KEYFUND FEDERATION LIMITED

England & Wales · Charity number 1093569

Details

Other names	KEYFUND FEDERATION LIMITED, THE KEY, THE KEYFUND
Status	Registered
Legal form	Charitable company
Company number	03339120
Registered	2002-08-28
Register	View on the Charity Commission register

Contact

Address	Floor 3 Office 11 27 Maybrook House Grainger Street Newcastle upon Tyne NE1 5JE
Phone	01917317830
Email	theteam@thekeyuk.org
Website	www.thekeyuk.org

Activities

Objects: (1) To advance the education of young people between 11 and 25 years of age in England and Wales by the provision of grants, (training and educational services).(2)To provide recreational and leisure time activities in the interests of social welfare to improve the conditions of life for young persons in the said area who are between 11 and 25 years of age without distinction of political, religious or other opinions in particular by the provision of grants.

Activities: KEYFUND MAKES A LASTING POSITIVE CHANGE TO THE LIVES OF DISADVANTAGED AND VULNERABLE YOUNG PEOPLE. THE KEYFUND MODEL COMBINES SUPPORT FROM A TRUSTED ADULT, A STRUCTURED BUT INFORMAL, YOUTH-LED LEARNING PROCESS FOR GROUPS WHO PLAN, DESIGN AND BUDGET ACTIVITIES OF THEIR CHOICE. IN 3 YEARS KEYFUND HELPED 16,994 YOUNG PEOPLE COMPLETE 2,425, YOUTH-LED PROJECTS.

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Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Other Charitable Activities
- **What:** Education/training, Economic/community Development/employment
- **Who:** Children/young People, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** NORTH EAST ENGLAND
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£476,525	£672,130	-	-
2024-03-31	£559,952	£401,406	£644,909	5
2023-03-31	£479,609	£387,224	-	-
2022-03-31	£426,990	£553,932	-	-
2021-03-31	£504,143	£391,945	£520,920	9

Trustees

Name	Role	Appointed
Elizabeth Watchorn	Chair	2020-09-23
Austin McNamara		2024-10-17
Christopher Alete		2021-09-23
Emma Richards		2018-09-20
Mary Youngs		2019-11-21
Natalie Marshall		2025-09-18

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KEYFUND FEDERATION LIMITED

England & Wales - Charity number 1093569

Accounts

Charity registration number 1093569 (England and Wales)

Company registration number 03339120

KEYFUND FEDERATION LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

KEYFUND FEDERATION LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	E Watchorn J Thomas E Richards M Youngs C Alete A McNamara	 (Appointed 17 October 2024)
Secretary	R Maw	
Key management	R Maw	Company Secretary & Chief Executive Officer
Charity number (England and Wales)	1093569	
Company number	03339120	
Registered office	Maybrook House, Floor 3 27 Grainger Street Newcastle upon tyne NE1 5JE	
Independent examiner	Robson Laidler Accountants Limited Fernwood House Fernwood Road Jesmond Newcastle upon Tyne Tyne and Wear England NE2 1TJ	
Bankers	Co-operative Bank Plc PO Box 101 1 Ballon Street Manchester M60 4EP	

KEYFUND FEDERATION LIMITED

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KEYFUND FEDERATION LIMITED

WELCOME FROM THE CHAIR AND CHIEF EXECUITVE

FOR THE YEAR ENDED 31 MARCH 2025

Welcome to The Key's Annual Report and Accounts for 2024-25

We are delighted to introduce The Key's Annual Report and Accounts for 2024–2025, a year that has marked both reflection and bold progression. At the heart of this year's work is our new three-year strategy: a forward-looking plan that places young people at the centre of everything we do. This strategy arrives at a critical time for our charity, our sector, and the young people we serve.

With over a third of young people in the North East living in poverty, and the gap between those facing challenging circumstances continuing to widen, the need for our KEY+ Challenge has never been more evident. In 2024/25, we worked with both long-standing and new facilitators and partners to reach those who needed KEY+ the most. More young people than ever stepped up to lead their own projects and activities, making a real impact in their communities.

The KEY+ Challenge also played a vital role in helping young people make successful, settled transitions in education. Its versatility supported young people at both the beginning and end of their secondary school journey. We were especially proud to receive an award for our KEY+ Transitions partnership with Children North East, an approach that speaks directly to emerging local and national priorities.

This year also saw us strengthen our position within the regional youth services ecosystem. By working in closer partnership with organisations that share our mission, we successfully secured commissioned contract funding and diversified our income streams. We also continued to receive generous support from long-standing funders including the Ballinger Trust, A D Charitable Trust, National Citizen Service Trust, North East Combined Authority, UK Shared Prosperity Fund – Communities, Paul Hamlyn Foundation, and LGA Foundation. These successes have ensured we enter the new financial year in a strong and sustainable position.

Our annual awards ceremony was again a true highlight - an inspiring celebration of young people's achievements across the North East. Led by young people, from planning to hosting and presenting, the event was a powerful reminder of what young people can accomplish when given the opportunity and support.

All of this progress has taken place against the backdrop of ongoing challenges facing the youth sector. Yet, it has been a rewarding year for The Key's team and Board of Trustees. We are proud to have worked alongside so many dedicated partners, volunteers, and funders who share our vision and have helped shape our ambitious and bold new strategy.

As we look ahead, our focus on Reach, Quality, and Impact will guide us. Our strategy is not just a plan - it's a call to action. Together, we can create lasting change for young people in the North East.

E Watchorn

.....

E Watchorn

Chair

R Maw

.....

R Maw

CEO

Date: 29/9/25.....

KEYFUND FEDERATION LIMITED

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

Objectives and activities

Who we are

The Key empowers young people across the North East of England, particularly those growing up in poverty and those facing challenging personal circumstances.

Our Vision

We want a future where all young people believe in themselves, unlock their potential, and lead connected and fulfilling lives.

Our Mission

We work in collaboration to provide young people with meaningful and impactful opportunities to develop skills, build confidence, and grow resilience. Through our proven approach, the KEY+ Challenge, young people shape their own futures.

Our values

FOCUS: Keeping sight of the goal

We make informed decisions. We set targets and work towards milestones, and we deal with things at the right time. We work in a positive way, and we are true to our roots. We are driven to succeed.
We believe that, as a result, we will achieve our mission.

COLLABORATION: Working together to achieve common objectives

We act with integrity and seek to understand others. We share information transparently, communicate well and treat everyone with respect. We value everyone's contribution, and we trust and can be trusted.
We believe that, as a result, we will achieve more together than by acting alone.

GROWTH: Constantly striving to be the best we can be

We are resilient. We encourage constructive feedback, we are actively curious and questioning, and we are adaptable to change. We nurture others.
We believe that, as a result, we will maximise our impact.

The golden thread that weaves through our vision, mission and values is that everything we do is for the benefit of young people – especially those living in deprivation and facing challenging personal circumstances.

What we do

The KEY+ Challenge is rooted in self-determination theory, which highlights the importance of nurturing three core psychological needs: **autonomy, competence**, and **relatedness**. When these needs are met, evidence shows that young people develop a growth mindset, improve their wellbeing, and gain the confidence to pursue opportunities. It empowers them to unlock their potential and build connected and fulfilling futures.

Our approach starts with what young people want to do. It recognises their current capabilities and supports them to build upon these as they use their voices and ideas to deliver projects that interest them. This hands-on approach develops essential skills, confidence, purpose, and friendships while allowing young people to gain new experiences.

The KEY+ Challenge provides an opportunity for young people to work together in small teams with the help of a trained Key Facilitator to:

- **Use their voice** and be heard
- **Lead and deliver projects** and activities that are meaningful to them
- **Build the skills and confidence** they need to thrive
- **Become active citizens** by exploring enterprise or tackling social issues

To take on the challenge young people form a group and progress through a five-step process:

1. **Think** of a project or activity that they really want to make happen
2. **Plan** what is needed for that project, including a budget, and how they are going to make it work
3. **Pitch** their project to a panel of friendly volunteers
4. **Do** their project if given the go ahead by the panel
5. **Review** and reflect on their project, learning, and development

Young people complete this process up to three times, each time planning more progressively challenging projects with greater personal development.

Delivering their first KEY+ project is a great achievement for young people. They get to grips with the KEY+ five-steps and deliver their first pitch to panel. At Stage two, young people are stretched further and enhance their skills by planning a project with a larger budget. At Stage three, they explore enterprise or social action with their project, providing a way to take action and contribute to their communities.

Once young people have completed the KEY+ Challenge we aim to support their continued growth through bespoke opportunities, work experience or volunteering.

Participation in KEY+ provides young people with the opportunity to discover their passions, talents and realise what they are capable of. It's a way to cement positive connections with peers. In short it promotes friendship and purpose – which we believe are needed more than ever for young people today.

As well as the young people who take the KEY+ challenge members of the wider community also benefit as a direct result of the projects that young people plan for the benefit of the wider community.

Achievements and performance

Key Milestones

The KEY+ Challenge: In 2024/25, we built on the strong foundations of KEY+ and returned to pre pandemic levels of engagement. This year, over 1,635 young people took part in the KEY+ Challenge, a 64% increase on the previous year. This growth reflects the continued demand for meaningful opportunities and the strength of our delivery partnerships.

Expanding funded collaboration: We continued to deliver our three-part funding model which supports young people's project ideas, partner delivery costs, and support for The Key. In a difficult funding landscape, this approach diversifies The Key's income while providing much needed support to partners. It remains highly values and ongoing feedback affirms its importance in enabling meaningful youth-led activity.

Strengthening our youth voice offer: We launched our Youth Advisory Board opportunity at the back end of the year which means we'll have an established Youth Advisory Board to guide us through 25-26 and beyond. This is something we have battled with to ensure we harness the power of youth voice in a way that is both meaningful and impactful for young people.

Piloting Skills Builder: After identifying Skills Builder as an alternative for measuring impact in 2023/24, we were excited to pilot the framework with 249 young people and 6 delivery partners this year. We've since gathered feedback from the pilot, which will guide our next steps in shaping how we measure skills in 2025/26.

Launch of KEY+ Workbooks: In response to valuable feedback from facilitators and young people, we were proud to develop and launch the KEY+ Workbooks. These new resources are designed to support young people as they progress through their KEY+ journey, providing structure, guidance, and space for reflection along the way.

Key Learning

Sustained Demand for funded KEY+ Delivery: There remains a strong appetite and clear need for funded KEY+ delivery, as shown through our successful NCS partnership. This initiative unlocked 3,700 additional hours of quality youth work, invested £32,280 directly into young people's hands to tackle the issues that matter to them, and secured £147,500 for partners to deliver face-to-face youth work. In a challenging funding climate, this model has proven both effective and valued by our partners and The Key. We must continue to harness and expand this approach to secure sustained investment in youth-led opportunities.

Opportunities to strengthen impact measurement and messaging: While The Key has long prioritised measuring and communicating our impact, this year highlighted further potential. We recognised the need to better demonstrate the longer-term value of KEY+, specifically focussed around helping young people understand and communicate how it supports their growth and future pathways.

Elevating the + in KEY+: Following the KEY+ Changemakers initiative, we reviewed and gathered feedback from young people about what they want next from KEY+. Their message was clear that they want follow-on opportunities and value the opportunity to connect with others from across the region. In response, we will pilot a new project in 2025/26 that offers a step-up challenge where young people collaborate to tackle social issues in their communities alongside new young people.

Shaping our future: In preparation for launching our new three-year strategy, we carried out in-depth consultation with KEY+ Partners, Facilitators, young people, influencers, youth networks, and funders. The insights gathered were invaluable, highlighting key learning that has directly informed the priorities and direction of our new strategy for 2025–2028.

Examples of inspiring activities generated by young people this year included:

31 King NUF: A group of NEET young people took on KEY+ to build skills for their future and in doing so, delivered a transformative project to rejuvenate a local community garden. From painting sheds and repairing benches to tackling general maintenance, the group enhanced the space for others while developing essential skills. Through this hands-on experience, they strengthened their problem-solving, budgeting, and communication skills.

Care and Cup's Society took on the KEY+ Challenge to organise a pop-up café at the Little Sisters of the Poor residential home, fostering intergenerational connection and reducing loneliness among elderly residents. The project not only brought joy to the residents but also left a lasting impact on the young people.

The Cream Egg Key Voices organised an environmentally themed community event aimed at promoting recycling and sustainability. The event featured refreshments, goody bags, a clothes swap, and a pledge wall, all designed to encourage eco-friendly practices. Along the way, they built skills and confidence and experienced the full impact that KEY+ delivers.

Roots were moved by the issue of men's mental health and wanted to raise awareness of support and suicide prevention. Despite facing challenges like poor weather and lower-than-expected attendance, they successfully got their community together and organised a charity football match. Roots nurtured their problem solving, enterprising and communication skills throughout and were delighted to raise a whopping £600!

You Can't 6 With Us responded to the challenges of remote learning and RAAC related disruptions by organising a whole school celebration on the last day of term. Their event, featuring activities like a roller disco and a big draw, brought together 700 pupils to mark the return to normality.

Our Staff and Volunteers

During 2024/25 our team has grown. Our new CEO, Rebecca Maw, joined the team in May 2024 and we welcomed Nicole Ireland, our Marketing Apprentice in October 2024. The rest of the team remains settled, and we ended the year with a full complement of 8 staff. This more settled year for the organisation has allowed the team to take the time to consider the emerging needs of young people and align our strategy

The Key relies on the support of our dedicated network of volunteers to deliver the KEY+ Challenge to young people. We currently have 46 active adult volunteers and 12 young volunteers. This includes 21 volunteers trained during the year. This has increased the number of young people supported in bringing their projects to life. Our volunteer panel members remain essential to running the KEY+ Challenge.

We want to take this opportunity to thank all our volunteers for their loyalty and dedication and hope that they continue to support us in 2025-26.

Financial review

The Key's income streams are divided into:

a. Key Funds – representing funds received for distribution to groups of young people to implement the Key projects they have planned by participating in KEY+. These funds are restricted.

6. Project Funds (Core Income) – representing funds received to support delivery of KEY+ to young people including funds passed directly to partners for the direct delivery of KEY+ Challenge to young people. These funds can be both restricted and unrestricted.

a. Designated Funds - The Trustees may designate funds to support specific areas of our work, invest in the charity's future, or ensure proper administration in the event of a wind-down. These designations reflect strategic decisions to allocate resources in line with our long-term objectives and operational needs.

Reserves policy

The Directors have reviewed and approved the Reserves Policy, which aims to maintain a financial buffer equivalent to six months of core cost commitments. This includes provision for staff redundancy payments for all employees with over one year of service. The total reserve requirement is currently calculated at £182,084, covering staff costs, redundancy liabilities, premises, overheads, and operating expenses.

At 31 March 2025, unrestricted free reserves totalled £193,508. Of this, £9,276 is budgeted for delivery of KEY+ Challenge in 2025/26, reducing free reserves to £183,798 by 31 March 2026. This provides a buffer of £1,714 ensuring continued support for young people amid a changing funding landscape.

In addition to unrestricted reserves, the charity holds designated funds to support specific strategic priorities. These include:

- **£136,410** in Designated Project Funds to continue delivery of KEY+ Challenge across the North East in 2025/26.
- **£27,182** in Designated Key Funds to support youth-led projects.
- **£48,492** in Designated Development Funds to invest in the launch and implementation of our new three-year strategy.

These designations reflect the trustees' commitment to planned future expenditure and strategic development.

Plans for future periods
What we are planning to do in 2025-28

Our strategy is based on three themes:

Reach - Supporting young people who need us most
We address the emerging needs of young people in the North East of England, with particular attention to those growing up in poverty and those facing challenging personal circumstances. Collaborating with strategic partners, we create an equitable and supportive environment for all young people in the region, through targeted, aligned efforts and shared resources. Guided by the voices of young people, we collaborate with local, regional, and national networks to strengthen our partnerships and expand opportunities for young people.

Quality - Creating the best experience for young people
We provide meaningful and impactful experiences that address young people's unique needs and aspirations leading to best possible outcomes. Our commitment to quality builds trust and engagement, creating a supportive environment where young people feel valued and empowered. It also drives continuous improvement in our practices, ensuring that we remain responsive to the evolving challenges and opportunities faced by young people.

Impact - Delivering the best outcomes for young people
We deliver the best outcomes for young people, developing their skills, confidence, and resilience, empowering them to build connected and fulfilling futures. By prioritising engagement with those who are best served by our interventions, we ensure our efforts are targeted and effective. Sharing the long-term impact and positive outcomes achieved by young people will inspire further support and collaboration, amplifying our influence.

To support the achievement of our strategic goals we will employ our Enablers, these enablers are:

Young People at the Heart - Placing young people at the heart of our organisation is fundamental to ensuring that our work is relevant, impactful, and effective. By actively involving young people in the design, implementation, and evaluation of our work, we will better understand and address their needs and aspirations.

Relationships, Partnerships and People - Building strong, collaborative relationships with young people, youth and community sector organisations, educational institutions, academic partners, stakeholders, and other partners is essential. These partnerships enable us to share knowledge, co-create innovative solutions, and provide high-quality support tailored to the needs of young people.

Sustainability and Growth - We will continue to diversify our income streams to drive long-term sustainability. Building on our successful partnership funding approach, we will further strengthen our expertise and capacity to manage large-scale partnership contracts.

Learning Organisation - With a culture of continuous improvement, innovation, and knowledge, we remain adaptable and responsive to emerging needs and challenges.

Equality, Equity, Diversity and Inclusion - Using different viewpoints and giving everyone a fair chance helps us reach more people and make a bigger difference. We will work with groups, partners, and individuals who have valuable experiences and knowledge. Creating an inclusive environment at all levels, including our staff team and board of trustees, is essential to showing our commitment to equality, equity, diversity, and inclusion.

Digital Solutions - By continuing to develop and refine our digital solutions including our online platform, KIT, we will improve the user experience for both young people and facilitators.

Marketing and Communications - through strategic messaging and targeted campaigns, we will attract more diverse partners and reach more young people who need us most.

Systems and Processes - We will enhance our internal and external systems and processes to increase efficiency and ensure good governance.

Structure, governance and management

The charity is a company limited by guarantee and was set up by its Memorandum and Articles of Associations on 25 March 1997.

The company's constitution is dated 25 March 1997 as amended by Special Resolution dated 10 October 2020 and is a registered charity (number 1093569).

During 2024/25, the trustees and the executive team have been undertaking a review of governance including the Articles of Association and Memorandum of understanding. With legal support from Muckle, a modernised and reviewed Articles of Association document that will be submitted to the charity commission for their approval in July 2025.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

E Watchorn	
Lieutenant General R Brims	(Resigned 17 October 2024)
J Thomas	
E Richards	
M Youngs	
C Alete	
A McNamara	(Appointed 17 October 2024)

Recruitment and appointment of directors

Our diverse and talented board of trustees continued to provide invaluable support to both the interim CEO, the incoming permanent CEO and the staff team. Their unique blend of enthusiasm, specialist expertise and local knowledge has added significant value to our work.

The trustees, who are also the directors under Company Law, are responsible for the management and administration of the charitable company.

The current Directors were recruited and appointed by an open process managed by the Directors using the network of public, private and voluntary sector organisations that are involved or aligned to the work of The Key.

The Board met on four occasions during 2024-25. A Finance and Risk Sub-Group also met separately on four occasions. Currently the Board is well balanced and includes expertise from the private, public and third sectors.

The Board of Directors were appointed using a skills audit. The areas of expertise covered between them are:

- Financial management, budget management, chartered accountancy
- Grant making
- Strategic planning, change management and project management
- Youth policy, voluntary youth work, statutory youth provision
- Sales, marketing, PR and communications
- Corporate social responsibility
- Human resources, equality and diversity, policies and procedures and recruitment
- Learning and skills development

The Directors consider that they have complied with their duty to have due regard to public benefit guidance published by the Charity Commission.

Our organisational structure consists of a core team of 7 working under the guidance of our CEO. Further work is provided by a small team of freelance staff as and when it is needed. KEY+ is delivered by trained and supported Key Facilitators who have a trusted relationship with their group of young people and are employed by, or volunteer for, our delivery partners.

Each delivery partner pays a small annual organisational membership fee designed to confirm commitment. All Key Facilitators are DBS checked, and all operate under the policies, procedures and insurances of their employing / supporting Member organisation.

Our KEY+ Facilitators range from youth work professionals, community volunteers, youth offending team staff, detached youth workers, care workers, uniformed group leaders and learning mentors, to name but a few. Our networks also contain individuals who become Volunteer Panel Members. These individuals volunteer directly for The Key and are trained for the role of hearing from young people about their KEY+ ideas.

Related party relationships

The Key works with a diverse range of organisations as members, to support young people across the region. Each either employs or supports a small team of Key Facilitators. These organisations include youth work / detached work projects, schools, alternative education providers, youth justice programmes, democracy projects, church groups, Global Majority groups, sports groups, voluntary groups, guides/scouts, mental health projects, secure units, training organisations, FE colleges, and health groups. Each organisation is supported in their day-to-day activity by The Key.

Grant making trusts and foundations again provided much needed support with funds by investing in building the capacity of the staff team and the longer-term viability of the organisation. Trusts and Foundation also helped provide the project funds needed for young people to implement their ideas. Such investors included Garfield Weston Foundation, Sir James Knott Trust, Wellbank Foundation, Joicey Trust, LGA Foundation, A D Charitable Trust, R W Mann Trust, Ballinger Trust, Paul Hamlyn Foundation, and the Community Foundation among others.

