Charity Navigator, GuideStar, The Performance Imperative, Fund for Shared Insight’s Listen4Good, 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 that it calls Primary Constituent Accountability
- The incorporation of Constituent Voice requirements into request for proposals from bilateral and multilateral funders (World Bank, USAID, SIDA, DFID)

#### Communications

Traffic to our website in 2018/19 reached 31,422 page views, and 13,732 users.

The most read blog posts were:

- Collecting feedback from young people 10 tips (291 page views)
- Constituent Voice is a “slow idea” (222 page views)
- Those low response rates (192 page views)
- An iterative design tour of the Feedback Commons (192 page views)
- High performance is impossible without internal feedback (155 page views)

In November 2018, Keystone chief executive David Bonbright began a monthly blog on the US donor platform, Giving Compass. Entitled [Mutual Accountability](#), David’s blog has become a top five blog on Giving Compass and the only one in the top five from a small organization without a large social media presence.

## V. FINANCIAL REVIEW

The total income for 2018/19 was £910,018 and the total expenditure was £1,092,863. At 31 March 2019, the charity had negative funds of £80,000 as a result of this deficit in the year. The charity maintained a positive cashflow throughout the 2018/2019 period through loan finance. The largest loan of \$100,000 was repaid by November 2019.

#### Policy on reserves and going concern

Board has a policy on reserves set out below that is included in the Charity’s financial controls. Reserves remain stubbornly below the desired amount of £100,000, a downward revision from £150,000 to reflect the charity’s leaner structure following our mitotic division into two organisations, Keystone Accountability and Ground Truth Solutions.

To realize our reserves objectives we have revised our marketing strategy to favour larger mandates, built a contribution to reserves into our pricing model, and launched an independent grant capital campaign that includes a provision for contribution to reserves. The reserves policy is reviewed by the Board once a year as part of the trustees’ report review and approval.

## KEYSTONE ACCOUNTABILITY

### TRUSTEES' REPORT (continued)

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Keystone's reserves policy seeks:

- 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.
- To serve as precaution against adverse economic conditions and any consequent decline in the charity's income to permit the development of ambitious programmes.

The trustees have reviewed Keystone's current offerings and its pipeline of prospects. The trustees note that it is reasonable to foresee the continuation of the historical rate of new business development of the past 8 months, and that this is sufficient to secure Keystone as a "going concern" for the coming year.

The trustees further note that worst case scenarios have been considered with the above pipeline being subject to sensitivity analysis for lower than expected performance and the trustees are satisfied that reasonable contingency plans are in place to mitigate the risks in event of unforeseen difficulties, such as was experienced in FY18/19 due to the shutdown of the United States Government, and the resulting several month delay in payment for Keystone's largest contract, which led to the need for the \$100,000 loan in FY18/19. The trustees note with satisfaction that Keystone repaid that loan as delayed payments arrived as planned.

In sum, taking into consideration the improvement in cash flow arising from a steady record of new business acquisition and balance sheet this fiscal year, the current set of identified new business prospects, and risk mitigation plans in place, the trustees confirm that there is no material uncertainty about the charity as a going concern.

#### **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.

The Trustees are aware that the organisation has made a difficult adjustment 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. 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.

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

## KEYSTONE ACCOUNTABILITY

### TRUSTEES' REPORT (continued)

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#### VI. PLANS FOR THE YEAR THROUGH 31 MARCH 2020

##### **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, repeating 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.

In late 2018/19, Keystone began to share its 'Mutual accountability as effectiveness' proposal, making the case for \$3.5 million of build capital over six years to cultivate new markets and develop the next generation of standardized feedback-related offerings that are accessible and affordable at scale.