In 2023/24, The Key successfully secured a large partnership grant from NCS (National Citizen Service Trust) to lead on their targeted grants programme across the North East. This project was the first funding of its kind for The Key, and it supported the diversification of funds, reduced the reliance on traditional Trusts and Foundations whilst also supported the costs of our partners delivery. The delivery of this contract continued into 2024/25 and sadly ended in March 2025 when NCS began the process of winding up their organisation. These funds along with funding and commissions through UKSPF and North East Combined Authority (previously North of Tyne Combined Authority) have proven the strength of The Key as a leading organisation in this area. Our skills of partnership development and project management have developed through this work.

Pay policy of senior staff

The Board of Directors (who are The Key's trustees, and the Executive Team) comprise the key management personnel of the charity in charge of controlling, running and operating The Key on a day-to-day basis. All directors give their time freely. Details of directors' expenses and related party transactions are disclosed in the notes to the financial statements.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the directors benchmark against pay levels in other charities of a similar size. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 30% for any additional responsibilities. If recruitment has proven difficult in the recent past, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

Other matters

Risk management

The Directors have overall responsibility for establishing and maintaining The Key's risk management policy and for reviewing its effectiveness. Strategic risk assessment is carried out by the Finance and Risk Sub-Committee of the Board on all activities to ensure all major risks to which the charity is exposed have been considered as well as the overall impact they would have on the organisation. These risks are varied and cover areas including health and safety, safeguarding, event management, fundraising, compliance, and relationship management.

Risk management is carried out by developing approaches to mitigate each risk identified in the assessment, which are monitored at regular intervals. Procedures are then established to manage these risks. A system of internal controls and compliance has been designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. These are recorded by the executive team and are discussed at quarterly Finance and Risk Sub-Committee Meetings. If required, issues are tabled at full Board meetings for further debate or decision.

A key element in the management of financial risk is the distribution of clear and transparent quarterly accounts and cash flow forecasts to the Directors and monthly management accounts to the executive team; this is in addition to the monthly production of a data dashboard to monitor progress against our annual objectives.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

The trustees report was approved by the Board of Trustees.

R Maw
CEO

E Watchorn
Chair

Date: 23/9/25

KEYFUND FEDERATION LIMITED

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF KEYFUND FEDERATION LIMITED

I report to the trustees on my examination of the financial statements of Keyfund Federation Limited (the charity) for the year ended 31 March 2025.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

1 accounting records were not kept in respect of the charity as required by section 386 of the Companies Act 2006.

2 the financial statements do not accord with those records; or

3 the financial statements do not comply with the accounting requirements of section 396 of the Companies Act 2006 other than any requirement that the financial statements give a true and fair view, which is not a matter considered as part of an independent examination; or

4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

NC

Nicholas Cunningham FCCA
Robson Laidler Accountants Limited
Fernwood House
Fernwood Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TJ
England
Date: 23-9-2025

KEYFUND FEDERATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

Current financial year	Notes	Unrestricted funds general 2025 £	Unrestricted funds Designated fund 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Income from:						
Donations and legacies	2	37,650	5,927	97,060	140,637	6,769
Charitable activities	3	30,000	-	305,871	335,871	551,738
Investments	4	17	-	-	17	1,445
Total income		67,667	5,927	402,931	476,525	559,952
Expenditure on:						
Charitable activities	5	105,251	77	566,802	672,130	401,406
Total expenditure		105,251	77	566,802	672,130	401,406
Net income/(expenditure)		(37,584)	5,850	(163,871)	(195,605)	158,546
Transfers between funds		(132)	5,100	(4,968)	-	-
Net movement in funds		(37,716)	10,950	(168,839)	(195,605)	158,546
Reconciliation of funds:						
Fund balances at 1 April 2024		231,224	206,634	207,051	644,909	486,363
Fund balances at 31 March 2025		193,508	217,584	38,212	449,304	644,909

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

KEYFUND FEDERATION LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

Prior financial year	Notes	Unrestricted funds general 2024 £	Unrestricted funds Designated fund 2024 £	Restricted funds 2024 £	Total 2024 £
Income from:					
Donations and legacies	2	6,769	-	-	6,769
Charitable activities	3	115,022	63,250	373,466	551,738
Investments	4	1,445	-	-	1,445
Total income		123,236	63,250	373,466	559,952
Expenditure on:					
Charitable activities	5	81,466	20,399	299,541	401,406
Total expenditure		81,466	20,399	299,541	401,406
Net income		41,770	42,851	73,925	158,546
Transfers between funds		-	15,892	(15,892)	-
Net movement in funds		41,770	58,743	58,033	158,546
Reconciliation of funds:					
Fund balances at 1 April 2023		189,454	147,891	149,018	486,363
Fund balances at 31 March 2024		231,224	206,634	207,051	644,909

KEYFUND FEDERATION LIMITED

BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Fixed assets					
Tangible assets	**11**		-		187
Current assets					
Debtors	**12**	92,114		65,551	
Cash at bank and in hand		495,841		610,900	
		587,955		676,451	
Creditors: amounts falling due within one year	**13**	(138,651)		(31,729)	
Net current assets			449,304		644,722
Total assets less current liabilities			449,304		644,909
The funds of the charity					
Restricted income funds	**15**		38,212		207,051
Unrestricted funds - general	**17**		193,508		231,224
Unrestricted funds - Designated fund	**16**		217,584		206,634
			449,304		644,909

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the trustees on 23/9/25.

E.Watchorn

.....

E Watchorn

Chair

Company registration number 03339120 (England and Wales)

1 Accounting policies

Charity information

Keyfund Federation Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Maybrook House, Floor 3, 27 Grainger Street, Newcastle upon tyne, NE1 5JE.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities not to prepare a statement of cash flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the Directors for a particular purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted when incurred.

Investment income relates to interest earned through holding assets on deposit.

1 Accounting policies **(Continued)**

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Intangible fixed assets other than goodwill

Intangible assets represent the operating system used by the company and an online manual for licences.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Operating System	3 years straight line
Online Manual	2 years straight line

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	10% straight line
Computer equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Taxation

The charity is an exempt from taxation under the Charities Act 2011.

1.11 Retirement benefits

The charitable company contributes to a defined contribution pension scheme for employees. the assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the Statement of Financial Activities.

2 Income from donations and legacies

	Unrestricted funds general	Unrestricted funds Designated fund	Restricted funds	Total	Unrestricted funds general	Unrestricted funds Designated fund	Restricted funds	Total
	2025	2025	2025	2025	2024	2024	2024	2024
	£	£	£	£	£	£	£	£
Donations and gifts	3,571	-	-	3,571	6,769	-	-	6,769
Grants	34,079	5,927	97,060	137,066	-	-	-	-
	37,650	5,927	97,060	140,637	6,769	-	-	6,769

2 Income from donations and legacies (Continued)

The charity greatly benefits from the involvement and enthusiastic support of its many volunteers, details of which are given in their annual report.

3 Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Income from charitable activities				
Membership income	30,000	-	30,000	26,230
Grants receivable	-	305,871	305,871	525,508
	30,000	305,871	335,871	551,738

4 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Interest receivable	17	1,445

5 Expenditure on charitable activities

	Operation costs 2025 £	Operation costs 2024 £
Direct costs		
Staff costs	223,074	152,810
Depreciation and impairment	187	1,748
Direct project costs	350,825	114,082
Staff related costs	5,517	12,512
Travel expense	690	2,592
Property costs	17,863	18,125
Office costs	5,671	7,834
IT costs	29,946	13,731
Advertising and PR	6,672	7,257
Legal and professional	26,075	55,068
Bank charges	72	1,670
	666,592	387,429
Share of support and governance costs (see note 6)		
Support	-	7,356
Governance	5,538	6,621
	672,130	401,406
Analysis by fund		
Unrestricted funds - general	105,251	81,466
Unrestricted funds - Designated fund	77	20,399
Restricted funds	566,802	299,541
	672,130	401,406

6 Support costs allocated to activities

	2025 £	2024 £
Staff costs	-	7,356
Governance costs	5,538	6,621
	5,538	13,977
Analysed between:		
Operation costs	5,538	13,977

6 Support costs allocated to activities (Continued)

Governance costs comprise:	2025 £	2024 £
Independent examiners fees	3,480	5,220
Meeting costs	2,058	1,401
	5,538	6,621

7 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

8 Employees

The average monthly number of employees during the year was:

	2025 Number	2024 Number
	7	5

Employment costs	2025 £	2024 £
Wages and salaries	197,639	140,920
Social security costs	13,703	8,967
Other pension costs	11,732	10,279
	223,074	160,166

There were no employees whose annual remuneration was more than £60,000.

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2025 £	2024 £
Aggregate compensation	50,867	36,778

9 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

10 Intangible fixed assets

	Operating System
	£
Cost	
At 1 April 2024 and 31 March 2025	6,120
Amortisation and impairment	
At 1 April 2024 and 31 March 2025	6,120
Carrying amount	
At 31 March 2025	-
At 31 March 2024	-

11 Tangible fixed assets

	Office equipment
	£
Cost	
At 1 April 2024	24,621
Disposals	(24,621)
At 31 March 2025	-
Depreciation and impairment	
At 1 April 2024	24,434
Depreciation charged in the year	187
Eliminated in respect of disposals	(24,621)
At 31 March 2025	-
Carrying amount	
At 31 March 2025	-
At 31 March 2024	187

12 Debtors

	2025	2024
Amounts falling due within one year:	£	£
Trade debtors	5,336	3,247
Prepayments and accrued income	86,778	62,304
	92,114	65,551

13 Creditors: amounts falling due within one year

	2025	2024
	£	£
Other taxation and social security	4,671	638
Trade creditors	57,282	2,764
Other creditors	11,852	14,166
Accruals and deferred income	64,846	14,161
	138,651	31,729

14 Retirement benefit schemes

Defined contribution schemes	2025 £	2024 £
Charge to profit or loss in respect of defined contribution schemes	11,732	10,279

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The amount recognised as an expense in the period was £11,732 (2024: £10,279)

15 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2024	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
Key Funds	86,217	42,988	(107,037)	(9,188)	12,980
Project funds	120,834	359,943	(459,765)	4,220	25,232
	207,051	402,931	(566,802)	(4,968)	38,212

Previous year:	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
	£	£	£	£	£
Key funds	100,324	80,154	(73,369)	(20,892)	86,217
Project funds (previously core funds)	48,694	293,312	(226,172)	5,000	120,834
	149,018	373,466	(299,541)	(15,892)	207,051

16 Unrestricted funds - Designated fund

These are unrestricted funds which are material to the charity's activities.

	At 1 April 2024	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
Project funds	136,060	427	(77)	-	136,410
Key Funds	27,182	-	-	-	27,182
LGA Foundation	-	5,500	-	-	5,500
Business Development	43,392	-	-	(15,892)	27,500
Key Funds Development	-	-	-	20,992	20,992
	206,634	5,927	(77)	5,100	217,584

Previous year:	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
	£	£	£	£	£
Project Funds	93,111	63,250	(20,301)	-	136,060
Keyfunds	27,280	-	(98)	-	27,182
KIT IT Implementation	27,500	-	-	(27,500)	-
Business Development	-	-	-	43,392	43,392
	147,891	63,250	(20,399)	15,892	206,634

17 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2024	Incoming resources	Resources expended	Transfers	At 31 March 2025
	£	£	£	£	£
General funds	231,224	67,667	(105,251)	(132)	193,508

Previous year:	At 1 April 2023	Incoming resources	Resources expended	Transfers	At 31 March 2024
	£	£	£	£	£
General funds	189,454	123,236	(81,466)	-	231,224

17 Unrestricted funds (Continued)

Key Funds
Represents funds received for distributions to groups of young people in order to implement the key projects they have planned by participating in The Key+ Challenge.

Project funds
Presents funds received to support the delivery of The Key+ Challenge to young people.

Business Development
The organisation embarked on a two-year development programme that will explore and support the area that they are looking to grow and expand. (Started at the end of 2024)

18 Analysis of net assets between funds

	Unrestricted funds general	Unrestricted funds Designated fund	Restricted funds	Total
	2025	2025	2025	2025
	£	£	£	£
At 31 March 2025:				
Current assets/(liabilities)	193,508	217,584	38,212	449,304
	193,508	217,584	38,212	449,304

	Unrestricted funds general	Unrestricted funds Designated fund	Restricted funds	Total
	2024	2024	2024	2024
	£	£	£	£
At 31 March 2024:				
Tangible assets	187	-	-	187
Current assets/(liabilities)	231,037	206,634	207,051	644,722
	231,224	206,634	207,051	644,909

19 Related party transactions

There were no disclosable related party transactions during the year (2024 - none).

KEYFUND FEDERATION LIMITED

England & Wales - Charity number 1093569

Accounts

Company number: 03339120 (England and Wales)
Charity number: 1093569

Keyfund Federation Limited

(A company limited by guarantee)

Directors Report and Financial Statements
For the year ended 31 March 2024

Keyfund Federation Limited
(A company limited by guarantee)

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For the year ended 31 March 2024

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Keyfund Federation Limited
(A company limited by guarantee)

Welcome from the Chair and Chief Executive
For the year ended 31 March 2024

Welcome to The Key's Annual Report and Accounts for 2023-24

2023-2024 has been a year of highs and some significant change at The Key – from amazing stories of difference from young people sharing how completing the Key+ challenge has impacted their lives, to seeing some of our key team move on to new roles, to securing significant grant and commissioned funding to expand our work and finish the year on a secure financial footing.

As always, our annual awards ceremony was truly inspirational with young people from across the North East coming together to celebrate their achievements and the support received from their facilitators. Young people were very much in the lead with our Youth Voice group leading on all aspects of the awards from planning to hosting and presenting the awards. Key+ groups also arranged entertainment for the evening, which included an escape room that proved too tricky for some. Over 200 young people and adults attended the event with award winners receiving recognition for what they had achieved, in front of more people than we've ever had before.

Our mission continues to be to create opportunities where young people are inspired to believe in themselves and achieve their potential. We're here to support young people to believe in their ideas and discover what they are capable of. The demand and need for provision such as ours continues to be clear, with over a third of young people in the North East living in poverty and the gap between those with challenges and those without challenges continuing to grow. Taking part in the KEY+ Challenge empowers young people to use their voices, participate in activities, develop their skills and become more involved in their communities.

In 2023/24, we continued to work on generating income by applying for funds in closer partnership with the organisations we knew could reach the young people we most wanted to provide opportunities to. This helped us position ourselves in the regional youth services ecosystem in a positive way, securing funds to support delivery by our partners, and providing much needed resource to create the right opportunities for the young people who need them. We were able to significantly diversify our funding streams by embarking on securing commissioned contract funds to support this partnership working. We have also continued to be successful in securing funding from our traditional supporters such as trusts, foundations and grant making organisations. These successes have ensured that we start 2024-25 in a healthy financial position.

We continued to develop our digital platform to underpin our work with young people and trained new facilitators. This has been an iterative process, that continues, as opportunities to develop the system present themselves and as functionality of the platform increases. We have greater understanding of how we can use the platform to demonstrate the impact of the Key+ challenge to funders.

Our Chief Executive Officer, Richard moved on to an exciting new role within the year and whilst sad to see Richard move on from The Key, he provided a thorough handover to our Interim CEO, Maxine Tennet. Maxine provided stability and great support while the board took time to select a permanent CEO who would take forward The Key. We are delighted that Rebecca Maw joined us in May 2024. Rebecca has over 20 years of experience in the community sector, she brings bags of energy and shares our passion of inspiring belief in young people and creating opportunities for young people to flourish.

Keyfund Federation Limited
(A company limited by guarantee)

Welcome from the Chair and Chief Executive
For the year ended 31 March 2024

We're grateful for our funders' support and flexibility, which has been excellent throughout the year. We were delighted to receive support from NCS - National Citizen Service Trust, Ballinger Trust, A D Charitable Trust, UKSPF – Communities, NTCA – Transitions, Vardy Foundation, Paul Hamlyn Foundation, CABWI, Garfield Weston Foundation, The National Lottery Community Fund (Reaching Communities North East and Cumbria Region), Sir James Knott Trust, Wellbank Foundation, Joicey Trust, Barbour Foundation, MEA House Trust, Mazars Charitable Trust, Tesco, LGA Foundation, and Tyne and Wear Community Foundation: 1989 Willan Charitable Trust, Winter Family Fund, Port of Tyne and Vital Sector Support.

Our diverse and talented Board of Trustees worked similarly hard throughout the year to provide invaluable support to the team. As ever, The Key offers a profound thank you to all our supporters, volunteers, and employees, without whom the achievements in this report would not have been possible.

Liz Watchorn, Chair Maxine Tennet, Interim CEO Rebecca Maw, CEO

Keyfund Federation Limited
(A company limited by guarantee)

Directors Report
For the year ended 31 March 2024

Reference and administrative details of the charity, its directors and advisers

Charity Number	1093569
Company Number	03339120
Registered Office	Suite 5, 6th Floor West Hadrian House Higham Place Newcastle Upon Tyne NE1 8AF

Directors

Elizabeth Watchorn	(Chair)
Lieutenant General Robin Brims	(Vice Chair)
Julian Thomas	
Leigh Thompson	(Resigned 01 February 2024)
Emma Richards	
Mary Youngs	
Terence Burke	(Resigned 22 November 2023)
Chris Alete	(Treasurer)

Key management

Company Secretary & Chief Executive Officer	Richard Haigh (Resigned November 2023) Rebecca Maw (Appointed May 2024)
Independent Examiners	Evelyn Partners (Newcastle) Limited 17 Queens Lane Newcastle upon Tyne NE1 1RN
Bankers	Co-operative Bank Plc PO Box 101 1 Balloon Street Manchester M60 4EP

The Directors submit their annual report and the independently examined financial statements of the Keyfund Federation Limited (The Key) (the company) for the year ended 31 March 2024 which are also prepared to meet the requirements for the directors report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Our values

The golden thread that weaves through our vision, mission and values is that **everything we do is for the benefit of young people – especially those facing challenging circumstances.**

FOCUS: *Keeping sight of the goal*

We make informed decisions. We set targets and work towards milestones, and we deal with things at the right time. We work in a positive way, and we are true to our roots. We are driven to succeed.
We believe that, as a result, we will achieve our mission.

COLLABORATION: *Working together to achieve common objectives*

We act with integrity and seek to understand others. We share information transparently, communicate well and treat everyone with respect. We value everyone's contribution, and we trust and can be trusted.
We believe that, as a result, we will achieve more together than by acting alone.

GROWTH: *Constantly striving to be the best we can be*

We are resilient. We encourage constructive feedback, we are actively curious and questioning, and we are adaptable to change. We nurture others.
We believe that, as a result, we will maximise our impact.

What is KEY+ Challenge?

The KEY+ challenge to young people is simple, but highly effective. Young people work together in small teams with the help of a trained Key Facilitator to:

- **use their voices** and be heard
- **lead and deliver projects** and activities which are meaningful to them
- **build skills and confidence** throughout
- **Become active citizens** by exploring enterprise or tackling social issues

To take on the challenge young people form a group and progress through a five-step process:

- **think** of a project or activity that they want to make happen
- **plan** how they will make it happen and what is needed, including a budget
- **pitch** their project to a panel of volunteers
- **do** their project if given the go ahead by the panel
- **review** and reflect on their project and development of skills and confidence

Young people complete this process up to three times, each time planning more progressively challenging projects with greater personal development. Delivering their first KEY+ project is a great achievement for young people. They get to grips with the KEY+ five-steps and deliver their first pitch to panel. At Stage two, young people are stretched further and enhance their skills by planning a project with a larger budget. At Stage 3, they explore enterprise or social action with their project, providing a way to take action and contribute to their communities.

Once young people have completed the KEY+ challenge we aim to support their continued growth through bespoke opportunities, work experience or volunteering.

Participation in KEY+ provides young people with the opportunity to discover their passions, talents and realise what they are capable of. It's a way to cement positive connections with peers. In short it promotes friendship and purpose – which we believe are needed more than ever for young people today.

As well as the young people who take the KEY+ challenge members of the wider community also benefit as a direct result of the projects that young people plan for the benefit of the wider community.

Our work during 2023/24

Our three-year strategy outlines five strategic priorities. Progress towards those priorities during year 2 of the strategy is outlined on the following pages.

Strategic priority 1: Deliver the KEY+ Challenge to young people across the North East region

The KEY+ Challenge ensures young people are:

- Empowered to **use their voice** and be heard
- Trusted to **lead and deliver projects** and activities that are meaningful to them
- Supported to **build the skills and confidence** they need to thrive
- Inspired to **become active citizens** by exploring enterprise or tackling social issues

We seek to measure the impact of KEY+ under three headings:

Reach

In 2023/24, The Key exceeded our target by reaching and engaging with more individual young people than we had aimed for, marking an increase from the numbers in 2022/23. We also saw a rise in the number of groups participating in the KEY+ Challenge and in the distribution of micro-grants, allowing more young people to implement their plans. These gains reflect our ongoing recovery and growth following the impact of COVID-19.

During 2023/24, 995 different young people engaged in at least one stage of the KEY+ Challenge (up from 886 young people the year before). Those young people dreamt up, pitched and delivered 248 of their own projects and activities (an increase on 220 projects in 2022/23)

Examples of inspiring activities generated by young people this year included:

- Rock n Roll Sausage Rolls gained a sense of their influence and impact through the KEY+ Challenge. Together they set about making a difference to their community and used their personal experiences to drive change. They completed all three stages of the KEY+ Challenge and even moved onto participating in KEY+ Changemakers too.
- 2 School 4 Kool took a unique view of the cost-of-living crisis and how it was impacting families in a variety of ways. The five young women decided to do their bit to help by running a free uniform event for young people in secondary school to come along and receive free or low-cost uniform goods.
- Nature Gang ran a school wide art competition to promote friendship and kindness. They chose two winning designs and transformed them from ideas to reality onto two wooden benches. The group then donated their painted benches to a local shelter supporting refugee families.
- Funky Phoenixes tackled climate change with their KEY+ Project but made sure they galvanised others in the process. They launched a recycling competition in school after being shocked at the amount of single use plastic being binned. The group got the school on board and made it a house wide challenge which helped them make a big impact.
- Everyone and a guy named Kevin took on the KEY+ Challenge as a group of friends in the West End of Newcastle. They thrived through the first two stages and wanted to push themselves at Stage 3. They chose to run a community focussed comedy night from their youth club which turned out to be a real crowd pleaser and a fully maxed out event.

Impact

Our priority is to ensure that the KEY+ Challenge continues to positively impact the lives of young people and their wider communities. In 2023/24, young people's lives were enriched through their involvement in KEY+, delivering activities of their own design. At a time when increasing numbers of young people reported feeling lonely, 995 individuals seized the opportunity to connect with friends through KEY+, leading and delivering a diverse range of trips, activities, and social action projects. In doing so, they used their voices and developed their sense of purpose. By the end of KEY+, 98% of participants reported increased confidence.

Our data indicates that a cycle of KEY+ means young people score an average improvement of 25% against the 12 KEY+ Skills. Those skills include agreeing on responsibilities, searching for information, communicating, making decisions, problem-solving, and coping with stress.

We know that completing all three stages of the KEY+ Challenge has the greatest impact on young people and during 2023/24 we have seen 282 young people completing more than one stage of KEY+. We would like this to be higher and are looking for ways to improve the number of young people completing all three stages.

Our delivery partner organisations indicated that over 13,000 community members benefitted from projects and activities dreamt up and delivered by young people. This year, KEY+ groups delivered impactful community projects ranging from Family Funday's, Heritage Afternoon Tea for older people, and a Community Foodbank project supporting 4 local foodbanks.

Quality

As well as monitoring who we work with and what difference KEY+ makes, we also strive to monitor how well The Key is operating as we support a wide range of organisations across the North East to provide the KEY+ Challenge to young people they engage with.

It has been a priority to diversify our funding streams and to generate income to support the delivery costs of partners. During 2023/24 we successfully secured NCS and UKSPF contracts to support the development of our 'Three Part Recipe' strategy. This sees The Key secure projects funds for young people, staff costs for partners to deliver KEY+ and the core funding needed for The Key to support delivery. This leads to a higher quality experience for young people as it provides partners with much needed KEY+ delivery time and capacity.

We have continued to embed our digital platform which supports our drive for quality, gathering impact date and standardisation of delivery, whilst allowing partners flexibility to meet the needs of the young people they support. A key part of this work has been to standardise the 'Pitch to Panel' element of the challenge, allowing consistent questioning and reporting from our volunteer panel members.

Strategic enablers: the things we know are central to reaching our goals

Putting young people at the centre of what we do

The KEY+ Awards held in July 2024 celebrated the achievements of the 2023/24 financial year. We had more attendees than ever before, with over 200 in attendance. The young people themselves dominated the whole evening – both as planners, performers, event hosts, award presenters and receivers of awards in ten categories celebrating their brilliant projects and endeavours. Our youth voice group were instrumental in supporting us to make the night the success that it was.

Our youth voice and influence work with young people now has three strands:

a) Development of a youth voice and influence group. This group will take on 'task and finish' projects as designed by themselves or as offered by The Key.

b) Increasing the involvement of young people as panel members themselves and at the Board level.

c) Changemakers Pilot projects took place in 2023/24 and we will use the learning gained from this pilot to shape future programmes that go beyond the current three stage Key+ Challenge.
This continues to be challenging work due to the breadth and range of disabilities, and learning needs young people accessing KEY+ face.

Our Staff and Volunteers

During 2023/24 our team has grown. We welcomed Jess, our Finance and Administration Coordinator, and Alfie, our Operations Support, in October 2023 before welcoming Sari as Youth Projects Coordinator in January 2024.

Our CEO, Richard left The Key for an exciting opportunity within the NHS, we ensured a thorough, smooth and effective handover to our interim CEO, Maxine Tennet, a safe pair of hands whilst the trustees took time to find a permanent replacement. This took longer than initially expected; however, the trustees took the brave decision to find the right candidate that will lead The Key into the future on a permanent basis.

This inevitably created a period of uncertainty for the team however, their commitment, flexibility, and resilience in the face of these and other challenges were extraordinary. We responded creatively by carefully monitoring and deploying freelance support, funded by a ring-fenced annual allocation from the Paul Hamlyn Foundation. As a result, we not only achieved our goals for the year but also made significant savings, leading to a strong financial position by year-end.

The Key relies on the support of our dedicated network of volunteers to deliver the KEY+ Challenge to young people. We currently have 40 active volunteers, including 6 new recruits trained during the year. This has increased the number of young people supported in bringing their projects to life. Our volunteer panel members remain essential to running the KEY+ Challenge, and this year we have strengthened their digital engagement with The Key.

We want to take this opportunity to thank all of our volunteers for their loyalty and dedication and hope that they continue to support us in 2024-25.

Financial Performance

The Directors submit their annual report and the independently examined financial statements of The Keyfund Federation Limited (The Key) (the company) for the year ended 31 March 2024 which are also prepared to meet the requirements for the directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The Key's income streams are divided into:

Key Funds – representing funds received for distribution to groups of young people to implement the Key projects they have planned by participating in KEY+;
Project Funds (Core Income) – representing funds received to support delivery of KEY+ to young people.

It has been a priority for us to diversify our income stream and this year we have worked hard to secure £160,858 project costs and £25,404 Key Funds from contracting arrangements with National Citizen Service and the North East Combined Authority. This allows us to support the delivery of the Key+ challenge to a wider audience (income included in Restricted Project and Key Funds below).

We started 2023-24 with an opening restricted Key Funds balance of £100,324. Total incoming Key Funds for the year amounted to £80,154. The total Key Funds expended (including restricted and unrestricted Key Funds) was £73,369, leaving a total Key Fund balance, after transfers, to carry forward into 2024/25 of £86,217.

At the start of 2023-24 we had restricted Project Funds of £48,694. Total incoming restricted Project Funds for the year amounted to £293,312. The total restricted Project Funds expended was £226,172. £120,834 of restricted Project Funds was carried forward into 2023-24.

We started the year with £189,454 of unrestricted General Funds (i.e. reserves). The total incoming unrestricted General Funds for the year amounted to £123,236. The total unrestricted Core Funds expended was £81,466. £231,224 of unrestricted General Funds was carried forward into 2024/25.

We started the year with £93,111 of designated Project Funds. The total incoming designated project funds for the year amounted to £63,250. The total designated Project Funds expended was £20,301. £136,060 of designated Project Funds was carried forward into 2023-24.

We started the year with £27,280 of designated Key funds. The total incoming designated Key funds for the year was £0. The total designated Key funds expended was £98. £27,182 of designated Key Funds was carried forward into 2024-25.

We started the year with £27,500 of designated development funds. These funds were intended to be spent on improving IT including our online platform KIT. The costs of hardware and KIT development were able to be covered within project costs, and therefore the balance has been transferred out. In addition to the unspent IT development fund, a number of historic underspends from project funds and Key Funds totaling £15,919. These have been collated to provide a total designated development funds pot of £43,419 to take forward into 2024-2027. These funds will support increasing the capacity of the staff team and provide Key Funds to support new groups and young people from across the North East with particular focus on areas that we are not currently active in and aimed at those young people who have multiple challenges.

We were delighted to welcome support from NCS - National Citizen Service Trust, UKSPF (Communities and Place), North of Tyne Combined Authority (Education Improvement), The National Lottery Community Fund (Reaching Communities North East and Cumbria Region), MEA House Trust, Tesco Community Fund, Mazars Charitable Trust and from funds distributed by The Community Foundation serving Tyne & Wear and Northumberland including the Port of Tyne Fund, Winter Family Fund and the Vital Sector Support Fund.

We were also thrilled to received continue support once again from St James's Place Foundation, Paul Hamlyn Foundation, A D Charitable Trust, Ballinger Trust, CABWI, Garfield Weston Foundation, Vardy Foundation, Sir James Knott Trust, Wellbank Foundation, Joicey Trust, Barbour Foundation, R W Mann Trust, as well as funds from Trusts distributed by The Community Foundation serving Tyne & Wear and Northumberland including the 1989 Willan Charitable Trust and Northumberland Village Homes Trust.

Reserves policy

The Directors have reviewed and approved the Reserves policy, which is designed to create a buffer to cover six months cost commitments that would have to be paid in the event of business wind-up at any given time, including Redundancy payments for all staff beyond 1 year of service, due to imminent potential changes in HR policy. At 31 March 2024, there were unrestricted reserves of £231,224, which represents 6 months of fixed costs and redundancy payments.

Plans for the Future

What we are planning to do in 2024-25

Our strategy is based on three themes: People, Partners, Product. The current strategy was due to come to an end in March 2024, however, due to the timing of the CEO recruitment, we have extended the strategy to cover the period to end of March 2025. During 2024/25 we will take the time to develop a three-year strategy for the period of 2025-2028

Within those themes we have identified four strategic priorities we are focusing on across the three-year period. In addition, we have also identified seven enablers that we know are critical to achieving our strategy.

Themes	**Strategic priorities**	**Annual objectives for 2024-25**
People	1. Deliver The KEY+ Challenge to young people across the NE region	1.1. REACH as many young people as we can with the KEY+ offer. 1.2. Achieve the most IMPACT we can with the KEY+ Challenge. 1.3. Deliver the KEY+ Challenge in the highest QUALITY way.
	2. Increase the numbers of underserved young people using KEY+	2.1. Develop schools' transitions work with regional delivery partner across operational area. 2.2. Develop Youth Voice and actively recruit Young People facing disadvantage.

Themes	Strategic priorities	Annual objectives for 2024-25
Partners	3. Build more funded partnerships with delivery partner organisations	3.1. Build on 2023/24 template and establish more KEY+ activity through funded partnerships.
Product	4. Develop, launch and continually refine KEY+	5.1. Review alternatives to the 12 skills model

We will also be working to specific objectives for our enabler areas which we have identified as follows:
E1. Be a 'learning organisation
E2. Fully embrace our digital potential
E3. Ensure that young people have voice and influence
E4. Actively work towards equity, equality, diversity and inclusion
E5. Develop a strong team of staff and volunteers
E6. Generate the income needed to achieve our strategic aims
E7. Effective marketing to achieve our strategic aims

People

We'll be working across the North East with a focus in areas where deprivation and poverty are prevalent, where young people face additional barriers, and where levels of KEY+ activity are low. From street-level youth nights to colleges, KEY+ will be an excellent way to reach all kinds of young people facing diverse challenges in different environments.

Our work throughout the year will create a rich variety of stories which will continue to evidence that when young people are given the right platform, we can provide them with opportunities outside of formal education that help them to understand that they are someone, that they can make things happen, and that they have the potential to do more.

Partners

We will continue to grow our community of partners to increase our reach across the North East, targeting organisations supporting young people who are most in need of the KEY+ Challenge.

Using our learning from 2023/24, we will strengthen our offer to partners across three main strands:
Strengthening our membership offer: The Key will work closely with partners to understand the value we add to their provision and continue to make our membership offer the best it can be for our much-valued partners.

Growing the three-part recipe: We will continue to seek opportunities that enable us to grow our three-part recipe partnership work. 2023/24 proved there is significant appetite from partners to collaborate on funded projects that provide the projects funds for young people as well as the KEY+ delivery costs for partners and The Key. This was evident in the first instance in our successful pilot funded by The National Lottery Community Fund and then built upon as we successfully secured a large NCS grant to enable funded KEY+ activity to take place across the region with 18 of our partners. A real milestone in getting government funding through the doors of grassroots organisations and one we know will continue to add value across the region.

Increasing KEY+ in Schools: The Key will continue to make KEY+ available in schools in a variety of ways. We will build on our existing work commissioned by the North East Combined Authority which sees us collaborate with partners to deliver KEY+ as a targeted intervention for young people struggling with the transition to Key Stage 3. We aim to grow this intervention across the region and work with even more partners to deliver funded KEY+ in schools with pupils most in need.
We'll build on our understanding of the youth ecosystem by applying for funding in partnership with delivery partners who will commit to being funded to deliver KEY+ specific sessions to young people. This involves continuing to work more intentionally with organisations who are working with the underserved young people we want to prioritise.

We will embark on a two-year development programme that will explore and support the areas that we are looking to grow and expand. We have identified funds within our budget as designated funds to support this work. There is both Key Funds and Core Costs within an assigned budget of £83,264. These funds will support increasing the capacity of the staff team and provide Key Funds to support new groups and young people from across the North East with particular focus areas that we are not currently active in and aimed at those young people who have multiple challenges. These funds will also support the development and implementation of our Strategy 2025-2028.

Product

KEY+ will continue its development as a highly valued programme that can be used by any organisation, at any scale across the area we operate. We'll focus specifically on how we prompt young people to think about and reflect on what skills they use during the KEY+ Challenge, incorporating this learning to update KEY+ support tools and resources too. We'll also get stronger at providing young people with better evidence of their achievements by participating in the KEY+ Challenge so that they have something more tangible to use as they continue to progress.

Our digital platform will be valued by partners, easy to use, and capable of producing rich, consistent data to learn from even though KEY+ is used in diverse environments with a wide variety of young people.

By the end of 2024/25, KEY+ will be increasingly recognised as an excellent kitemark for organisations who want to evidence high-quality skills development work with young people to enable voice, activities, skills development and community involvement.

Enablers

As an organisation, we'll embody what The Key sets out to do by providing opportunities within our organisation for young people who have been through KEY+ to volunteer, be employed by, and shape what The Key does in new and creative ways.

The Key's role involves being a highly effective distribution vehicle for funders who want to facilitate the 'four pillars' (voice, activities, skills, community) in the most accessible way to diverse young people and organisations. We will have identified funders both within the North East and nationally who are interested in how they can use KEY+ to fund a network of high-quality youth experiences. We'll continue to develop links with the North East Combined Authority and are positioning ourselves to explore the opportunities a new Government and Elected Mayor may bring.

In summary, we'll continue our journey to excel at our four main functions:
a) Providing the KEY+ Challenge to empower young people to use their voices, lead activities, develop skills and confidence and become active in their communities.
b) Supplying the training, support and inspiration to enable organisations to run high-quality KEY+ Challenge sessions with young people.
c) Supporting volunteers to provide high-quality panels for young people to pitch their ideas to.
d) Sourcing and linking funders with groups of young people to provide them with the resources needed to carry out their ideas.

Strategy Development

During 2024/25 a significant priority for the team will be to develop a three-year strategy that will set The Key up for the future. Our permanent CEO, Rebecca Maw started her employment in May 2024 and hit the ground running. In order to achieve a strategy that is sustainable and continues to meet the needs of young people and the sector in which we operate we will tackle this through:

- Exploring our value to and relationships with partners, members and stakeholders, past and present
- Undertaking research into policy and strategy that impact the region and the sector in which we operate. This will focus particularly on those strategies that impact on the present and future of young people growing up in the North East.
- Conversations with funders, grant makers, investors and commissioners to further understand the future funding landscape

- Commissioning underpinning strategies and pieces of work that will support practical delivery such as a Marketing Strategy, a Quality Framework and an Impact and Evaluation Strategy.

Most importantly, we will be utilising the strength of the voice of young people to shape the strategy. A significant focus will be on how the KEY+ Challenge continues to meet their needs and meets them where they are, both geographically and in their life journey.

Structure, Governance and Management

Constitution

The company is a charitable company limited by guarantee and was set up by its Memorandum and Articles of Association on 25 March 1997.

The company's constitution is dated 25 March 1997 as amended by Special Resolution dated 10 October 2020 and is a registered charity (number 1093569).

Recruitment and appointment of Directors

Our diverse and talented Board of Trustees continued to provide invaluable support to the CEO and staff team. Their unique blend of enthusiasm, specialist expertise and local knowledge has added significant value to our work. During the course of 2022-23, Andrew Silver retired from the Board, much of which was spent as our Chair. We would like to thank Andrew for his unwavering commitment to The Key and we wish him all the best for his future endeavours. We were pleased to welcome Liz Watchorn, an existing Director into the role of Chair of Trustees. Liz brings a wealth of experience and skills to the role, and a strong commitment to our values and cause.

The Trustees, who are also the directors under Company Law, are responsible for the management and administration of the charitable company.

The current Directors were recruited and appointed by an open and efficient process managed by the Directors using the network of public, private and voluntary sector organisations that are involved or aligned to the work of The Key.

The Board met on six occasions during 2023-24. A Finance and Risk Sub-Group have also met on six occasions during 2023-24. Currently the Board is well balanced and includes expertise from the private, public and third sectors.

The Board of Directors were appointed using a skills audit. The areas of expertise covered between them are:

- Financial management, budget management, chartered accountancy
- Strategic planning, change management and project management
- Youth policy, voluntary youth work, statutory youth provision
- Sales, marketing, PR and communications
- Corporate social responsibility
- Human resources, equality and diversity, policies and procedures and recruitment
- Learning and skills development
- High growth in small to medium enterprises

The Directors consider that they have complied with their duty to have due regard to public benefit guidance published by the Charity Commission.

Our organisational structure consists of a core team of 6 staff working under the guidance of our CEO. Further work is provided by a small team of freelance staff as and when it is needed. KEY+ is delivered by trained and supported Key Facilitators who have a trusted relationship with their group of young people and are employed by, or volunteer for, our delivery partners. In 2023-24 we were delighted to have delivery partners in all local authority areas across the North East.

Each delivery partner pays a small annual organisational membership fee designed to confirm commitment. All delivery partners are DBS checked and all operate under the policies, procedures and insurances of their employing / supporting Member organisation.

Our KEY+ Facilitators range from youth work professionals, community volunteers, youth offending team staff, detached youth workers, care workers, uniformed group leaders and learning mentors, to name but a few. Our networks also contain individuals who become Volunteer Panel Members. These individuals volunteer directly for The Key and are trained for the role of hearing from young people about their KEY+ ideas.

Related party relationships

The Key works with a diverse range of organisations as members, to support young people across the region. Each either employs or supports a small team of Key Facilitators. These organisations include youth work / detached work projects, schools, alternative education providers, youth justice programmes, democracy projects, church groups, BME groups, sports groups, voluntary groups, guides/scouts, mental health projects, secure units, training organisations, FE colleges, and health groups. Each organisation is supported in their day-to-day activity by The Key.

Grant making trusts and foundations again provided much needed support with core funds by investing in building the capacity of the staff team and the longer-term viability of the organisation. Such investors included Garfield Weston Foundation, The National Lottery Community Fund, Sir James Knott Trust, Wellbank Foundation, Joicey Trust, MEA House Trust, LGA Foundation, Ballinger Trust, and Paul Hamlyn Foundation.

The Key continues to work with private sector partners and their foundations too. We are delighted to be working once again with Tesco, Barbour Foundation, A D Charitable Trust, Mazars Charitable Trust, Vardy Foundation, and CABWI.

In 2023/24, The Key successfully secured a large partnership grant from NCS (National Citizen Service Trust) to lead on their targeted grants programme across the North East. This project was the first funding of its kind for The Key and it supported the diversification of funds, reduced the reliance on traditional Trusts and Foundations whilst also supported the costs of our partners delivery. These funds along with funding and commissions through UKSPF and North East Combined Authority (previously North of Tyne Combined Authority) have proven the strength of The Key as a leading organisation in this area. Our skills of partnership development and project management have developed through this work, and we are now viewed as a strong lead in this area within the region. We believe this to be a growth area in 2024/25 with further commissioned work being secured.

Pay policy of senior staff

The Board of Directors (who are The Key's trustees and the Chief Executive) comprise the key management personnel of the charity in charge of controlling, running and operating The Key on a day-to-day basis. All directors give their time freely. Details of directors' expenses and related party transactions are disclosed in the notes to the financial statements.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the directors benchmark against pay levels in other charities of a similar size. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 30% for any additional responsibilities. If recruitment has proven difficult in the recent past, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

Risk management

The Directors have overall responsibility for establishing and maintaining The Key's risk management policy and for reviewing its effectiveness. Strategic risk assessment is carried out by the Finance and Risk Sub-Committee of the Board on all activities to ensure all major risks to which the charity is exposed have been considered as well as the overall impact they would have on the organisation. These risks are varied and cover areas including health and safety, client safeguarding, event management, fundraising, compliance, relationship management and, more recently, the COVID-19 pandemic.

Risk management is carried out by developing approaches to mitigate each risk identified in the assessment, which are monitored at regular intervals. Procedures are then established to manage these risks. A system of internal controls and compliance has been designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. These are recorded monthly by the executive team and are discussed at bi-monthly Finance and Risk Sub-Committee Meetings. If required, issues are tabled at full Board meetings for further debate or decision.

A key element in the management of financial risk is the distribution of clear and transparent monthly management accounts and cash flow forecasts to the Directors and executive team; this is in addition to the monthly production of our strategic objective reports.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Statement of Directors Responsibilities

The Directors (who are also trustees of the Keyfund Federation Limited for the purposes of charity law) are responsible for preparing the Directors' 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 Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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 operation.

The Directors 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.

So far as each of the Directors is aware at the time the report is approved:

- there is no relevant information of which the charitable company's independent examiners are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiners are aware of that information.

Independent Examiners

A resolution proposing that Robson Laidler be appointed as independent examiners of the charitable company will be put to the Annual General Meeting.