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.
- ✓ **Collaborative 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. We introduced Pando Localization Learning Systems through our partnership with Root Change and USAID Local Works which is a platform aiming to provide an abundance of data about the extent to which a given aid project is advancing local priorities and objectives. We aim to continue applying this further in the next financial year.
- ✓ **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 certificate- and 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)

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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 \_\_\_\_\_ and signed on its behalf, by:

Jack Lange  
Trustee

## AUDITOR'S REPORT TO THE TRUSTEES OF KEYSTONE ACCOUNTABILITY

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### Opinion

We have audited the financial statements of Keystone Accountability (the 'charitable company') for the year ended 31 March 2019 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 2019 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

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#### **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**

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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)  
30 January 2020  
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 2019

	Note	Unrestricted £	Restricted £	2019 Total £	Continuing operations		Discontinued operations		2018 Total £
					Unrestricted £	Restricted £	Unrestricted £	Restricted £	
<b>Income from:</b>									
Donations and legacies	2	243,538	-	<b>243,538</b>	146,536	-	-	-	146,536
<b>Charitable activities</b>									
Maximising the impact of social purpose									
Constituent Voice for development sector		153,380	-	<b>153,380</b>	674,397	-	-	-	674,397
Constituent Voice for humanitarian sector		-	417,677	<b>417,677</b>	-	-	225,023	444,539	669,562
Performance surveys		95,419	-	<b>95,419</b>	61,194	-	-	-	61,194
Investments	4	4	-	<b>4</b>	8	-	-	-	8
<b>Total income</b>		<b>492,341</b>	<b>417,677</b>	<b>910,018</b>	<b>882,135</b>	<b>-</b>	<b>225,023</b>	<b>444,539</b>	<b>1,551,697</b>
<b>Expenditure on:</b>									
Raising funds	3	87,742	-	<b>87,742</b>	157,111	-	-	-	157,111
<b>Charitable activities</b>	3								
Constituent Voice for development sector		513,085	-	<b>513,085</b>	529,518	-	-	-	529,518
Constituent Voice for humanitarian sector		-	418,158	<b>418,158</b>	-	-	225,023	741,495	966,518
Performance surveys		53,996	-	<b>53,996</b>	54,347	-	-	-	54,347
Advocacy and communication		19,882	-	<b>19,882</b>	35,340	-	-	-	35,340
<b>Total expenditure</b>	3	<b>674,705</b>	<b>418,158</b>	<b>1,092,863</b>	<b>776,316</b>	<b>-</b>	<b>225,023</b>	<b>741,495</b>	<b>1,742,834</b>
<b>Net (expenditure)/income for the year</b>		<b>(182,364)</b>	<b>(481)</b>	<b>(182,845)</b>	<b>105,819</b>	<b>-</b>	<b>-</b>	<b>(296,956)</b>	<b>(191,137)</b>
Transfers between funds		(481)	481	-	-	-	-	-	-
<b>Net movement in funds</b>		<b>(182,845)</b>	<b>-</b>	<b>(182,845)</b>					
<b>Reconciliation of funds:</b>									
Total funds brought forward		102,680	-	<b>102,680</b>	(3,139)	-	-	296,956	293,817
<b>Total funds carried forward</b>		<b>(80,165)</b>	<b>-</b>	<b>(80,165)</b>	<b>102,680</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102,680</b>

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 2019

	Note	£	2019 £	£	2018 £
<b>Fixed assets:</b>					
Tangible assets	8		<u>145</u>		<u>15,038</u>
			<b>145</b>		<b>15,038</b>
<b>Current assets:</b>					
Debtors	9	124,681		159,301	
Cash at bank and in hand		<u>6,875</u>		<u>58,371</u>	
		<b>131,556</b>		<b>217,672</b>	
<b>Liabilities:</b>					
Creditors: amounts falling due within	10	<u>(157,866)</u>		<u>(130,030)</u>	
<b>Net current assets</b>			<u><b>(26,310)</b></u>		<u><b>87,642</b></u>
<b>Total assets less current liabilities</b>					
Creditors: amounts falling due after one year			<b>(54,000)</b>		<b>-</b>
<b>Total net assets</b>			<u><u><b>(80,165)</b></u></u>		<u><u><b>102,680</b></u></u>
<b>The funds of the charity:</b>	14				
Restricted income funds			<b>-</b>		<b>-</b>
Unrestricted income funds:			<u><b>(80,165)</b></u>		<u><b>102,680</b></u>
<b>Total charity funds</b>			<u><u><b>(80,165)</b></u></u>		<u><u><b>102,680</b></u></u>