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

This report was approved by the Directors on 24 October 2024 and signed on its behalf, by:

E Watchorn

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Liz Watchorn
Chair

Keyfund Federation Limited
(A company limited by guarantee)

Independent Examiners Report to the members of Keyfund Federation Limited
For the year ended 31 March 2024

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 March 2024 which are set out on pages 18 to 31.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

C. Henderson

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Craig Henderson FCCA
Evelyn Partners (Newcastle) Limited
17 Queens Lane
Newcastle upon Tyne
NE1 1RN
24 October 2024

Keyfund Federation Limited
(A company limited by guarantee)

Statement of Financial Activities (incorporating the income and expenditure account)
For the year ended 31 March 2024

	Notes	Restricted Funds £	Unrestricted Funds £	Designated Funds £	Total 2024 £	Total 2023 £
Income from:						
Donations	4	-	6,769	-	6,769	4,626
Charitable activities	5	373,466	115,022	63,250	551,738	474,084
Investment income	6	-	1,445	-	1,445	899
Total income		373,466	123,236	63,250	559,952	479,609
Expenditure on:						
Charitable activities	7	299,541	81,466	20,399	401,406	387,224
Total expenditure		299,541	81,466	20,399	401,406	387,224
Net income before transfers		73,925	41,770	42,851	158,546	92,385
Transfers		(15,892)	-	15,892	-	-
Net movement in funds		58,033	41,770	58,743	158,546	92,385
Reconciliation of funds						
Total funds brought forward		149,018	189,454	147,891	486,363	393,978
Total funds carried forward		207,051	231,224	206,634	644,909	486,363

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

Keyfund Federation Limited
(A company limited by guarantee)

Balance Sheet
As at 31 March 2024

	Notes	2024	2023
		£	£
Fixed assets:			
Tangible assets	11	187	1,934
		187	1,934
Current assets:			
Debtors	12	65,551	10,752
Cash at bank and in hand		610,900	495,387
		676,451	506,139
Liabilities:			
Creditors: amounts falling due within one year	13	(31,729)	(21,710)
Net current assets		644,722	484,429
Net assets		644,909	486,363
The funds of the charity:			
Unrestricted funds		231,224	189,454
Designated funds		206,634	147,891
		437,858	337,345
Restricted funds		207,051	149,018
	14	644,909	486,363

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

Approved by the Directors on 24 October 2024 and signed on their behalf by:

E Watchorn

.....
Liz Watchorn
Chair
Company Number: 3339120

The notes on pages 20 to 31 form part of these financial statements.

1. Accounting Policies

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Funds

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for a particular purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

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

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted when incurred.

Investment income relates to interest earned through holding assets on deposit.

1.5 Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.6 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

1.7 Intangible fixed assets and amortisation

Intangible assets represent the operating system used by the company and an online manual for licences.

These are amortised over the expected useful life of the assets on the following basis:

Operating system	-	3 years straight line
Online manual	-	2 years straight line

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

1.8 Tangible fixed assets *(Continued)*

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Office equipment	-	10% straight line
Computer equipment	-	33% straight line

All assets costing more than £500 are capitalised.

1.9 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.

1.10 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.

1.11 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 after allowing for any trade discounts due.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

The charitable company contributes to a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the Statement of Financial Activities.

1.14 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2. Legal status

Keyfund Federation Limited is a company limited by guarantee, registered in England and Wales, (number 03339120) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Statement of Financial Activities for the prior year

	Notes	Restricted Funds £	Unrestricted Funds £	Designated Funds £	Total 2023 £	Total 2022 £
Income from:						
Donations	4	-	4,626	-	4,626	13,081
Charitable activities	5	272,450	130,679	70,955	474,084	413,909
Investment income	6	-	899	-	899	-
Total income		272,450	136,204	70,955	479,609	426,990
Expenditure on:						
Charitable activities	7	253,991	66,559	66,674	387,224	553,932
Total expenditure		253,991	66,559	66,674	387,224	553,932
Net income before transfers		18,459	69,645	4,281	92,385	(126,942)
Transfers		240	(27,740)	27,500	-	-
Net movement in funds		18,699	41,905	31,781	92,385	(126,942)
Reconciliation of funds						
Total funds brought forward		130,319	147,549	116,110	393,978	520,920
Total funds carried forward		149,018	189,454	147,891	486,363	393,978

4. Income from donations

	2024	2023
	£	£
Donations	6,769	4,626
	6,769	4,626

The Trust benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

5. Income from charitable activities

	2024	2023
	£	£
Grants receivable	525,508	441,324
Membership income	26,230	32,760
	551,738	474,084

6. Investment Income

	2024	2023
	£	£
Interest receivable	1,445	899

7. Analysis of expenditure on charitable activities

	2024	2023
	£	£
Staff costs	152,810	185,590
Depreciation and impairment	1,747	1,344
Direct project costs	114,083	80,5667
Staff related costs	12,512	2,132
Travel expenses	2,592	1,913
Property costs	18,125	13,098
Office costs	7,834	2,899
IT costs	13,731	14,598
Advertising and PR	7,257	18,326
Legal and professional	55,068	34,807
Bank charges	1,670	636
	387,429	355,910
Support costs	7,356	22,246
Governance costs	6,621	9,068
	401,406	387,224
Analysis by fund		
Unrestricted funds - general	81,466	66,559
Unrestricted funds – designated	20,399	66,674
Restricted funds	299,541	253,991
	401,406	387,224

8. Analysis of support costs

	Support Costs	Governance Costs	2024 Total	Support Costs	Governance Costs	2023 Total
	£	£	£	£	£	£
Staff costs	7,356	-	7,356	22,246	-	22,246
Examination and audit fees	-	5,220	5,220	-	5,220	5,220
Meeting costs	-	1,401	1,401	-	3,848	3,848
	7,356	6,621	13,977	22,246	9,068	31,314

9. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024	2023
	£	£
Wages and salaries	139,375	180,684
Social security costs	8,967	14,927
Other pension costs	10,279	10,680
	158,621	206,291

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2024 Number	2024 FTE	2023 Number	2023 FTE
Charitable activities	5	5	6	6

There was no (2023: £nil) employee who earned more than £60,000.

The charity trustees were not paid or received any other benefits from employment in the year (2023 – £nil) neither were they reimbursed expenses during the year (2023 - £ nil).

The key management personnel of the charity comprise the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were £36,778 (2023 - £66,411).

10. Intangible fixed assets

	Operating System & On-line Manual £
Cost	
At 1 April 2023 and 31 March 2024	6,120
Amortisation	
At 1 April 2023 and 31 March 2024	6,120
Net book value	
At 31 March 2024	-
At 31 March 2023	-

11. Tangible fixed assets

	Furniture Fittings & Equipment £
Cost	
At 1 April 2023	24,621
Additions	-
At 31 March 2024	24,621
Depreciation	
At 1 April 2023	23,090
Charge for the year	1,344
At 31 March 2024	24,434
Net book value	
At 31 March 2024	187
At 31 March 2023	1,934

12. Debtors

	2024	2023
	£	£
Trade debtors	3,247	2,600
Prepayments and other debtors	62,304	8,152
	65,551	10,752

13. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	2,764	9,037
Social security costs	638	3,954
Accruals and deferred income	14,161	6,765
Other creditors	14,166	1,954
	31,729	21,710

14. Fund reconciliation

Year ended 31 March 2024

	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Unrestricted funds					
General funds	189,454	123,236	(81,466)	-	231,224
Designated funds					
Project funds	93,111	63,250	(20,301)	-	136,060
Keyfunds	27,280	-	(98)	-	27,182
KIT IT Implementation	27,500	-	-	(27,500)	-
Business development	-	-	-	43,392	43,392
Total unrestricted funds	337,345	186,486	(101,865)	15,892	437,858
Restricted funds					
Key funds	100,324	80,154	(73,369)	(20,892)	86,217
Project funds (previously core funds)	48,694	293,312	(226,172)	5,000	120,834
Total restricted funds	149,018	373,466	(299,541)	(15,892)	207,051
Total funds	486,363	559,952	(401,406)	-	644,909

Included in the above funds are amounts that need to be separately disclosed relating to funds received from Virgin Money Foundation;

	Brought Forward	Income	Expenditure	Transfers	Carried Forward
Key funds	941	-	-	(941)	-

14. Fund reconciliation *(Continued)*

Year ended 31 March 2023

	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Unrestricted funds					
General funds	147,549	136,204	(66,559)	(27,740)	189,454
Designated funds					
Project funds	96,535	63,250	(66,674)	-	93,111
Keyfunds	19,575	7,705	-	-	27,280
KIT IT Implementation	-	-	-	27,500	27,500
Total unrestricted funds	263,659	207,159	(133,233)	(240)	337,345
Restricted funds					
Key funds	72,860	111,940	(84,716)	240	100,324
Project funds (previously core funds)	57,459	160,510	(169,275)	-	48,694
Total restricted funds	130,319	272,450	(253,991)	240	149,018
Total funds	393,978	479,609	(387,224)	-	486,363

Included in the above funds are amounts that need to be separately disclosed relating to funds received from Virgin Money Foundation;

	Brought Forward	Income	Expenditure	Transfers	Carried Forward
Key funds	1,662	-	(721)	(941)	-

Key funds
Represent funds received for distribution to groups of young people in order to implement the Key projects they have planned by participating in The Key Framework.

Project funds (previously Core funds)
Represents funds received to support delivery of The Key Framework to young people.

KIT IT Implementation
During the prior year, the Directors designated £27,500 of reserves for the continuing implementation and development of The Key's new digital platform which underpins delivery of KEY+ throughout the region. The Directors were instead able to secure additional funding for this project and therefore the amount was transferred back to general unrestricted reserves.

Business Development

We will embark on a two-year development programme that will explore and support the areas that we are looking to grow and expand.

15. Pension

Defined contribution pension

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £10,279 (2023 - £10,680).

16. Related party transactions

There have been no transactions incurred with related parties during the period (2023 – none).

KEYFUND FEDERATION LIMITED

England & Wales - Charity number 1093569

Accounts

Company number: 03339120 (England and Wales)
Charity number: 1093569

Keyfund Federation Limited

(A company limited by guarantee)

Directors Report and Financial Statements
For the year ended 31 March 2023

Keyfund Federation Limited
(A company limited by guarantee)

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For the year ended 31 March 2023

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Keyfund Federation Limited
(A company limited by guarantee)

Welcome from the Chair and Chief Executive
For the year ended 31 March 2023

Welcome to The Key's Annual Report and Audited Accounts for 2022-23

On the 4th of July 2023, we held our annual awards evening to celebrate the achievements of young people involved with The Key during the 2022-23 financial year that we are reporting on. Young people dominated the evening, and so they should, with some of them working closely with us to plan, host, and present the awards. Many others were there as part of groups nominated for the brilliant efforts and projects that they delivered by taking part in the KEY+ Challenge. And of course, some were there as award winners – receiving recognition for what they had achieved, in front of more people than we've ever had before.

For us, the Awards night is that time of the year where The Key's mission to create a world where all young people are inspired to believe in themselves and achieve their potential is at its most visible. We're here to support young people to believe in their ideas and discover what they are capable of. Attending an evening where so much of this is evident is a significant reminder of what young people can do when provided with and respond to high-quality opportunities and youth work.

The need for this type of provision remains as stark as ever. Taking part in the KEY+ Challenge empowers young people to use their voices, participate in activities, develop their skills and become more involved in their communities. Here in the North East, the most recent child poverty figures leave no doubt about the numbers of young people who face additional barriers and whose needs are still yet to be met by the current provision offered, which means the risk of getting stuck is too high.

In 2022/23, The Key did a lot of thinking about where we fit in the changing youth services ecosystem. We knew we needed to rethink how The Key works more effectively with partners who want to work with us to provide the right opportunities for the young people who need them.

We focused on refreshing our proven programme, now known as the KEY+ Challenge. We built a new digital platform to underpin our work with young people and retrained all our delivery partners to use it alongside the KEY+ Challenge. In addition, we also built a new website to tell our stories more effectively.

While all that development work took place, we continued to build back up the number of young people participating in KEY+. These numbers have been rising ever since COVID-19 and its associated periods of lockdown. Alongside this, we began to work on generating income by applying for funds in closer partnership with the organisations we knew could reach the young people we most wanted to provide opportunities to.

All of these achievements took place against the backdrop of common challenges facing the charitable sector. We searched for ways to mitigate cost pressures and reduced the size of our team to operate in the most streamlined way possible. On two occasions, we tried unsuccessfully to recruit new staff, challenging the existing team, volunteers and associates, but who responded to the situation with commitment, flexibility and hard work.

The income generation climate remains a challenging one. We focused on carefully selecting opportunities and started exploring more partnership funding opportunities with organisations we knew could work with us to provide KEY+ opportunities for the young people who need it most.

Careful management of costs and persistent fundraising meant that The Key finished the year on an even balance, working with more young people than the previous year and with a sense of momentum as much of our development work began to bear fruit.

Keyfund Federation Limited
(A company limited by guarantee)

Welcome from the Chair and Chief Executive
For the year ended 31 March 2023

The work done in the last two years to launch KEY+, develop the new digital platform, and build a new website to tell the best stories are an essential foundation for our next steps. We are now well positioned to offer KEY+ as an excellent way to play a significant role in the government's National Youth Guarantee, which envisages young people will have access to regular out-of-school activities, development of skills, and opportunities to volunteer.

We're grateful for our funders' support and flexibility, which has been excellent throughout the year. We were delighted to welcome Vardy Foundation, Wellbank Foundation, Postcode Neighbourhood Trust, The National Lottery Community Fund, William Leech Charity, #iwill Fund, and Bernicia Foundation, amongst others, as new funders during the year. We were also thrilled to receive support again from those who have previously funded The Key, including Paul Hamlyn Foundation, Sir James Knott Trust, County Durham Community Foundation, Garfield Weston Foundation, the Wellesley Trust, CABWI and more.

Our diverse and talented Board of Trustees worked similarly hard throughout the year to provide invaluable support to the team. As ever, The Key offers a profound thank you to all our supporters, volunteers, and employees, without whom the achievements in this report would not have been possible.

Liz Watchorn, Chair

Richard Haigh, CEO

Reference and administrative details of the charity, its directors and advisers

Charity Number	1093569
Company Number	03339120
Registered Office	Mea House Ellison Place Newcastle upon Tyne NE1 8XS

Directors

Elizabeth Watchorn	(Chair)
Lieutenant General Robin Brims	(Vice Chair)
Julian Thomas	
Leigh Thompson	
Emma Richards	
Mary Youngs	
Terence Burke	
Chris Alete	

Key management

Company Secretary & Chief Executive Officer	Richard Haigh
Independent Examiners	Haines Watts 17 Queens Lane Newcastle upon Tyne NE1 1RN
Bankers	Co-operative Bank Plc PO Box 101 1 Balloon Street Manchester M60 4EP

The Directors submit their annual report and the unaudited financial statements of the Keyfund Federation Limited (The Key) (the company) for the year ended 31 March 2023 which are also prepared to meet the requirements for the directors report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Our values

The golden thread that weaves through our vision, mission and values is that **everything we do is for the benefit of young people – especially those facing challenging circumstances.**

FOCUS: *Keeping sight of the goal*

We make informed decisions. We set targets and work towards milestones, and we deal with things at the right time. We work in a positive way, and we are true to our roots. We are driven to succeed.
We believe that, as a result, we will achieve our mission.

COLLABORATION: *Working together to achieve common objectives*

We act with integrity and seek to understand others. We share information transparently, communicate well and treat everyone with respect. We value everyone's contribution, and we trust and can be trusted.
We believe that, as a result, we will achieve more together than by acting alone.

GROWTH: *Constantly striving to be the best we can be*

We are resilient. We encourage constructive feedback, we are actively curious and questioning, and we are adaptable to change. We nurture others.
We believe that, as a result, we will maximise our impact.

What is KEY+ Challenge?

The KEY+ challenge to young people is simple, but highly effective. Young people work together in small teams with the help of a trained Key Facilitator to:

- **use their voices** and be heard
- **lead and deliver projects** and activities which are meaningful to them
- **build skills and confidence** throughout
- **Become active citizens** by exploring enterprise or tackling social issues

To take on the challenge young people form a group and progress through a five-step process:

- **think** of a project or activity that they want to make happen
- **plan** how they will make it happen and what is needed, including a budget
- **pitch** their project to a panel of volunteers
- **do** their project if given the go ahead by the panel
- **review** and reflect on their project and development of skills and confidence

Young people complete this process up to three times, each time planning more progressively challenging projects with greater personal development. Delivering their first KEY+ project is a great achievement for young people. They get to grips with the KEY+ five-steps and deliver their first pitch to panel. At Stage two, young people are stretched further and enhance their skills by planning a project with a larger budget. At Stage 3, they explore enterprise or social action with their project, providing a way to take action and contribute to their communities.

Once young people have completed the KEY+ challenge we aim to support their continued growth through bespoke opportunities, work experience or volunteering.

Participation in KEY+ provides young people with the opportunity to discover their passions, talents and realise what they are capable of. It's a way to cement positive connections with peers. In short it promotes friendship and purpose – which we believe are needed more than ever for young people today.

As well as the young people who take the KEY+ challenge members of the wider community also benefit as a direct result of the projects that young people plan for the benefit of the wider community.

Our work during 2022/23

Our three-year strategy outlines five strategic priorities. Progress towards those priorities during year 2 of the strategy is outlined on the following pages.

Strategic priority 1: Deliver the KEY+ Challenge to young people across the North East region

The KEY+ Challenge ensures young people are:

- Empowered to **use their voice** and be heard
- Trusted to **lead and deliver projects** and activities that are meaningful to them
- Supported to **build the skills and confidence** they need to thrive
- Inspired to **become active citizens** by exploring enterprise or tackling social issues

We seek to measure the impact of KEY+ under three headings:

Reach
The first heading focuses on how many young people we worked with and how many projects they dreamt up and delivered.

In 2022/23, we've reached more individual young people than we aimed to. We've increased the number of groups who took on the KEY+ Challenge and the number of micro-grants distributed to young people to carry out their plans compared to the previous year as we continue to build back after COVID-19.

During 2022/23, 886 different young people engaged in at least one stage of the KEY+ Challenge (up from 788 young people the year before)

Those young people embarked on 220 projects (an increase on 190 projects in 2021/22). The Key raised and distributed £85,357 for the projects that young people pitched to panels (an increase on the £67,000 which funded projects the previous year).

Examples of inspiring activities generated by young people this year included:

- **Wilfies Warriors** took on the KEY+ Challenge to make entering care more personalised and less daunting. Working from their own experiences, these young women created care packages for children and young people entering care to comfort them on their first night in new surroundings.
- **The Lionesses** transformed throughout the KEY+ Challenge and became young entrepreneurs. Together they battled many personal challenges but managed to launch their mini candle business using recycled jars and materials.
- **Community Hope** completed all three stages of the KEY+ Challenge and made a community impact with each of their projects. These young people from South Tyneside even put on a three-course Christmas Dinner for people struggling with financial issues or social isolation in their local. They ran a gift donation drive and brought everyone together on Christmas Day. They even wrote and performed their own Geordie Nativity.
- **One for All** used their KEY+ Project to raise awareness of their experiences as young refugees living in County Durham. Together, they worked with a songwriter and created a moving song and music video to illustrate what life is like and the challenges they have faced.

Impact
The second heading we use focuses on what difference going through the KEY+ Challenge made for young people and their wider communities.

Firstly, young people's lives were enriched by being involved in KEY+ and delivering activities of their own design. At a time when increasing numbers of young people reported loneliness, 886 different young people took the chance to come together with friends through KEY+ and lead and deliver a hugely diverse range of trips, activities, and social action projects. In doing so, they used their voices and developed their purpose. At the end of that process, 94% of those young people reported increased confidence.

Our data indicates that a cycle of KEY+ means young people score an average improvement of 25% against the 12 KEY+ Skills. Those skills include agreeing on responsibilities, searching for information, communicating, making decisions, problem-solving, and coping with stress.

Our delivery partner organisations provided information with young people indicating that over 15,000 different people in communities benefitted from projects and activities dreamt up and delivered by young people through planning and putting events on such as a free haunted house Halloween party for young people, a Winter Extravaganza for families struggling in the cost-of-living crisis and a trip away for young mums to reduce social isolation and build friendships with those in similar situations.

Over the last couple of years, we have deliberately focused on increasing the proportions of groups progressing through one or more stages to experience an even greater development journey. We were pleased that in 2023/23 that nearly 35% of all groups were stage two or above.

Quality

As well as monitoring who we work with and what difference KEY+ makes, we also strive to monitor how well The Key is operating as we support a wide range of organisations across the North East to provide the KEY+ Challenge to young people they engage with.

Nearly nine out of ten organisations who pledged to work with The Key used the KEY+ Challenge with a group of young people at least once this year, which compares with closer to five out of ten the year before. This was a deliberate effort in 2022/23 to move towards a more focused active set of delivery partners rather than potentially larger but inactive numbers. This meant that over 72 organisations ran at least one KEY+ Challenge with young people compared to 53 last year, further evidence that our efforts to ensure that what we do meets the needs of organisations were successful.

Strategic priority 2: Increase the number of under-served young people using The Key

Our evidence suggests that nearly 80% of the young people undertaking the KEY+ Challenge face additional barriers or are living in situations of disadvantage. In 2022/23, we focused on two specific areas to learn whether KEY+ could work well for young people experiencing disadvantages and barriers.

The first of those was employability. KEY+ Employability builds on the potential that KEY+ can be used to engage those not in employment, education, or training and who require support and upskilling around work readiness. We started a pilot for KEY+ Employability, whereby stage three included an option to focus on enterprise activity.

We utilised support and funding from CABWI specifically for this purpose. Three partners (Bilton Hall, Groundwork Northeast and Gateshead Learning and Skills) committed to working with us to focus on supporting young people not in education, employment, or training (NEET) through KEY+.

Through working with our partners, we have embarked on trialling the use of KEY+ Employability with young people not in education, employment, or training. Multiple groups of young people have completed all stages of the KEY+ Challenge, developing their employability skills and applying them to an enterprising activity. The individuals have seen the benefit of using KEY+ in this way, reporting growth in confidence and some even making all critical transitions into further opportunities, such as employment and training.

The second focus group throughout the year was to build on our solid background of working with organisations that ensure young people with a disability can experience the KEY+ Challenge. All Ability KEY+ developed from the growing number of partners using KEY+ with young people with disabilities and additional needs. The initiative responded to partner feedback that KEY+ is valuable to use with young people but that they often had to make adaptations throughout the programme. This continues to be challenging work due to the breadth and range of disabilities, and learning needs young people accessing KEY+ face.

This year we have engaged partners and young people in sharing their ideas of how KEY+ could be made more accessible for those with disabilities and additional needs, which revealed some interesting insights into how, through several improvements, KEY+ can provide even more significant benefits to those affected. Our team continues working with partners and those with expertise to develop these adaptations and incorporate this learning.

We also made a concerted effort to ensure young people seeking asylum were offered the KEY+ opportunity. During the year, we began working with NEST (North East Solidarity and Teaching) to see how effectively using KEY+ can be utilised with these groups.

Strategic priority 3: Build more funded partnerships with delivery partner organisations

Post COVID-19, we are developing a way for The Key to continue to source the funding for young people's activities whilst also supporting delivery partners to access running costs to open their doors and work with young people. During the year, this approach to generating income began to show potential, and we secured funded arrangements with seven different organisations. We didn't reach our target for this stream in 2022/23, but we did apply successfully to Reaching Communities and some smaller funds. Critically this work set us up to submit a major bid to the National Citizenship Service, with nearly 20 organisations pledging to carry out the KEY+ Challenge with 80 groups per year. A decision on this bid is due in July 2023.

Strategic priority 4: Increase demand for and use of the KEY+ Challenge

We worked hard throughout 2022/23 to continue to learn and test how the KEY+ Challenge can best fit into the ecosystem of services and establishments for young people. We realised that we needed to refocus on the core thing that we do. We focused on the fact that the primary reason both young people and delivery partners will want to use our programme is because it's an excellent experience for young people, which plays a material part in helping them to have a positive progression journey, both as a group and as an individual. All development and work must flow from focusing on creating a high-quality youth process that answers what society, young people and our delivery partners need.

For example, many organisations told us they want to use The Key's programme with young people but were struggling to obtain the running costs needed to open their doors or to have enough staff to allow for dedicated group work.

We also focused on learning why some young people and organisations carried out one stage of KEY+ and then stopped without progressing to a second stage. Taking part in one stage has good value in and of its own right, but other groups went through all three stages, which offered a greater progression journey.

We have developed several tools to motivate delivery partners, such as partner touchpoints designed to reach out to those whose activity levels have dipped, impact reports and opportunities to gather feedback throughout the year.

Our data focusing on reach, impact, and quality suggests changes we made to KEY+ were right, as evidenced by the levels of young people, active organisations, and projects completed steadily increasing year after year after COVID-19.

Within the North East, we have focused on using the launch of the refreshed KEY+ programme to generate increased use. We are seeking to build closer partnerships with organisations that can work to use KEY+ at scale, where delivering it reaches particularly marginalised groups or where delivery shows the potential for clear learning.

Strategic priority 5: Develop, launch and continually improve the KEY+ Challenge

During 2022/23, the team worked hard with young people to redesign the previous Key Framework and relaunch it as the KEY+ Challenge. KEY+ is simpler and clearer. It also allows young people to play a more significant role in entering their data via their devices and engaging with their growth. We re-engineered the pitch to panel experience to ensure it provided a real challenge to young people, and we started to work on providing young people greater recognition and evidence for their achievements.

2022/23 was the year when we launched KEY+ alongside a new digital platform. This meant retraining nearly 100 organisations so they could all be transferred from the previous digital platform, which was no longer fit for purpose, to the new one launched in May 2022.

The third and vital development during the year was building a new website to tell the stories of young people's achievements. We know that those stories, alongside our analytics data, help us demonstrate impact and learn, as well as provide ideas and inspiration for other young people and organisations to use KEY+.

Strategic enablers: the things we know are central to reaching our goals

Putting young people at the centre of what we do

The KEY+ Awards held in July 2023 celebrated the achievements of the 2022/23 financial year. We had more attendees than ever before, with over 200 in attendance. The young people themselves dominated the whole evening – both as planners, performers, event hosts, award presenters and receivers of awards in six categories celebrating their brilliant projects and endeavours. Our youth voice group were instrumental in supporting us to make the night the success that it was.

Our youth voice and influence work with young people now has three strands.

a) Development of a youth voice and influence group. This group will take on 'task and finish' projects as designed by themselves or as offered by The Key.

b) Increasing the involvement of young people as panel members themselves and at the Board level. During the year, we began to explore offering members of the youth participation group the opportunity to engage with our board, either through participating in board meetings or by producing feedback and insight into issues that are important to them.

c) Develop new streams of work with young people in addition to KEY+ delivery. This year this has included working with Ratio to apply for funding to pilot their Voice, Choice and Action work with young people from Newcastle College.

Our Staff and Volunteers

The team went through a reduction in size following our case for change process at the start of 2022/23. Our capacity was then further reduced by needing to carry two vacancies when two staff moved to roles elsewhere, and like other charities, we experienced difficulties in recruiting replacements.

The team's commitment, flexibility, and resilience in the face of this and other uncertainties was excellent. We responded to the challenges by creative and carefully monitored deployment of freelance support (which we receive a ring-fenced annual amount for as part of our Paul Hamlyn Foundation funding). Due to this, we both realised our goals for the year and made some significant savings leading to a solid financial position at the end of the year. However, as the year ended and we secured some considerable investment, we know we need to recruit to increase our capacity to reach our goals for 2023/24. Our staff currently commit to a hybrid model – ensuring that 60% of the time is spent collaborating in the office or at events – with flexibility on where they work for the remaining 40%.

The Key is reliant upon the help of our network of volunteers to deliver KEY+ to young people. Nearly 30 volunteers trained during the year, meaning that we can staff the panels that young people were pitching their ideas to, and those community panel members remain an essential part of our ability to run the KEY+ Challenge.

We want to take this opportunity to thank all of our volunteers for their loyalty and dedication and hope that they continue to support us in 2023-24.

The Key's income streams are divided into:

a) **Key Funds** – representing funds received for distribution to groups of young people, in order to implement the Key projects, they have planned by participating in KEY+
b) **Project Funds (Core Income)** – representing funds received to support delivery of KEY+ to young people

This income will be allocated to unrestricted, restricted or designated funds as appropriate during the year.

We have worked hard to fundraise throughout the year and are pleased that were able to attract £103,573 of Key Funds against a target of £105k and £374,986 of core funding against a target of £370k.

During the year we have minimised costs where possible and our staff team has also reduced, through natural progression, so our total expenditure of £387,224 is 30% lower than the prior year. This has enabled us to report net income for the year of £92,385 compared to a prior year net expense of £126,943.

We started the year with unrestricted funds of £147,549 and the aim of building these reserves into the equivalent of 6 months of core operating costs. We will end the year with £189,454, which represents a little over 6 months, please see our reserves policy for further information.

We continue to strive for diversity in our income streams and to strengthen our financial resilience and have implemented a five-year business plan in order to try and realise this aim. This business plan recognises seven distinct income streams and work has commenced against each of those.

We were delighted to welcome Vardy Foundation, The National Lottery Community Fund, Wellbank Foundation, Bernicia Foundation, The Wellesley Trust and Squires Foundation as new funders during the year. We were also thrilled to receive support once again from funders who previously supported us including County Durham Community Foundation, St James's Place Foundation, Sir James Knott Trust, 29th May 1961 Charity, and more.

Reserves policy

Our reserves are an integral part of the Key's strategic planning process. Our reserves policy is reviewed by the Directors annually and amended as necessary.

During the year, the Directors have designated £27,500 of reserves for the continuing implementation and development of The Key's new digital platform which underpins delivery of KEY+ throughout the region.

The Directors have considered the current reserves policy and the level of unrestricted reserves within the organisation.

They have decided that it is appropriate to maintain the unrestricted reserves at a level representing a buffer to cover six months costs commitments that would have to be paid in the event of a business wind up at any given time. At 31 March 2023 there were unrestricted reserves of £189,454 which represents 6.8 months.

Plans for the Future

What we are planning to do in 2023-24

Our current strategy is based on three themes: People, Partners, Product. Within those themes we have identified five strategic priorities we are focusing on across the three-year period. In addition, we have also identified seven enablers that we know are critical to achieving our strategy.

Themes	Strategic priorities	**Annual objectives for 2023-24**
People	1. Deliver The KEY+ Challenge to young people across the NE region	1.1. **REACH** as many young people as we can with the KEY+ offer. 1.2. Achieve the most **IMPACT** we can with the KEY+ Challenge. 1.3. Deliver the KEY+ Challenge in the highest **QUALITY** way.
	2. Increase the numbers of underserved young people using KEY+	2.1. Establish delivery in two new areas with high deprivation rates where we do not currently have any KEY+ activity. 2.2. Develop a shortlist of five organisations currently focusing on work with underserved young people and work with them to deliver KEY+.

Themes	Strategic priorities	Annual objectives for 2023-24
Partners	3. Build more funded partnerships with delivery partner organisations	3.1. Build on 2022/23 template and establish more KEY+ activity through funded partnerships. 3.2. Develop and refine a unit costing model for consistent use in funded partnerships.
	4. Increase demand and usage from delivery partners	4.1. Identify five KEY+ priority partners then work more closely with them to increase delivery (priority either because they work with under-served young people or can deliver at volume).
Product	5. Develop, launch and continually refine KEY+	5.1. Review alternatives to the 12 skills model 5.2. Refine KEY+ so that it can be used outside the North East by individual organisations. 5.3. All young people to receive personalised evidence of achievement.

Young People

Many of the young people who take the KEY+ challenge will come from disadvantaged and diverse backgrounds. We'll be helping to see KEY+ used where it is needed most. We'll continue to focus on young people where employability is an issue, or where young people are experiencing additional barriers to realising their potential because of a disability.

Those young people will have a genuine voice to steer resources towards the activities and projects that they want to see happen. This will give them real agency to influence their experiences.

They'll be involved in enriching activities that happen due to their ideas and the work they have put in using the 12 Key Skills as they go.

For the first time young people will interact directly with The Key's new digital platform by entering their own information and assessments onto the digital skills wheels. This will help them to reflect with their groups about how they are developing and what skills they are using.

A higher proportion of groups will use KEY+ for more than one stage and for activities that benefit others in the community, providing a real sense of achievement for young people and meaning members of the community benefit from their actions.

We will also be working to specific objectives for our enabler areas which we have identified as follows:
E1. Be a 'learning organisation
E2. Fully embrace our digital potential
E3. Ensure that young people have voice and influence
E4. Actively work towards equity, equality, diversity and inclusion
E5. Develop a strong team of staff and volunteers
E6. Generate the income needed to achieve our strategic aims
E7. Effective marketing to achieve our strategic aims

People

We'll be working across the North East with a renewed focus in areas where deprivation and poverty are prevalent, where young people face additional barriers, and where levels of KEY+ activity are low. From street-level youth nights to Colleges, KEY+ will be an excellent way to reach all kinds of young people facing diverse challenges in different environments.

We'll explore whether KEY+ has the potential to work outside of the North East and whether we can meet the needs of young people elsewhere. This will involve solving two practical barriers – identifying funding bodies in those areas and finding a viable way to establish and maintain volunteers for panels wherever organisations use KEY+.

Our work throughout the year will create a rich variety of stories which will continue to evidence that when young people are given the right platform, we can provide them with opportunities outside of formal education that help them to understand that they are someone, that they can make things happen, and that they have the potential to do more.

Partners

Our partners who help to deliver the KEY+ Challenge to young people will complete their first full year of providing the refreshed KEY+ and using our new digital platform. The Key will focus on partners who are most active and working with the young people we are most focused on.

Those partners will value The Key as we work increasingly closely with them, attending sessions with their young people and providing support, ideas and inspiration wherever possible.

We'll build on our understanding of the youth ecosystem by applying for funding in partnership with delivery partners who will commit to being funded to deliver KEY+ specific sessions to young people. This involves continuing to work more intentionally with organisations who are working with the underserved young people we want to prioritise.

Product

KEY+ will continue its development as a highly valued programme that can be used by any organisation, at any scale across the area we operate in the North East. We'll focus specifically on how we prompt young people to think about what skills they use during a KEY+ Challenge, and we'll incorporate this learning to make changes to the KEY+ tools if needed. We'll also get stronger at providing young people with better evidence of their achievements by participating in a KEY+ Challenge so that they have something more tangible to use as they continue their journeys.

The KEY+ digital platform will be valued by partners, easy to use, and capable of producing rich, consistent data to learn from even though KEY+ is used in diverse environments with a wide variety of young people.

By the end of 2023/24, KEY+ will increasingly be recognised as an excellent kitemark for organisations who want to evidence high-quality skills development work with young people to enable voice, activities, skills development and community involvement.

Enablers

We will have successfully recruited to build our capacity and deliver a strong year of KEY+ activity. As an organisation, we'll embody what The Key sets out to do by providing opportunities within our organisation for young people who have been through KEY+ to volunteer, be employed by, and shape what The Key does in new and creative ways.

The Key's role involves being a highly effective distribution vehicle for funders who want to facilitate the 'four pillars' (voice, activities, skills, community) in the most accessible way to diverse young people and organisations. We will have identified funders both within the North East and nationally who are interested in how they can use KEY+ to fund a network of high-quality youth experiences. We'll continue to develop links with the North of Tyne Combined Authority and have positioned ourselves well to take advantage of opportunities that may arise from the forthcoming North East Combined Authority.

In summary, we'll continue our journey to excel at our four main functions:
a) Providing the KEY+ Challenge to empower young people to use their voices, lead activities, develop skills and confidence and become active in their communities.
b) Supplying the training, support and inspiration to enable organisations to run high-quality KEY+ Challenge sessions with young people.
c) Supporting volunteers to provide high-quality panels for young people to pitch their ideas to.
d) Sourcing and linking funders with groups of young people to provide them with the resources needed to carry out their ideas.

Financial Targets

Our primary financial aim is to generate sufficient Core and Key Funds to deliver against our strategic priorities for the year. Beyond this, our budget for 2023/24 aims to turnover £456,646 with a combined Core and Key expenditure of £447,465. This is made up of £342,646 Core Funds and £114,000 Key Funds.

Structure, Governance and Management

Constitution

The company is a charitable company limited by guarantee and was set up by its Memorandum and Articles of Association on 25 March 1997.

The company's constitution is dated 25 March 1997 as amended by Special Resolution dated 10 October 2020 and is a registered charity (number 1093569).

Recruitment and appointment of Directors

Our diverse and talented Board of Trustees continued to provide invaluable support to the CEO and staff team. Their unique blend of enthusiasm, specialist expertise and local knowledge has added significant value to our work. During the course of 2022-23, Andrew Silver retired from the Board, much of which was spent as our Chair. We would like to thank Andrew for his unwavering commitment to The Key and we wish him all the best for his future endeavours. We were pleased to welcome Liz Watchorn, an existing Director into the role of Chair of Trustees. Liz brings a wealth of experience and skills to the role, and a strong commitment to our values and cause.

The Trustees, who are also the directors under Company Law, are responsible for the management and administration of the charitable company.

The current Directors were recruited and appointed by an open and efficient process managed by the Directors using the network of public, private and voluntary sector organisations that are involved or aligned to the work of The Key.

The Board met on six occasions during 2021-22. A Finance and Risk Sub-Group have also met on six occasions during 2021-22. Currently the Board is well balanced and includes expertise from the private, public and third sectors.

The Board of Directors were appointed using a skills audit. The areas of expertise covered between them are:

- Financial management, budget management, chartered accountancy
- Strategic planning, change management and project management
- Youth policy, voluntary youth work, statutory youth provision
- Sales, marketing, PR and communications
- Corporate social responsibility
- Human resources, equality and diversity, policies and procedures and recruitment
- Learning and skills development
- High growth in small to medium enterprises

The Directors consider that they have complied with their duty to have due regard to public benefit guidance published by the Charity Commission.

Our organisational structure consists of a core team of 6 staff working under the guidance of our CEO. Further work is provided by a small team of freelance staff as and when it is needed. KEY+ is delivered both directly by Key employees and indirectly by trained and supported Key Facilitators who link to our delivery partners. In 2022-23 we had delivery partners in all local authority areas across the North East.

Each delivery partner pays a small annual organisational membership fee designed to confirm commitment. All delivery partners are DBS checked and all operate under the policies, procedures and insurances of their employing / supporting Member organisation.

Our Key Facilitators range from youth work professionals, community volunteers, youth offending team staff, detached youth workers, care workers, uniformed group leaders and learning mentors, to name but a few. Our networks also contain individuals who volunteer to become Community Panel Members. These individuals volunteer directly for The Key and are trained for the role of hearing from young people about their KEY+ ideas.

Related party relationships

The Key works with a diverse range of organisations as members, to support young people across the region. Each either employs or supports a small team of Key Facilitators. These organisations include: youth work / detached work projects, schools, alternative education providers, youth justice programmes, democracy projects, church groups, BME groups, sports groups, voluntary groups, guides/scouts, mental health projects, secure units, training organisations, FE colleges, health groups and social housing providers. Each organisation is supported in their day to day activity by The Key.

Grant making trusts and foundations again provided much needed support with core funds by investing in building the capacity of the staff team and the longer-term viability of the organisation. Such investors included Garfield Weston Foundation, Paul Hamlyn Foundation, Tyne and Wear Community Foundation, The National Lottery Community Fund, Sir James Knott Trust and more.

The Key continues to work with private sector partners and their foundations too. Our partners have supported us with our core work. We are delighted to be working once again with St James's Place, Bernicia and CABWI.

Pay policy of senior staff

The Board of Directors (who are The Key's trustees and the Chief Executive) comprise the key management personnel of the charity in charge of controlling, running and operating The Key on a day-to-day basis. All directors give their time freely. Details of directors' expenses and related party transactions are disclosed in the notes to the financial statements.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the directors benchmark against pay levels in other charities of a similar size. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 30% for any additional responsibilities. If recruitment has proven difficult in the recent past, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

Risk management

The Directors have overall responsibility for establishing and maintaining The Key's risk management policy and for reviewing its effectiveness. Strategic risk assessment is carried out by the Finance and Risk Sub-Committee of the Board on all activities to ensure all major risks to which the charity is exposed have been considered as well as the overall impact they would have on the organisation. These risks are varied and cover areas including health and safety, client safeguarding, event management, fundraising, compliance, relationship management and, more recently, the COVID-19 pandemic.

Risk management is carried out by developing approaches to mitigate each risk identified in the assessment, which are monitored at regular intervals. Procedures are then established to manage these risks. A system of internal controls and compliance has been designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. These are recorded monthly by the executive team and are discussed at bi-monthly Finance and Risk Sub-Committee Meetings. If required, issues are tabled at full Board meetings for further debate or decision.

A key element in the management of financial risk is the distribution of clear and transparent monthly management accounts and cash flow forecasts to the Directors and executive team; this is in addition to the monthly production of our strategic objective reports.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Statement of Directors Responsibilities

The Directors (who are also trustees of the Keyfund Federation Limited for the purposes of charity law) are responsible for preparing the Directors' 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 Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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 operation.

The Directors 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.

So far as each of the Directors is aware at the time the report is approved:

- there is no relevant information of which the charitable company's independent examiners are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant information and to establish that the independent examiners are aware of that information.

Independent Examiners

A resolution proposing that Haines Watts be reappointed as independent examiners of the charitable company will be put to the Annual General Meeting.

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

This report was approved by the Directors on 21st September 2023 and signed on its behalf, by:

E. Watchorn

Liz Watchorn
Chair

Keyfund Federation Limited
(A company limited by guarantee)

Independent Examiners Report to the members of Keyfund Federation Limited
For the year ended 31 March 2023

I report to the charity trustees on my examination of the accounts of the charitable company for the year ended 31 March 2023 which are set out on pages 19 to 33.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

C Henderson

.....

Craig Henderson ACCA
Haines Watts Newcastle

15 November 2023

.....