Approved by the trustees on

and signed on their behalf by

Jack Lange  
Trustee

Keystone Accountability

Statement of cash flows

For the year ended 31 March 2019

	Note	2019	2018	
			£	£
<b>Cash flows from operating activities</b>				
<b>Net cash provided by operating activities</b>	4	(183,244)		(263,961)
<b>Cash flows from investing activities:</b>				
Interest from investments		4	8	
Purchase of fixed assets		-	(20,194)	
<b>Net cash provided by / (used in) investing activities</b>		<u>4</u>	<u></u>	(20,186)
<b>Cash flows from financing activities:</b>				
Cash inflows from new borrowing		<u>131,744</u>	<u>-</u>	
<b>Net cash provided by financing activities</b>		<b>131,744</b>		-
<b>Change in cash and cash equivalents in the year</b>		<b>(51,496)</b>	-	<b>(284,147)</b>
Cash and cash equivalents at the beginning of the year		<u>58,371</u>		<u>342,518</u>
Cash and cash equivalents at the end of the year		<u><b>6,875</b></u>		<u><b>58,371</b></u>

**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 have considered detailed plans and cashflow forecasts for the 12 months from the date of this report and have a reasonable expectation of receiving adequate resources through contracted and pipeline funding to continue operations. In light of the foregoing, the trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

Further, 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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) Grants payable**

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are Provisions for grants are made when the intention to make a grant has been communicated to the recipient but

**j) Allocation of support costs**

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

● Raising funds	11%
● CV – development sector	58%
● 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.

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.

## Keystone Accountability

### Notes to the financial statements

#### For the year ended 31 March 2019

##### 2a Income detail (current year)

Income from charitable activities includes £153,380 (2018: £674,397) of unrestricted consultancy income through Constituent Voice for the development sector, £0 (2018: £225,023) of unrestricted consultancy income through Constituent Voice for the humanitarian sector and £ 95,419 (2018: £61,194) of unrestricted performance survey fees.

	Unrestricted £	Restricted £	2019 Total £	2018 Total £
The grants received were as follows:				
Keystone Accountability USA	216,675	-	216,675	120,911
Gifts in kind	26,863	-	26,863	25,625
Swiss Agency for Development and IKEA Foundation	-	-	-	89,864
DCA (ECHO)	-	417,677	417,677	316,433
	-	-	-	38,242
	<u>243,538</u>	<u>417,677</u>	<u>661,215</u>	<u>591,075</u>

##### 2b Income detail (prior year)

	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 IKEA Foundation	-	89,864	89,864	147,916
International Rescue Committee	-	316,433	316,433	280,443
DCA (ECHO)	-	-	-	141,083
DFID	-	38,242	38,242	67,165
	-	-	-	35,043
	<u>146,536</u>	<u>444,539</u>	<u>591,075</u>	<u>924,486</u>

Keystone Accountability

Notes to the financial statements

For the year ended 31 March 2019

3a Analysis of expenditure (current year)