Date

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Keyfund Federation Limited
(A company limited by guarantee)

Statement of Financial Activities (incorporating the income and expenditure account)
For the year ended 31 March 2023

	Notes	Restricted Funds £	Unrestricted Funds £	Designated Funds £	Total 2023 £	Total 2022 £
Income from:						
Donations	4	-	4,626	-	4,626	13,081
Charitable activities	5	272,450	130,679	70,955	474,084	413,909
Investment income	6	-	899	-	899	-
Total income		272,450	136,204	70,955	479,609	426,990
Expenditure on:						
Charitable activities	7	253,991	66,559	66,674	387,224	553,932
Total expenditure		253,991	66,559	66,674	387,224	553,932
Net income before transfers		18,459	69,645	4,281	92,385	(126,942)
Transfers		240	(27,740)	27,500	-	-
Net movement in funds		18,699	41,905	31,781	92,385	(126,942)
Reconciliation of funds						
Total funds brought forward		130,319	147,549	116,110	393,978	520,920
Total funds carried forward		149,018	189,454	147,891	486,363	393,978

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

Keyfund Federation Limited
(A company limited by guarantee)

Balance Sheet
As at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets:			
Tangible assets	11	1,934	3,277
Current assets:			
Debtors	12	10,752	14,368
Cash at bank and in hand		495,387	404,685
		506,139	419,053
Liabilities:			
Creditors: amounts falling due within one year	13	(21,710)	(28,352)
Net current assets		484,429	390,701
Net assets		486,363	393,978
The funds of the charity:			
Unrestricted funds		189,454	147,549
Designated funds		147,891	116,110
		337,345	263,659
Restricted funds		149,018	130,319
	14	486,363	393,978

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

Approved by the Directors on 21st September 2023 and signed on their behalf by:

.....

Chris Alete
Treasurer

Company Number: 3339120

The notes on pages 22 to 33 form part of these financial statements.

Keyfund Federation Limited
(A company limited by guarantee)

Statement of Cash Flows
Year ended 31 March 2023

	Notes	2023 £	2022 £
Net cash flow from operating activities:			
Net cash provided by / (used in) operating activities	17	89,803	(128,698)
Cash flows from investing activities			
Investment income received		899	-
Purchase of tangible fixed assets		-	(2,327)
Net cash (used in) investing activities		899	(2,327)
Change in cash and cash equivalents in the reporting period		90,702	(131,025)
Cash and cash equivalents at the beginning of the year		404,685	535,710
Cash and cash equivalents at the end of the year		495,387	404,685
Cash and cash equivalents consist of:			
Cash at bank and in hand		495,387	404,685

1. Accounting Policies

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Funds

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for a particular purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

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

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted when incurred.

Investment income relates to interest earned through holding assets on deposit.

1.5 Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.6 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

1.7 Intangible fixed assets and amortisation

Intangible assets represent the operating system used by the company and an online manual for licences.

These are amortised over the expected useful life of the assets on the following basis:

Operating system	-	3 years straight line
Online manual	-	2 years straight line

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

1.8 Tangible fixed assets *(Continued)*

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Office equipment	-	10% straight line
Computer equipment	-	33% straight line

All assets costing more than £500 are capitalised.

1.9 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.

1.10 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.

1.11 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 after allowing for any trade discounts due.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

The charitable company contributes to a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the Statement of Financial Activities.

1.14 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2. Legal status

Keyfund Federation Limited is a company limited by guarantee, registered in England and Wales, (number 03339120) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Statement of Financial Activities for the prior year

	Notes	Restricted Funds £	Unrestricted Funds £	Designated Funds £	Total 2022 £
Income from:					
Donations	4	-	13,081	-	13,081
Charitable activities	5	175,532	147,877	90,500	413,909
Investment income	6	-	-	-	-
Total income		175,532	160,958	90,500	426,990
Expenditure on:					
Charitable activities	7	216,044	155,427	182,461	553,932
Total expenditure		216,044	155,427	182,461	553,932
Net income before transfers		(40,512)	5,531	(91,961)	(126,942)
Transfers		-	-	-	-
Net movement in funds		(40,512)	5,531	(91,961)	(126,942)
Reconciliation of funds					
Total funds brought forward		170,831	142,018	208,071	520,920
Total funds carried forward		130,319	147,549	116,110	393,978

4. Income from donations

	2023	2022
	£	£
Donations	4,626	13,081
	4,626	13,081

The Trust benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

5. Income from charitable activities

	2023	2022
	£	£
Grants receivable	441,324	386,417
Membership income	32,760	27,492
	474,084	413,909

6. Investment Income

	2023	2022
	£	£
Interest receivable	899	-

7. Analysis of expenditure on charitable activities

	2023	2022
	£	£
Staff costs	185,590	276,762
Depreciation and impairment	1,344	1,561
Direct project costs	80,567	75,288
Staff related costs	2,132	6,681
Travel expenses	1,913	2,921
Property costs	13,098	23,042
Office costs	2,899	2,676
IT costs	14,598	9,187
Advertising and PR	18,326	11,958
Legal and professional	34,807	103,672
Bank charges	636	638
	355,910	514,386
Share of support costs	22,246	32,235
Share of governance costs	9,068	7,311
	387,224	553,932
Analysis by fund		
Unrestricted funds - general	66,559	155,427
Unrestricted funds – designated	66,674	182,461
Restricted funds	253,991	216,044
	387,224	553,932

8. Analysis of support costs

	Support Costs	Governance Costs	2023 Total	Support Costs	Governance Costs	2022 Total
	£	£	£	£	£	£
Staff costs	22,246	-	22,246	42,608	-	42,608
Examination and audit fees	-	5,220	5,220	-	5,740	5,740
Meeting costs	-	3,848	3,848	-	1,571	1,571
	22,246	9,068	31,314	42,608	7,311	49,919

Governance costs includes payments to the auditors of £5,220 (2022 - £5,740) for the examination (2022: audit) of these financial statements.

9. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023	2022
	£	£
Wages and salaries	180,684	269,993
Social security costs	14,927	22,248
Other pension costs	10,680	16,756
	206,291	308,997

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2023 Number	2023 FTE	2022 Number	2022 FTE
Charitable activities	5	5	10	10

There was 0 (2022: 1) employee who earned more than £60,000.

The charity trustees were not paid or received any other benefits from employment in the year (2022 – £) neither were they reimbursed expenses during the year (2022 - £ nil).

The key management personnel of the charity comprise the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were £66,411 (2022 - £70,956).

Staffing reductions at the yearend were due to a planned restructure, completion of a digital project, and two staff vacancies which The Key were seeking to fill.

10. Intangible fixed assets

	Operating System & On-line Manual £
Cost	
At 1 April 2022 and 31 March 2023	6,120
Amortisation	
At 1 April 2022 and 31 March 2023	6,120
Net book value	
At 31 March 2023	-
At 31 March 2022	-

11. Tangible fixed assets

	Furniture Fittings & Equipment £
Cost	
At 1 April 2022	24,621
Additions	-
At 31 March 2023	24,621
Depreciation	
At 1 April 2022	21,344
Charge for the year	1,344
At 31 March 2023	23,090
Net book value	
At 31 March 2023	1,934
At 31 March 2022	3,277

12. Debtors

	2023	2022
	£	£
Trade debtors	2,600	-
Prepayments and other debtors	8,152	14,368
	10,752	14,368

13. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	9,037	7,308
Social security costs	3,954	8,802
Accruals and deferred income	6,765	12,242
Other creditors	1,954	-
	21,710	28,352

14. Fund reconciliation

Year ended 31 March 2023

	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Unrestricted funds					
General funds	147,549	136,204	(66,559)	(27,740)	189,454
Designated funds					
Project funds	96,535	63,250	(66,674)	-	93,111
Keyfunds	19,575	7,705	-	-	27,280
KIT IT Implementation	-	-	-	27,500	27,500
Total unrestricted funds	263,659	207,159	(133,233)	(240)	337,345
Restricted funds					
Key funds	72,860	111,940	(84,716)	240	100,324
Project funds (previously core funds)	57,459	160,510	(169,275)	-	48,694
Total restricted funds	130,319	272,450	(253,991)	240	149,018
Total funds	393,978	479,609	(387,224)	-	486,363

Included in the above funds are amounts that need to be separately disclosed relating to funds received from Virgin Money Foundation;

	Brought Forward	Income	Expenditure	Transfers	Carried Forward
Key funds	1,662	-	(721)	-	941

14. Fund reconciliation *(Continued)*

Year ended 31 March 2022

	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Unrestricted funds					
General funds	142,018	160,958	(155,427)	-	147,549
Designated funds					
Project funds	188,321	90,500	(182,286)	-	96,535
Keyfunds	19,750	-	(175)		19,575
Total unrestricted funds	350,089	251,458	(337,888)	-	263,659
Restricted funds					
Key funds	80,230	59,500	(66,870)	-	72,860
Project funds (previously core funds)	90,601	116,032	(149,174)	-	57,459
Total restricted funds	170,831	175,532	(216,044)	-	130,319
Total funds	520,920	426,990	(553,932)	-	393,978

Included in the above funds are amounts that need to be separately disclosed relating to funds received from Virgin Money Foundation;

	Brought Forward	Income	Expenditure	Transfers	Carried Forward
Key funds	14,414	-	(12,752)	-	1,662
Project funds	6,474	-	(6,474)	-	-

Key funds
Represent funds received for distribution to groups of young people in order to implement the Key projects they have planned by participating in The Key Framework.

Project funds (previously Core funds)
Represents funds received to support delivery of The Key Framework to young people.

KIT IT Implementation
During the year, the Directors have designated £27,500 of reserves for the continuing implementation and development of The Key's new digital platform which underpins delivery of KEY+ throughout the region.

15. Pension

Defined contribution pension
The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £10,680 (2022 - £16,756).

There was no liability due to the pension provider at the 31 March 2023 (2022 – £nil).

16. Related party transactions

There have been no transactions incurred with related parties during the period (2022 – none).

17. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2023	2022
	£	£
Net (expenditure)/ income for the year	92,385	(126,942)
Investment income	(899)	-
Depreciation of tangible fixed assets	1,343	1,561
Decrease/(increase) in debtors	3,616	(9,977)
(Decease)/Increase in creditors	(6,642)	6,660
Net cash flow from operating activities	89,803	(128,698)

KEYFUND FEDERATION LIMITED

England & Wales - Charity number 1093569

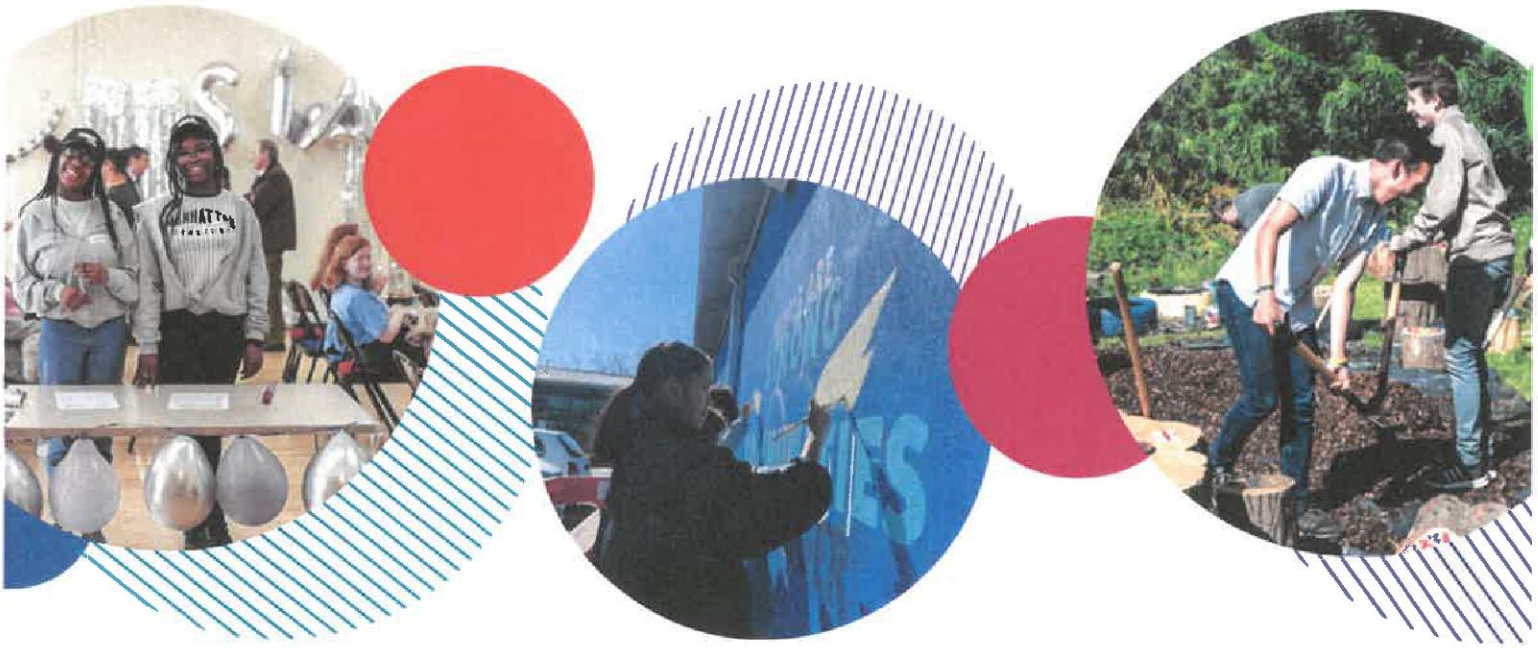
Accounts

Company number: 03339120 (England and Wales)
Charity number: 1093569

The Key – Inspiring belief in young people

Keyfund Federation Limited
(A company limited by guarantee)

Directors Report and Financial Statements
For the year ended 31 March 2022



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Keyfund Federation Limited
(A company limited by guarantee)

Welcome from the Chair and Chief Executive
For the year ended 31 March 2022

Welcome to The Key's Annual Report and Audited Accounts for 2021-22

Thirty years ago The Key begun it's journey as an organisation which wanted to create a world where all young people are inspired to believe in themselves and are empowered to achieve their potential. Our mission is to support young people to believe in their ideas and discover what they are capable of.

Today The Key has a network of over 100 partner organisations and a track record of using an established programme which has constantly evolved with a good reputation for continuing innovation. Over the last ten years the organisation has empowered over 20,000 young people to deliver 6,000 projects with over 26,500 instances of young people completing the challenge. Over £1.6 million pounds have been distributed for the projects and activities that young people chose and carried out.

Today the need for what The Key does continues to be evident, with recent research underlining that the pandemic has exacerbated the problems that The Key seeks to address, for example:

- Too many young people feel they have a lack of purpose, or they don't have access to do the things they want to do
- Restrictions and disruptions have increased young people's experience of loneliness leading to a lack of connection with 50% saying their mental health has worsened during COVID
- Over a third of young people feel powerless to change their future. A quarter don't feel confident about their work prospects, with one in five scared their skills are no longer useful
- 58% feel they are "more motivated than ever" to create change yet 31% think that their opinions on issues don't matter

Sources: (The Time's Running out report by YMCA and NYA - Sept 2021 and The Princes Trust Youth Index 2021)

Of course, the last two years have brought challenges for The Key, as they have for almost all charities in different ways. Generating income for the service we provide remains challenging, meaning we have needed to be careful to monitor and adapt our plans accordingly to ensure a year of robust delivery underpinned by sound financial management. We worked hard to build back the active network of delivery partners who support young people to access the opportunities and development that The Key provides. Evidence of our progress was clear at our most recent Annual Awards Night where we saw over 175 people – many of them young people – come together to celebrate their inspirational work.

In our first full year of our current three-year strategy we made real progress to refresh our framework into what we are now calling the KEY+ Challenge, and to provide a new digital platform. Together these initiatives will refresh and increase the quality of the experience that both young people and our delivery partners have. Most importantly – these changes are intended to both increase the impact of The Key's work, and increase our ability and therefore our delivery partners to show the impact of that work. By the end of 2021/22 after much hard work we were ready to launch KEY+ meaning 2022/23 will be the year we can begin to learn about how it improves what we do.

Keyfund Federation Limited
(A company limited by guarantee)

Welcome from the Chair and Chief Executive
For the year ended 31 March 2022

Volunteers will remain critical to the successful operation of KEY+ as it is launched in May 2022. We were thrilled to make progress with our aim of training more young people to continue their journey with The Key by training as volunteers who could themselves sit on panels to hear ideas from other young people. By the end of 2021/22 we had over 20 young people trained and available to sit on our panels.

Having put so much work into developing KEY+ in 2022/23 we will focus on reaching as many young people facing additional challenges as we possibly can. We'll work to ensure our delivery partners can maximise the impact that taking the KEY+ challenge has on young people. We plan to invoke the pioneering spirit of how The Key started thirty years ago to create some time to go back to our 'why'. As was the case back then – we'll work with young people, organisations who deliver, and academics to think about what else The Key can provide to respond to what young people need in the face of all the challenges, changes, and uncertainties that face them in 2022.

We're grateful for the support and flexibility from our funders which has been excellent throughout the year. We were delighted to welcome Durham Freemasons, The Swire Charitable Trust, Riddell Family First Fund, Sir Tom Cowie Fund, DWF Foundation, Sir John Priestman Foundation, and the Youth Investment Fund as new funders during the year. We were also thrilled to once again receive support from funders who we have received funding from previously including Paul Hamlyn Foundation, Esmée Fairbairn Foundation, The 29th May 1961 Charitable Trust, 1989 Willan Charitable Trust, Sir James Knott Trust and St James's Place Foundation.

Our diverse and talented Board of Trustees continue to provide invaluable support to the CEO and staff team, and as ever, The Key offers a profound thank you to all our supporters without whom the achievements in this report would simply not have been possible. Throughout 2022/23 and beyond, we will strive to do the best we can for both.

Andrew Silver, Chair

Richard Haigh, CEO

Reference and administrative details of the charity, its directors and advisers

Charity Number	1093569	
Company Number	03339120	
Registered Office	Mea House Ellison Place Newcastle upon Tyne NE1 8XS	
Directors	Andrew Silver	(Chair)
	Lieutenant General Robin Brims	(Vice Chair)
	Julian Thomas	
	Leigh Thompson	
	Emma Richards	
	Mary Youngs	
	Elizabeth Watchorn	
	Terence Burke	
	Lisa Eaton	(Retired 14th February 2022)
	Chris Alete	(Appointed 23rd September 2021)
Key management Company Secretary & Chief Executive Officer	Richard Haigh	
Auditors	Haines Watts 17 Queens Lane Newcastle upon Tyne NE1 1RN	
Bankers	Co-operative Bank Plc PO Box 101 1 Balloon Street Manchester M60 4EP	

The Directors submit their annual report and the audited financial statements of The Keyfund Federation Limited (The Key) (the company) for the year ended 31 March 2022 which are also prepared to meet the requirements for the directors report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Our values

The golden thread that weaves through our vision, mission and values is that everything we do is for the benefit of young people – especially those facing challenging circumstances.

FOCUS: Keeping sight of the goal

We make informed decisions. We set targets and work towards milestones, and we deal with things at the right time. We work in a positive way, and we are true to our roots. We are driven to succeed.

We believe that, as a result, we will achieve our mission.

COLLABORATION: Working together to achieve common objectives

We act with integrity and seek to understand others. We share information transparently, communicate well and treat everyone with respect. We value everyone's contribution, and we trust and can be trusted.

We believe that, as a result, we will achieve more together than by acting alone.

GROWTH: Constantly striving to be the best we can be

We are resilient. We encourage constructive feedback, we are actively curious and questioning, and we are adaptable to change. We nurture others.

We believe that, as a result, we will maximise our impact.

What is KEY+?

The KEY+ challenge to young people is simple, but highly effective. Young people work together in small teams with the help of a trained Key Facilitator to:

- use their voices and be heard
- lead and deliver the activities which are meaningful to them
- build skills and confidence throughout
- increase their community involvement through enterprise or social action

To take on the challenge young people form a group and progress through a five-step process:

- think – of an idea or activity they really want to make happen
- plan - how they are going to make it work - including making a budget
- pitch - to an external panel of friendly 'dragons den' volunteers
- do – the activity or project they have planned
- review – how things went and what skills they have used to realise their goal

Young people can go through three progressively challenging cycles of the above process:

- Stage one: Kickstart skills – young people plan their first activity, get used to the KEY+ process, and make their first pitch to a panel
- Stage two: Exceed expectations - young people are challenged to deliver a more stretching activity or project with a higher budget
- Stage three: Youth impact – young people complete the KEY+ challenge by delivering a project involving either social action or entrepreneurial activity

Once young people have completed the KEY+ challenge they are supported to continue their growth with The Key through bespoke opportunities, work experience or volunteering.

Participation in KEY+ provides young people with the opportunity to discover their passions, talents and realise what they are capable of. It's a way to cement positive connections with peers. In short it promotes friendship and purpose – which we believe are needed more than ever for young people today.

As well as the young people who take the KEY+ challenge members of the wider community also benefit as a direct result of participating in the projects that young people plan.

Our three-year strategy outlines five strategic priorities. Progress towards those priorities is outlined on the following pages.

Strategic priority 1: Achieve the best outcomes/impact with young people

We seek to measure the impact of KEY+ in several ways. At the start and en d of each stage of KEY+ young people fill out a skills wheel helping them to focus on what skills they are using as they follow the five steps to turn their idea into reality. The data we collect indicates that a cycle of KEY+ means young people score an average improvement of 25% against the 12 Key Skills. Those skills include agreeing responsibilities, searching for information, communication, making decisions, and coping with stress. In 412 cases, young people indicated an increase in confidence and made an identifiable step forwards in their lives thanks to their participation.

As well as skills development, involvement in enriching experiences with peers continues to be central to providing young people with the opportunities they need to thrive, and an important part of Covid recovery. In 2021/22 we were delighted to see young people use KEY+ to instigate 266 projects and activities. It is those stories which most clearly illustrate the real magic of what young people using KEY+ can achieve. Examples of inspiring activity generated by young people this year included:

- **STAND4:** A group used their voices to tackle social issues that were important to them by launching their own community podcast with The Key. STAND4 built many skills as they navigated how to run a podcast, book well known podcast guests, communicate their views and promote their series.
- **SEA Squad:** Building on their own experiences, this group of young people decided to tackle bullying in schools across Gateshead by contacting and working with local primary schools. SEA Squad launched an anti-bullying poster campaign before picking three winning designs to be professionally printed and distributed to schools across the region.
- **Anime Noodle Adventurers:** This group transformed their local library into an anime cosplay adventure to combat teen loneliness and bring like-minded young people together in a safe zone. It was the first event of its kind to take place in the area and helped the young people in attendance immensely.
- **Train Station Mural:** Thanks to an opportunity from LNER, The Key empowered young people from Cheesy Waffles Project to create a largescale mural showcasing everything they love about Durham and its heritage. The mural now covers the waiting room in Platform 2 as a permanent feature and is impressive.

We celebrated the above stories and many more at our most recent Awards Evening held in June 2022. Young people were central to the event – both presenting and receiving all of the awards and it was brilliant to see this event happen face to face for the first time since covid. Over 175 people attended an inspiring evening held at the Crowne Plaza hotel in Newcastle.

Our KEY+ challenge provides clear benefits for young people, but also for the recipients of the social action projects that young people made happen in 2021/22. Based on information and feedback received over 16,997 different people in communities benefitted from projects and activities dreamt up and delivered by young people.

Throughout the year we deliberately focused on trying to increase the proportions of groups progressing through one or more stages to experience a greater development journey. We were pleased to achieve a 10% increase in the proportion of groups progressing through to stage two or beyond and will continue to build on this work.

Strategic priority 2: Increasing the number of young people using The Key, including those who are currently under-served

We set targets in 2021/22 that reflected it was going to be a recovery year in terms of how many young people we could reach with the KEY+ challenge. The constraints imposed by Covid and what that meant for our delivery partners has been well documented. However gradually throughout the year restrictions were lifted and organisations began to work towards resumption of their services to groups of young people.

We recorded 1068 instances of young people registering to be in a KEY+ group which was very close to our target of 1200 for the year. By the end of the year 105 different organisations were registered to use KEY+, a level that was similar to before the pandemic began. Together those young people conceived of ideas and used their own voices to directly influence how over £67,000 of funding was used to fund their ideas and projects.

Strategic priority 3: Focus on three specific sectors adapting the KEY+ challenge to add greater value

In 2021/22 we identified disability and employability as the two areas of work where KEY+ could add value to support young people facing extra barriers. Work and funding has been secured to progress both of these strands.

KEY+ Employability builds on the potential that KEY+ has to be used as a route to engage those who are not in employment, education or training and who are in need of support and upskilling around work readiness. We started a pilot for KEY+ Employability whereby stage three included an option to focus on enterprise activity. This was a new development expanding the previous stage three criteria of social action.

All-Ability KEY+ is a result of the growing number of partners using KEY+ with young people with disabilities and additional needs. The initiative responded to partner feedback that KEY+ is valuable to use with their young people, but they were often having to make their own adaptations throughout the programme.

Successful funding applications have enabled us to collaborate with delivery partners to create All-Ability KEY+. This pilot will work with four delivery partners to review and adapt the KEY+ challenge to overcome some of the accessibility challenges in order to be truly inclusive. Early examples of possible adaptations include a simplified skills wheel, simplified evaluation, and awareness training for volunteers to conduct more inclusive panels.

Strategic priority 4: Collaborate with delivery partners from inside and outside of the North East

Several factors informed our strategic decision to retain a focus on the North East and to pause any plans to develop partners outside of the North East. We focused on re-establishing our operations within the region and focused efforts on a refresh of the programme and new digital platform. We took the view that we needed to put a pause on trying to work in other places before these systems have been tested in our existing area.

Within the North East we have focused on using the launch of the refreshed KEY+ programme as a way to generating increased use. We are seeking to build closer partnerships with organisations who can work to use KEY+ at scale, or where delivering it reaches particularly marginalised groups, or where delivery shows the potential for clear learning.

Strategic priority 5: Develop and launch a new delivery model for The Key Framework

Much of our focus in 2021/22 went into developing a refreshed version of our framework. We've called this KEY+ and focused on creating a more defined journey of skills development for young people in which they have a closer relationship to The Key.

We've reduced the stages from four to three and revamped the panel experience and pitch part of the five-step process. Training for both facilitators and panel members has been refreshed and video assets for young people have also been created to help guide them through their KEY+ journey.

We have also developed a new digital platform responding to feedback received with regard to our previous ageing platform. The most prominent feature of the new platform is a digitised skills wheel meaning for the first time young people can enter this data themselves via a much more interactive and visual process. All of this is designed to support how young people reflect on what skills they are using throughout the process.

All of our delivery partners are being transitioned onto the new system as they renew membership throughout the year.

Early feedback from partners about the refreshed model has been encouraging. The clear focus of this work must be on helping KEY+ to be a tool that can be used easily with a wide variety of delivery partners in a range of contexts, positioning it as an excellent asset to help young people develop.

Putting young people at the centre of what we do

Our youth engagement / youth voice plan continues to develop and has five strands:

a) Direct work with young people - we have continued sessions throughout the year with young people who are helped us to refine KEY+ resources. Young people from several of our delivery partners participated in systems testing workshops throughout the year to inform the design of our new digital platform

b) Young Community Panel Members – we now have seventeen young people trained to deliver and actively available and taking part in panels to hear the ideas of other groups of young people.

c) Kickstart Placement – we were able to host one apprentice as part of the Kickstart scheme throughout the year. This enriched the team and was a real success both for the individual and for The Key – however we were unable to secure a hoped for second placement. In common with other providers – the numbers of young people coming through this national scheme were lower than hoped.

d) Work Placement Opportunities – three university placement students completed their placement with us and finalised reports on progression through the stages and future thoughts for measuring the impact of The Key.

e) 'Well Done' Packs – regular visits were made throughout the year to recognise young people's achievements and encourage them to go further. This initiative also served to help all members of the team maintain contact with young people and how The Key was working out there in practice.

Our Staff and Volunteers

The development of the new KEY+ challenge, and the implementation of a new digital platform meant that the workplan of our Innovation and Growth team completed. On that basis our Director of Innovation and Growth (and previous CEO) Hannah Underwood followed through on her planned departure after a period of maternity leave.

In light of that work being completed The Key reviewed staffing structures and implemented a case for change which also aimed to achieve some efficiencies in the face of the challenging funding climate we experienced in 2021/22.

That case for change led to a more streamlined structure and reduced the size of the team by two. Alongside staffing turnover in two further posts this has meant a high level of change for the remaining team, and we have worked hard to support staff throughout these processes. Those staff have dealt with this constructively and are the foundation for moving forward as The Key continues to rebuild after Covid, and adapts to the changes in the youth sector.

Our Staff and Volunteers (Continued)

Like many organisations The Key continues to find the optimum way to achieve our aims whilst retaining learning from working in different ways during Covid. Our staff currently commit to a hybrid model – ensuring that 60% of time is spent collaborating in the office or at events – with a flexibility on where they work for the remaining 40% of their working time.

The Key is reliant upon the help of our network of volunteers to deliver KEY+ with young people. The Key offers a wide range of volunteering opportunities for both young people and adults, ranging from young people becoming actively involved in our recruitment process, or employees from corporate partners providing pro-bono professional support, to structured volunteering roles such as Key Facilitators and Community Panel Members. We would like to take this opportunity to thank all of our forty or so volunteers for their loyalty and dedication and hope that they continue to support us in 2022-23.

Financial Performance

The Directors submit their annual report and the audited financial statements of The Keyfund Federation Limited (The Key) (the company) for the year ended 31 March 2022 which are also prepared to meet the requirements for the directors report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

The Key's income streams are divided into:

a) Key Funds – representing funds received for distribution to groups of young people in order to implement the Key projects they have planned by participating in KEY+;
b) Project Funds (Core Income) – representing funds received to support delivery of KEY+ to young people.

The challenges of income generation were well documented throughout 2021/22. We achieved 75% of what we had set out to raise. Despite the challenging external environment, we were able to contribute £5,531 to our reserves at year-end and entered 2022-23 with a Project Funds balance of £301,543 and a Key Funds balance of £92,435.

We started 2021-22 with an opening restricted Key Funds balance of £80,230. Total incoming Key Funds for the year amounted to £59,500 (2020-21: £40,4k). The total Key Funds expended (including restricted and unrestricted Key Funds) was £66,870 (2020-21: £27,6k), leaving a total Key Fund balance to carry forward into 2022 of £72,860.

At the start of 2021-22 we had restricted Project Funds of £90,601 (2020-21: £103.2k). Total incoming restricted Project Funds for the year amounted to £116,032 (2020-21: £77.2k). The total restricted Project Funds expended was £149,174 (2020-21: £89.8k). £57,459 of restricted Project Funds was carried forward into 2022.

We started the year with £142,018 of unrestricted General Funds (i.e. reserves). The total incoming unrestricted General Funds for the year amounted to £160,958 (2020-21: £131.6k). The total unrestricted Core Funds expended was £155,427 (2020-21: £128k). £147,549 of unrestricted General Funds was carried forward into 2022.

We started the year with £188,321 of designated Project Funds. The total incoming designated project funds for the year amounted to £90,500 (2020-21: £234.8k). The total designated Project Funds expended was £182,286 (2020-21: £146k). £96,535 of designated Project Funds was carried forward into 2022.

We started the year with £19,750 of designated Key funds. The total incoming designated Key funds for the year was nil (2020-21: £20k). The total designated Key funds expended was £175 (2020-21: £250). £19,575 of designated Key funds was carried forward into 2022.

We raised £47,933 less core funds than budgeted during the year. The main areas of shortfall against the budget came from restricted grants. Core expenditure was less than budgeted by £104,285. The main areas of underspend include administration (£60.8k) and delivery (£20,880). Due to delays in our scaleup development work in building a new IT system, website and consultancy work we incurred less expenditure than anticipated.

Key Fund income raised was £5,250 less than budgeted during the year. We saw an underspend in Key Funds expenditure of £27,631 and we have an opening Key Funds balance for 2021-22 (£92,435) that represents almost eleven months of budgeted expenditure for the year.

We continue to strive for diversity in our income streams and to strengthen our financial resilience and have implemented a five-year business plan in order to try and realise this aim. This business plan recognises seven distinct income streams and work has commenced against each of those.

We were delighted to welcome Durham Freemasons, The Swire Charitable Trust, Riddell Family First Fund, Sir Tom Cowie Fund, DWF Foundation, Sir John Priestman Foundation, and the Youth Investment Fund as new funders during the year. We were also thrilled to once again receive support from funders who we have received funding from previously including Paul Hamlyn Foundation, Esmée Fairbairn Foundation, The 29th May 1961 Charitable Trust, 1989 Willan Charitable Trust, Sir James Knott Trust, St James's Place Foundation.

Reserves policy

A reserves policy was approved by the Directors in 2006-07 and implementation commenced in that year. The Directors have reviewed the policy, which is designed to create a buffer to cover six months cost commitments that would have to be paid in the event of business wind-up at any given time. At 31 March 2022 there were unrestricted reserves of £147,549, which represents 4.6 months of fixed costs.

Reserves are an integral part of The Key's strategic planning process, but we are also realistic about the difficulties of the current economic climate. It is therefore a focus of our 2022-23 income and expenditure budget to make a contribution of £10,679 in order to bring our reserves closer to the 6 months fixed costs level by year end.

Our plans for the future

What we are planning to do in 2022-23

Our current strategy is based on three themes: People, Partners, Product. Those themes devolve down into a set of five updated strategic priorities to cover the three-year period. In addition we have also identified six enablers that we know are critical to achieving our strategy.

People	1 Achieve the best outcomes / impact with young people 2 Increase the numbers of young people using KEY+ especially those who are currently under-served
Partners	3 Build more funded partnerships with organisations working with young people we want to reach 4 Increase demand and usage from delivery partners
Product	5 Develop, launch and continually refine Key+
Enablers	1 Be a 'learning organisation' 2 Fully embrace our digital potential 3 Ensure that young people have voice and influence 4 Actively work towards equity, equality, diversity and inclusion 5 Develop a strong team of staff and volunteers 6 Utilise marketing & income generation to achieve this plan

Annual objectives are set each year to further these strategic priorities. Our annual objectives for 2022-23 are as follows:

- Deliver the new KEY+ challenge to young people across the NE region
- Develop KEY+ with a focus on young people who are NEET or experiencing disability, and then identify and develop one further theme
- Change how we work with delivery partners to increase their use of KEY+
- Produce a learning report from the first full year of KEY+ delivery
- Transfer all delivery partners over to new digital platform and close the HUB
- Implement the new KEY+ digital platform, deal with year one issues that arise, and respond pro-actively to user feedback
- Develop The Key's voice and influence work by writing and implementing a new plan
- Develop and test our model for partnership funding
- Achieve income targets set out in The key's current business plan
- Design and launch a new website
- Implement and support staff to deliver tactical plan within new staffing structure
- Maintain and recruit active and engaged volunteers to service the KEY+ panel
- Implement Human Learning Systems learning cycles toolkit
- Review The Key's WHY HOW WHAT to inform future service development

Our strategy paints indicates what we want 2022-23's objectives and activity to contribute to:

Young People

Many of the young people who take the KEY+ challenge will come from disadvantaged and diverse backgrounds. We'll be helping to see KEY+ used where it is needed most. We'll continue to focus on young people where employability is an issue, or where young people are experiencing additional barriers to realising their potential because of a disability.

Those young people will have a genuine voice to steer resources towards the activities and projects that they want to see happen. This will give them real agency to influence their experiences.

They'll be involved in enriching activities that happen due to their ideas and the work they have put in using the 12 Key Skills as they go.

For the first time young people will interact directly with The Key's new digital platform by entering their own information and assessments onto the digital skills wheels. This will help them to reflect with their groups about how they are developing and what skills they are using.

A higher proportion of groups will use KEY+ for more than one stage and for activities that benefit others in the community, providing a real sense of achievement for young people and meaning members of the community benefit from their actions.

Delivery partners

The partners who help to deliver the KEY+ challenge to young people will have an increased sense of satisfaction. They'll transfer from our old digital platform to the new one which has just been launched. They'll need refresher training to use the new system but the time investment will be worth it due to not spending as much time on administration due to a more intuitive digital interface. They'll have better conversations with young people about their skills development.

Where it helps they'll work more closely with The Key, feeling supported and as valued partners to the continuing development of KEY+. We'll build on that understanding by making joint applications with them for funding where the partnerships match the right opportunities. This will support the organisations to deliver KEY+, provide the resources needed to support young people to carry out their ideas, and help The Key with our running costs.

Our 'product'

The progression route through the three stages of KEY+ will be clearer – more young people will want to go through all three stages. Panels will have more focus – with both young people and volunteers on the panel clear about what needs to happen at the pitch stage in order for young people to be awarded the resources to carry out their idea.

Our 'product' (Continued)

Our new digital platform will be welcomed by our delivery partners as they retrain and get up to speed with it. We'll deal with the inevitable year one bugs as they arise and keep user satisfaction levels high. They will value the fact that young people enter their own skills wheel data – and the ability to generate impact reports will underline the fact that by using the KEY+ challenge they are carrying out high quality work with young people.

In it's first full year we'll take a more structured approach to how we learn by adopting a learning cycles toolkit. We'll seek to learn about how we can drive greater impact through the use of KEY+

And...

We'll take time as an organisation to review our WHY, WHAT and HOW. We'll recognise the fast changing nature of the youth ecosystem, and the changes in what our delivery partners need, and what funders want to fund.

We'll explore whether or not we should start to think about new ways to help young people have a voice, enriching activities, skills development and a pathway to greater involvement in the community.

We'll make progress to build new types of partnerships, and to keep exploring where and how to use KEY+ to try and promote social mobility in the places where it is needed most. We'll work to position The Key will as a brilliant way to support different organisations in varied sectors to provide an accessible way for young people to create aspirations, unlock potential and build capabilities.

As an organisation we'll embody what The Key sets out to do by providing a pathway of opportunities within our own organisation for young people who have been through KEY+ to volunteer, be employed by, and shape what The Key does in new and creative ways

Financial Targets

Our primary financial aim is to generate sufficient core and key funds to deliver against our strategic priorities for the year. Beyond this our budget for 2022/23 will enable us to contribute £10,679 to our unrestricted general funds (i.e. reserves). This will bring our total reserves to £157,863, which represents 4.97 months of core operating costs. Our reserves policy has a target of reaching 6 months reserves, so we aim to close this gap over the coming years.

We plan to turnover £475,465 with a combined Core and Key Fund expenditure of £487,461. This is made up of £370,465 Core Funds (£202,862 of which is already guaranteed) and £105,000 Key Funds (of which £60k is already guaranteed). This leaves us with an in-year income generation target of £212,603, plus the targets we have set to build income for future years.

Structure, Governance and Management

Constitution

The company is a charitable company limited by guarantee and was set up by its Memorandum and Articles of Association on 25 March 1997.

The company's constitution is dated 25 March 1997 as amended by Special Resolution dated 10 October 2020 and is a registered charity (number 1093569).

Recruitment and appointment of Directors

Our diverse and talented Board of Trustees continued to provide invaluable support to the CEO staff team. Their unique blend of enthusiasm, specialist expertise and local knowledge has added significant value to our work. During the course of 2021-22 Lisa Eaton retired from the Board, and we would like to thank her for her strong commitment to The Key and wish her all the best for her future endeavours.

The Trustees, who are also the directors under Company Law, are responsible for the management and administration of the charitable company.

The current Directors were recruited and appointed by an open and efficient process managed by the Directors using the network of public, private and voluntary sector organisations that are involved or aligned to the work of The Key.

The Board met on six occasions during 2021-22. A Finance and Risk Sub-Group have also met on six occasions during 2021-22. Currently the Board is well balanced and includes expertise from the private, public and third sectors.

The Board of Directors were appointed using a skills audit. The areas of expertise covered between them are:

- Financial management, budget management, chartered accountancy
- Strategic planning, change management and project management
- Youth policy, voluntary youth work, statutory youth provision
- Sales, marketing, PR and communications
- Corporate social responsibility
- Human resources, equality and diversity, policies and procedures and recruitment
- Learning and skills development
- High growth in small to medium enterprises

The Directors consider that they have complied with their duty to have due regard to public benefit guidance published by the Charity Commission.

Our organisational structure consists of a core team of 6 staff working under the guidance of our CEO. Further work is provided by a small team of freelance staff as and when it is needed. KEY+ is delivered both directly by Key employees and indirectly by trained and supported Key Facilitators who link to our delivery partners. In 2021-22 we had delivery partners in all local authority areas across the North East.

Each delivery partner pays a small annual organisational membership fee designed to confirm commitment. All delivery partners are DBS checked and all operate under the policies, procedures and insurances of their employing / supporting Member organisation.

Our Key Facilitators range from youth work professionals, community volunteers, youth offending team staff, detached youth workers, care workers, uniformed group leaders and learning mentors, to name but a few. Our networks also contain hundreds of individuals who volunteer to become Community Panel Members. These individuals volunteer directly for The Key and are trained for the role. However, they are never in a situation where they are alone with young people

Related party relationships

The Key works with a diverse range of organisations as members, to support young people across the region. Each either employs or supports a small team of Key Facilitators. These organisations include: youth work / detached work projects, schools, alternative education providers, youth justice programmes, democracy projects, church groups, BME groups, sports groups, voluntary groups, guides/scouts, mental health projects, secure units, training organisations, FE colleges, health groups and social housing providers. Each organisation is supported in their day to day activity by The Key.

Grant making trusts and foundations again provided much needed support with core funds by investing in building the capacity of the staff team and the longer-term viability of the organisation. Such investors included Paul Hamlyn Foundation, Esmée Fairbairn Foundation, Dulverton Trust, Sir James Knott Trust, 29th May 1961 Charitable Trust, Swire Charitable Trust and the 1989 Willan Charitable Trust.

The Key continues to work a growing number of private sector partners and their foundations too. Our partners have supported us with our core work. We are delighted to be working once again with St James's Place, LNER, Bellway, Arnold Clark and CABWI.

Pay policy of senior staff

The directors consider the Board of Directors, who are The Key's trustees, and the Executive Team to comprise the key management personnel of the charity in charge of directing and controlling, running and operating The Key on a day-to-day basis. All directors give their time freely. Details of directors' expenses and related party transactions are disclosed in the notes to the financial statements.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the directors benchmark against pay levels in other charities of a similar size. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 30% for any additional responsibilities. If recruitment has proven difficult in the recent past, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

Risk management

The Directors have overall responsibility for establishing and maintaining The Key's risk management policy and for reviewing its effectiveness. Strategic risk assessment is carried out by the Finance and Risk Sub-Committee of the Board on all activities to ensure all major risks to which the charity is exposed have been considered as well as the overall impact they would have on the organisation. These risks are varied and cover areas including health and safety, client safeguarding, event management, fundraising, compliance, relationship management and, more recently, the COVID-19 pandemic.

Risk management is carried out by developing approaches to mitigate each risk identified in the assessment, which are monitored at regular intervals. Procedures are then established to manage these risks. A system of internal controls and compliance has been designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. These are recorded monthly by the executive team and are discussed at bi-monthly Finance and Risk Sub-Committee Meetings. If required, issues are tabled at full Board meetings for further debate or decision.

A key element in the management of financial risk is the distribution of clear and transparent monthly management accounts and cash flow forecasts to the Directors and executive team; this is in addition to the monthly production of our strategic objective reports.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Statement of Directors Responsibilities

The Directors (who are also trustees of The Keyfund Federation Limited for the purposes of charity law) are responsible for preparing the Directors' 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 Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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 operation.

The Directors 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.

So far as each of the Directors is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

A resolution proposing that Haines Watts be reappointed as auditors of the charitable company will be put to the Annual General Meeting.