	Charitable activities							2019 Total £	2018 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	42,069	229,053	-	11,687	4,675	16,362	92,323	396,169	756,216
Audit and accountancy	-	-	-	-	-	4,900	-	4,900	22,175
Legal expenses	-	-	-	-	-	-	-	-	8,617
Bank fees and penalties	-	-	-	-	-	-	739	739	1,396
Consultancy	15,425	134,969	-	26,994	3,856	-	11,569	192,813	258,493
Insurance	-	-	-	-	-	-	108	108	2,843
Data collection costs	-	-	-	-	-	-	-	-	96,101
Depreciation	-	-	-	-	-	-	14,893	14,893	11,959
Other expenses	-	-	-	-	-	-	3,505	3,505	(2,980)
Other staff costs	249	17,510	-	693	277	970	5,472	25,170	67,141
Office costs	-	-	-	-	-	-	7,435	7,435	16,610
Premises expenses	-	-	-	-	-	-	27,245	27,245	40,873
Foreign exchange gains	-	-	-	-	-	-	1,728	1,728	3,106
Transfers to Ground Truth	-	-	418,158	-	-	-	-	418,158	460,282
	57,744	381,532	418,158	39,373	8,808	22,231	165,017	1,092,863	1,742,834
Support costs	23,933	108,227	-	11,277	8,356	13,224	(165,017)	-	-
Governance costs	6,065	23,326	-	3,346	2,718	(35,455)	-	-	-
<b>Total expenditure 2019</b>	<b>87,742</b>	<b>513,085</b>	<b>418,158</b>	<b>53,996</b>	<b>19,882</b>	<b>-</b>	<b>-</b>	<b>1,092,863</b>	
Total expenditure 2018	157,111	529,518	966,518	54,347	35,340	-	-		1,742,834

Of the total expenditure, £674,705 was unrestricted (2018: £1,011,289) and £418,158 was restricted (2018: £741,495).

Keystone Accountability

Notes to the financial statements

For the year ended 31 March 2019

3b Analysis of expenditure (prior year)

	Charitable activities							2018 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
Audit and accountancy	-	-	-	-	-	7,050	15,125	22,175
Legal expenses	-	-	-	-	-	-	8,617	8,617
Bank fees and penalties	-	-	-	-	-	-	1,396	1,396
Consultancy	20,680	180,947	36,189	-	5,167	-	15,510	258,493
Insurance	-	-	-	-	-	-	2,843	2,843
Data collection costs	-	-	96,101	-	-	-	-	96,101
Depreciation	-	-	-	-	-	-	11,959	11,959
Other expenses	-	-	-	-	-	-	(2,980)	(2,980)
Other staff costs	711	14,466	30,839	1,974	790	2,764	15,597	67,141
Office costs	-	-	-	-	-	-	16,610	16,610
Premises expenses	-	-	-	-	-	-	40,873	40,873
Foreign exchange gains	-	-	-	-	-	-	3,106	3,106
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
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)	-	-
<b>Total expenditure 2018</b>	<b>157,111</b>	<b>529,518</b>	<b>966,518</b>	<b>54,347</b>	<b>35,340</b>	<b>-</b>	<b>-</b>	<b>1,742,834</b>



4 Reconciliation of net income to net cash flow from operating activities	2019	2018
	£	£
<b>Net expenditure for the reporting period (as per the statement of financial activities)</b>	<b>(182,845)</b>	<b>(191,137)</b>
Interest from investments	(4)	(8)
Decrease in debtors	34,620	29,637
Loss on disposal of fixed assets	–	14,214
Increase/(decrease) in creditors	(49,908)	(128,626)
Depreciation charges	14,893	11,959
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	<b>(183,244)</b>	<b>(263,961)</b>
	<hr/> <hr/>	<hr/> <hr/>
5 Total resources expended	2019	2018
	£	£
This is stated after charging/(crediting):		
Depreciation of tangible fixed assets	14,893	11,959
Auditor's remuneration (excluding VAT)		
–Audit fee	6,000	7,050
–Account preparation fee	500	–
–Other support services	–	1,500
Foreign exchange gains	–	3,106
Loss on disposal of fixed assets	–	14,214
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>
6 Employees		
Average monthly number of employees during the year:		
	2019	2018
	No.	No.
Raising funds	1.8	1.8
Constituent Voice for humanitarian sector	–	7.0
Constituent Voice for development sector	1.8	2.8
Performance surveys	.5	.5
Advocacy and communications	.2	.2
Governance costs	.7	.7
Support costs	3.0	4.0
	<hr/>	<hr/>
	<b>8.0</b>	<b>17.0</b>
	<hr/> <hr/>	<hr/> <hr/>

Keystone Accountability

Notes to the financial statements

For the year ended 31 March 2019

<b>7</b>	<b>Employee costs</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	UK staff costs:		
	Salaries	345,378	676,888
	Social security costs	44,503	78,493
	Pension costs	6,288	835
		<u>396,169</u>	<u>756,216</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
£150,000 – £160,000	1	–
£200,000 – £210,000	–	1
	<u>–</u>	<u>1</u>

During the year, no trustees received reimbursement for any expenses (2018: £nil).

Total staff benefits paid to key management personnel, including employer's national insurance and employer's social security contributions, was £312,582 (2018: £418,694).

**8 Furniture, fittings and equipment**

	<b>Total</b>
	<b>£</b>
<b>Cost</b>	
At the start of the year	22,948
Additions in year	–
	<u>22,948</u>
At the end of the year	22,948
<b>Depreciation</b>	
At the start of the year	7,910
Charge for the year	14,893
	<u>22,803</u>
At the end of the year	22,803
<b>Net book value</b>	
At the end of the year	<u>145</u>
	<u>15,038</u>
At the start of the year	15,038

**9 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	123,675	124,292
Accrued income	–	34,550
Prepayments	1,006	459
	<u>124,681</u>	<u>159,301</u>

**10 Creditors**

	2019 £	2018 £
Trade creditors	13,060	35,061
Accruals	33,381	22,463
Deferred income	10,000	10,000
Taxation and social security	13,674	44,187
Other creditors	87,751	18,319
	<u>157,866</u>	<u>130,030</u>

**11 Deferred income**

Deferred income comprises grants received in advance.

	2019 £	2018 £
Balance at the beginning of the year	10,000	176,864
Amount released to income in the year	(10,000)	(176,864)
Amount deferred in the year	10,000	10,000
Balance at the end of the year	<u>10,000</u>	<u>10,000</u>

**12. Creditors: amounts falling due after one year**

	2019 £	2018 £
Loans	<u>54,000</u>	<u>-</u>

This is a interest free loan that is due for repayment in over 12 months' time.

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

	Unrestricted £	Restricted £	Total funds £
Tangible fixed assets	145	-	145
Current assets	131,556	-	131,556
Creditors due within one year	(157,866)	-	(157,866)
Creditors due after one year	(54,000)	-	(54,000)
<b>Net assets at 31 March 2019</b>	<u>(80,165)</u>	<u>-</u>	<u>(80,165)</u>

**13b Analysis of net assets between funds (prior 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)
<b>Net assets at 31 March 2018</b>	<u>102,680</u>	<u>-</u>	<u>102,680</u>

## 14a Movements in funds (current year)

	At 1 April 2018	Income & gains	Expenditure & losses	Transfers	At 31 March 2019
	£	£	£		£
<b>Restricted funds:</b>					
IKEA Foundation	-	417,677	(418,158)	481	-
<b>Total restricted funds</b>	-	417,677	(418,158)	481	-
<b>Unrestricted funds</b>	102,680	492,341	(674,705)	(481)	<b>(80,165)</b>
<b>Total funds</b>	102,680	910,018	(1,092,863)	-	<b>(80,165)</b>

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 2017	Income & gains	Expenditure & losses	At 31 March 2018
	£	£	£	£
<b>Restricted funds:</b>				
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)	-
<b>Total restricted funds</b>	296,956	444,539	(741,495)	-
<b>Unrestricted funds</b>	(3,139)	1,107,159	(1,001,339)	<b>102,681</b>
<b>Total funds</b>	293,817	1,551,698	(1,742,834)	<b>102,681</b>

## 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. Transfers reflect the foreign exchange difference on funds received and payment to Ground Truth Solutions

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 £216,674 to Keystone Accountability UK in 2019 (2018: £120,911). All funds had been received at the year end. Keystone UK Chief Executive, David Bonbright, earned \$77,123 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 £41,152 to Keystone Accountability South Africa. At the year end £3,400 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 £70,178 for the cost of expenses incurred as a result of undertaking consultancy work for Covox Limited.

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

In the year one of the trustees, Jack Lange, provided an interest-free loan of \$100,000 to the charity. This was still outstanding at year end and valued at £71,744 in other creditors in the accounts. The loan has been fully repaid by November 2019.