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

This report was approved by the Directors on 21st September 2022 and signed on its behalf, by:

.....

Andrew Silver, Chair

Keyfund Federation Limited
(A company limited by guarantee)

Independent Auditors' Report to the members of Keyfund Federation Limited
For the year ended 31 March 2022

Opinion
We have audited the financial statements of Keyfund Federation Limited (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the 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. 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.

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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of our 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 directors' 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 directors' 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to both the charitable company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Charities Act 2011, the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

- making enquires of trustees and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- reviewing the minutes of meetings of those charged with governance;
- assessing the risk of management override including identifying and testing journal entries;
- confirmation received directly from the banks to verify the balance at 31 March 2022; and
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this 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.

Donna Bulmer BA (Hons) ACA (Senior Statutory Auditor)
For and on behalf of Haines Watts

23 September 2022

Statutory Auditors

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Keyfund Federation Limited
(A company limited by guarantee)

Statement of Financial Activities (incorporating the income and expenditure account)
For the year ended 31 March 2022

	Notes	Restricted Funds £	Unrestricted Funds £	Designated Funds £	Total 2022 £	Total 2021 £
Income from:						
Donations	4	-	13,081	-	13,081	11,302
Charitable activities	5	175,532	147,877	90,500	413,909	492,035
Investment income	6	-	-	-	-	806
Total income		175,532	160,958	90,500	426,990	504,143
Expenditure on:						
Charitable activities	7	216,044	155,427	182,461	553,932	391,945
Total expenditure		216,044	155,427	182,461	553,932	391,945
Net income before transfers		(40,512)	5,531	(91,961)	(126,942)	112,198
Transfers		-	-	-	-	-
Net movement in funds		(40,512)	5,531	(91,961)	(126,942)	112,198
Reconciliation of funds						
Total funds brought forward		170,831	142,018	208,071	520,920	408,722
Total funds carried forward		130,319	147,549	116,110	393,978	520,920

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

Keyfund Federation Limited
(A company limited by guarantee)

Balance Sheet
For the year ended 31 March 2022

	Notes	2022 £	2021 £
Fixed assets:			
Tangible assets	11	3,277	2,511
Current assets:			
Debtors	12	14,368	4,391
Cash at bank and in hand		404,685	535,710
		419,053	540,101
Liabilities:			
Creditors: amounts falling due within one year	13	(28,352)	(21,692)
Net current assets		390,701	518,409
Net assets		393,978	520,920
The funds of the charity:			
Unrestricted funds		147,549	142,018
Designated funds		116,110	208,071
		263,659	350,089
Restricted funds		130,319	170,831
	14	393,978	520,920

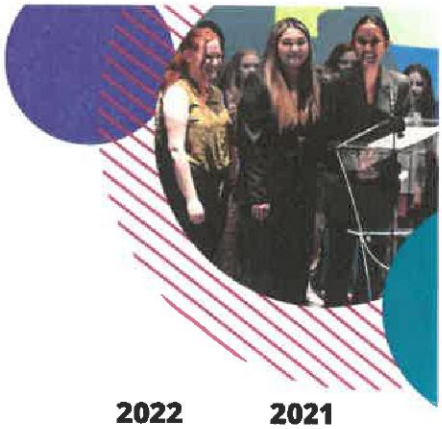
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Directors on 21st September 2022 and signed on their behalf by:

.....
Chris Alete
Treasurer

Company Number: 3339120

The notes on pages 26 to 37 form part of these financial statements.



Keyfund Federation Limited
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 March 2022

	Notes	2022 £	2021 £
Net cash flow from operating activities:			
Net cash (used in) / provided by operating activities	17	(128,698)	136,782
Cash flows from investing activities			
Investment income received		-	806
Purchase of tangible fixed assets		(2,327)	(2,918)
Net cash (used in) investing activities		(2,327)	(2,112)
Change in cash and cash equivalents in the reporting period		(131,025)	134,670
Cash and cash equivalents at the beginning of the year		535,710	401,040
Cash and cash equivalents at the end of the year		404,685	535,710
Cash and cash equivalents consist of:			
Cash at bank and in hand		404,685	535,710

1. Accounting Policies

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. 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) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared under the historical cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s). The financial statements are prepared in Sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

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

1.3 Funds

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the charitable company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for a particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

1.4 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Income from charitable activities includes income received under contract or where entitlement to grant funding is subject to specific performance conditions and is recognised as earned. Grant income included in this category provides funding to support performance activities and is recognised where there is entitlement, certainty of receipt and the amount can be measured with reasonable certainty. Income received to deliver services over a specific period covering more than one financial year is accounted for over the specific period; related expenditure is accounted when incurred.

Investment income relates to interest earned through holding assets on deposit.

1.5 Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.6 Support cost allocation

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

1.7 Intangible fixed assets and amortisation

Intangible assets represent the operating system used by the company and an online manual for licences.

These are amortised over the expected useful life of the assets on the following basis:

Operating system	-	3 years straight line
Online manual	-	2 years straight line

1.8 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

1.8 Tangible fixed assets (Continued)

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Office equipment	-	10% straight line
Computer equipment	-	33% straight line

All assets costing more than £500 are capitalised.

1.9 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.

1.10 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.

1.11 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 after allowing for any trade discounts due.

1.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

The charitable company contributes to a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the Statement of Financial Activities.

1.14 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

2. Legal status

Keyfund Federation Limited is a company limited by guarantee, registered in England and Wales, (number 03339120) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Statement of Financial Activities for the prior year

	Notes	Designated Funds £	Restricted Funds £	Unrestricted Funds £	Total 2021 £
Income from					
Donations	4	-	-	11,302	11,302
Charitable activities	5	254,800	117,735	119,500	492,035
Investment income	6	-	-	806	806
Total income		254,800	117,735	131,608	504,143
Expenditure on:					
Charitable activities	7	146,322	117,528	128,095	391,945
Total expenditure		146,322	117,528	128,095	391,945
Net movement in funds		108,478	207	3,513	112,198
Reconciliation of funds					
Total funds brought forward		99,593	170,624	138,505	408,722
Total funds carried forward		208,071	170,831	142,018	520,920

4. Income from donations

	2022 £	2021 £
Donations	13,081	11,302
	13,081	11,302

5. Income from charitable activities

	2022	2021
	£	£
Grants receivable	386,417	484,987
Membership income	27,492	6,924
Other income	-	124
	413,909	492,035

6. Income from charitable activities

	2022	2021
	£	£
Interest receivable	-	806

7. Analysis of expenditure on charitable activities

	2022 £	2021 £
Staff costs	276,762	219,269
Depreciation and impairment	1,561	407
Direct project costs	75,288	30,387
Staff related costs	6,681	17,004
Travel expenses	2,921	521
Property costs	23,042	17,132
Office costs	2,676	2,459
IT costs	9,187	10,165
Advertising and PR	11,958	808
Legal and professional	103,672	54,808
Bank charges	638	486
	514,386	353,446
Share of support costs	32,235	33,329
Share of governance costs	7,311	5,170
	553,932	391,945
Analysis by fund		
Unrestricted funds - general	155,427	128,095
Unrestricted funds – designated	182,461	146,322
Restricted funds	216,044	117,528
	553,932	391,945

8. Analysis of support costs

	Support Costs £	Governance Costs £	2022 Total £	Support Costs £	Governance Costs £	2021 Total £
Staff costs	42,608	-	42,608	33,329	-	33,329
Audit fees	-	5,740	5,740	-	4,608	4,608
Meeting costs	-	1,571	1,571	-	562	562
	42,608	7,311	49,919	33,329	5,170	38,499

Governance costs includes payments to the auditors of £5,740 (2021 - £4,608) for the audit of these financial statements.

9. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	269,993	220,770
Social security costs	22,248	16,508
Other pension costs	16,756	15,320
	308,997	252,598

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2022 Number	2022 FTE	2021 Number	2021 FTE
Charitable activities	10	10	9	9

There was 1 (2021: 1) employee who earned more than £60,000.

The charity trustees were not paid or received any other benefits from employment in the year (2021 – £) neither were they reimbursed expenses during the year (2021 - £ nil).

The key management personnel of the charity comprise the Chief Executive Officer. The total employee benefits of the key management personnel of the charity were £70,956 (2021 - £78,002).

10. Intangible fixed assets

	Operating System & On-line Manual £
Cost	
At 1 April 2021 and 31 March 2022	6,120
Amortisation	
At 1 April 2021 and 31 March 2022	6,120
Net book value	
At 31 March 2022	-
At 31 March 2021	-

11. Tangible fixed assets

	Furniture Fittings & Equipment £
Cost	
At 1 April 2021	22,294
Additions	2,327
At 31 March 2022	24,621
Depreciation	
At 1 April 2021 and 31 March 2022	19,783
Charge for the year	1,561
At 31 March 2022	21,344
Net book value	
At 31 March 2022	3,277
At 31 March 2021	2,511

12. Debtors

	2022	2021
	£	£
Trade debtors	-	254
Prepayment and other debtors	14,368	4,137
	14,368	4,391

13. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	7,308	3,576
Social security costs	8,802	6,348
Accruals and deferred income	12,242	22,768
	28,352	21,692

14. Fund reconciliation

Year ended 31 March 2022

	Brought forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Unrestricted funds					
General funds	142,018	160,958	(155,427)	-	147,549
Designated funds					
Project funds	188,321	90,500	(182,286)	-	96,535
Key Funds	19,750	-	(175)	-	19,575
Total unrestricted funds	350,089	251,458	(337,888)	-	263,659
Restricted funds					
Key Funds	80,230	59,500	(66,870)	-	72,860
Project funds (previously core funds)	90,601	116,032	(149,174)	-	57,459
Total restricted funds	170,831	175,532	(216,044)	-	130,319
Total funds	520,920	426,990	(553,932)	-	393,978

Included in the above funds are amounts that need to be separately disclosed relating to funds received from Virgin Money Foundation;

	Brought forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Project funds	14,414	-	(12,752)	-	1,662
Key Funds	6,474	-	(6,474)	-	-

14. Fund reconciliation (Continued)

Year ended 31 March 2021

	Brought forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Unrestricted funds					
General funds	138,505	131,608	(128,095)	-	142,018
Designated funds					
Project funds	99,593	234,800	(146,072)	-	188,321
Key Funds	-	20,000	(250)	-	19,750
Total unrestricted funds	238,098	386,408	(274,417)	-	350,089
Restricted funds					
Key Funds	67,406	40,465	(27,641)	-	80,230
Core funds	103,218	77,270	(89,887)	-	90,601
Total restricted funds	170,624	117,735	(117,528)	-	170,831
Total funds	408,722	504,143	(391,945)	-	520,920

Included in the above funds are amounts that need to be separately disclosed relating to funds received from Virgin Money Foundation;

	Brought forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Project funds	20,673	-	(6,259)	-	14,414
Key Funds	13,700	-	(7,226)	-	6,474

Key Funds
Represent funds received for distribution to groups of young people in order to implement the Key projects they have planned by participating in The Key Framework.

Project funds (previously Core funds)
Represents funds received to support delivery of The Key Framework to young people.

15. Pension

Defined contribution pension

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £16,756 (2021 - £15,320).

There was no liability due to the pension provider at the 31 March 2022 (2021 – £nil).

16. Related party transactions

There have been no transactions incurred with related parties during the period (2021 – none).

17. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022	2021
	£	£
Net (expenditure)/income for the year	(126,942)	112,198
Investment income	-	(806)
Depreciation of tangible fixed assets	1,561	407
(Increase)/decrease in debtors	(9,977)	63,363
Increase/(decrease) in creditors	6,660	(38,380)
Net cash flow from operating activities	(128,698)	136,782)

KEYFUND FEDERATION LIMITED

England & Wales - Charity number 1093569

Accounts

Company number: 03339120 (England and Wales)
Charity number: 1093569

Keyfund Federation Limited
(A company limited by guarantee)

Directors Report and Financial Statements
For the year ended 31 March 2021

Keyfund Federation Limited
(A company limited by guarantee)

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For the year ended 31 March 2021

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Keyfund Federation Limited
(A company limited by guarantee)

Welcome by the Chair and Chief Executive
For the year ended 31 March 2021

Welcome to The Key's Annual Report and Audited Accounts for 2020-21

We want to create a world where all young people are inspired to believe in themselves and are empowered to achieve their potential. Our mission is to support young people to believe in their ideas and take responsibility for living them, by discovering what they are capable of and generating the drive and determination to do something meaningful with their lives.

In last year's annual report we detailed how we had begun to respond quickly to the restrictions imposed as a result of the unfolding pandemic. Initially we shared the widespread expectation hope that the virus could be brought under control sooner rather than later. In fact, the pandemic would dominate the news agenda throughout 2020-21 and we have all experienced continuing restrictions.

The challenges for The Key were immediately apparent. We are a charity based on working with delivery partners to bring groups of young people together to unlock their potential. For much of the year coming together in groups was prohibited, and many of our delivery partners were not able to operate.

Our staff worked from home and for parts of the year were on flexible furlough. Many of our delivery partners were in a similar situation, and we worked hard to innovate. We saw delivery partners doing everything they could to provide critical support to young people throughout. They met with young people virtually, and wherever we could The Key adapted so that young people could still utilise The Key's cycle of Think – Plan – Pitch – Do – Review, despite many of the things they wanted to do being unavailable.

This meant that despite a large reduction in the numbers of young people available to take part in The Key, those that did conceived of some brilliant activities. We received pitches from groups with brilliant names such as Harton Hens, Three Muske-Tia's, The Potter Geeks, The Key to Your Heart and Not Fast Just Furious!

Examples of inspiring activity generated by The Key process this year included:

- **The Satiricals** noticed families struggling in lockdown and wanted to make life easier for all. With an overwhelming need from families to provide affordable entertainment and fun, they came up with their Community Catalogue idea meaning families could borrow games, activities and more importantly, completely free.
- **NP Squared** honoured the difficult times faced by all in the pandemic whilst highlighting the true heroes of the fight against Covid-19. Working with a local artist, they transformed a community centre's outdoor wall into a graffiti masterpiece – inspiring the community, giving thanks to key workers & providing hope with their art.
- **LOL** noticed their youth club grounds looking tired, so to combat this, they revamped and transformed the yard of their youth project into a multi-purpose, safe space for all. After consulting others, LOL AstroTurfed one half of the yard and decked the other putting in a BBQ and outdoor social area. Their project proved invaluable during the pandemic.
- **Carrside Captivators** supported those facing loneliness and isolation with their Stage 4 Key Project. After seeking advice from others on what the community needed, the group decided to create and deliver weekly hampers filled with home comforts, treats and activities to vulnerable individuals unable to leave their homes. The group often went the extra mile for those they helped by offering to run errands and staying for doorstep chats on their delivery run too.

Keyfund Federation Limited
(A company limited by guarantee)

Welcome by the Chair and Chief Executive
For the year ended 31 March 2021

We've stayed as close as we can to our delivery partners throughout this period. Some of those organisations will face significant challenges to get back to where they were before the pandemic. It's important for The Key that we maintain a strong network of organisations delivering group activity.

So far we've have been able to achieve a membership retention rate of 85% - which is close to what we would achieve in a 'normal' year. This was achieved by adopting flexibility and bespoke measures where needed to support continued membership.

There are over 320 group facilitators trained and registered on our system, with over 40 volunteers trained to staff the panels that young people must pitch to in order to receive funding. We're extremely grateful to these groups – they've been instrumental by dedicating their time and effort to help The Key continue to inspire belief in young people.

Proof if needed that, despite all of the year's challenges, The Key was very much alive and kicking came during an awards event held virtually to celebrate the activity undertaken by groups and facilitators during the year. The event had been deferred several times in the hope that we could hold it in our live event style but eventually it became clear there was still no sign of when this might be. Over 100 people attended including several groups of young people clustered around screens in various locations, and the input and acceptance speeches embodied what The Key is all about.

We're grateful for the support and flexibility from our funders which has been excellent during this unprecedented period . Compared to many charities, we are fortunate in these circumstances that most of our income is from national trusts and foundations and that a significant proportion of that was already guaranteed. We generated less income than we had originally planned for the year but monitored this closely throughout and adjusted our spending plans throughout 2020-21 responding to developments accordingly.

We were delighted to welcome LNER, CAF, Sir Jules Thorn Charitable Trust, The Alchemy Foundation and CAST as new funders during the year and once again receive support from 29th May 1961 Charity, W A Handley Charity Trust, John Thaw Foundation, Catherine Cookson Charitable Trust and County Durham Community Foundation who supported our work historically. We would also like to thank Paul Hamlyn Foundation, Esmée Fairbairn Foundation, Dulverton Trust, Kavli Trust, Virgin Money Foundation, KFC Foundation and St James's Place Charitable Foundation for their continuing invaluable support.

Despite the obvious challenges presented this year in terms of group activity, The Key made significant progress with its plans towards a new delivery model and our target to be working with 6500 young people by 2025.

Successful recruitment activity led to the appointment of a new Chief Executive Officer, Head of Marketing and Income Generation, and Project Manager. Staff worked hard to integrate despite almost no opportunities to work together in person due to the restrictions. As we came to the end of the second year of our five-year journey to transform our delivery model we created a new three year strategy to guide the successful delivery of our 2025 target of 6500 young people.

Keyfund Federation Limited
(A company limited by guarantee)

Welcome by the Chair and Chief Executive
For the year ended 31 March 2021

Our diverse and talented Board of Trustees continued to provide invaluable support to the CEO staff team. Their unique blend of enthusiasm, specialist expertise and local knowledge has added significant value to our work. During the course of 2020-21 Lyn Horton and our treasurer Robert Morton retired from the Board, and we would like to thank them for their strong commitment to The Key and wish them all the best for their future endeavours. We also welcomed Terence Burke, Elizabeth Watchorn, and Lisa Eaton as new trustees. They bring a wealth of experience and knowledge and are already making positive contributions to the Board of Trustees.

As ever, but particularly during a year like 2020-21 The Key offers a profound thank you to all our supporters who have been steadfast and generous in their help. This support has been a driving force for us to refocus on doing our very best for young people, and to become an organisation that can evidence how they shape what we do on many levels.

Whatever the challenges that this year has thrown up, hearing young people pitch their idea at a panel, or listening to them at awards night, or in some very limited windows during this period being able to go out and meet them has provided the motivation to keep going so that we're ready as the restrictions lift, when we know that the need to come together with friends and purpose will be more pressing than ever.

One notable occasion our supporters and young people came together brilliantly was a recent visit by HRH the Duke and Duchess of Cambridge. To mark their tenth wedding anniversary, they revisited charities supported by their wedding gift fund – a fantastic occasion for The Key.

Finally, special mention of the outgoing Chief Executive Hannah Underwood who begun a new role as Director of Innovation and Growth for The Key. After 15 years in the leadership role her new position will allow her to focus on the innovations which she has tirelessly championed for The Key. Those innovations will be central to our plans to make sure that the opportunity to Think – Plan – Pitch – Do and Review is offered to as many young people as possible.

Andrew Silver, Chair

Richard Haigh, CEO

Reference and administrative details of the charity, its directors and advisers

Charity Number	1093569	
Company Number	03339120	
Registered Office	32 Kingsway House Kingsway Team Valley Gateshead NE11 0HW	
Directors	Andrew Silver	(Chair)
	Lieutenant General Robin Brims	(Vice Chair)
	Julian Thomas	
	Robert Morton	(Retired 23rd September 2020)
	Lyn Horton	(Retired 23rd September 2020)
	Leigh Thompson	
	Emma Richards	
	Mary Youngs	
	Lisa Eaton	(Appointed 23rd September 2020)
	Elizabeth Watchorn	(Appointed 23rd September 2020)
	Terence Burke	(Appointed 23rd September 2020)
Key management		
Chief Executive Officer	Richard Haigh	
Company Secretary	Richard Haigh	
Interim Chief Executive Officer	Austin McNamara	(left 1st October 2020)
Auditors	Haines Watts 17 Queens Lane Newcastle upon Tyne NE1 1RN	
Bankers	Co-operative Bank Plc PO Box 101 1 Balloon Street Manchester M60 4EP	

The Directors submit their annual report and the audited financial statements of The Keyfund Federation Limited (The Key) (the company) for the year ended 31 March 2021 which are also prepared to meet the requirements for the directors report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Our values

The golden thread that weaves through our vision, mission and values is that everything we do is for the benefit of young people – especially those facing challenging circumstances.

FOCUS: Keeping sight of the goal

We make informed decisions. We set targets and work towards milestones, and we deal with things at the right time. We work in a positive way, and we are true to our roots. We are driven to succeed.
We believe that, as a result, we will achieve our mission.

COLLABORATION: Working together to achieve common objectives

We act with integrity and seek to understand others. We share information transparently, communicate well and treat everyone with respect. We value everyone's contribution, and we trust and can be trusted.
We believe that, as a result, we will achieve more together than by acting alone.

GROWTH: Constantly striving to be the best we can be

We are resilient. We encourage constructive feedback, we are actively curious and questioning, and we are adaptable to change. We nurture others.
We believe that, as a result, we will maximise our impact.

Objectives and Activities

The Key exists to inspire belief in young people. We want to create a world where all young people are inspired to believe in themselves and are empowered to achieve their potential. Our mission is support young people to believe in their ideas and take responsibility for living them, by discovering what they are capable of and generating the drive and determination to do something meaningful with their lives.

For the past 29 years The Key has been providing young people (11-25 years old), especially those facing challenging circumstances, with the support and opportunities they need. Many of them reside in areas of high deprivation or face multiple and complex barriers to progression.

The Key Framework is simple, but highly effective. Young people work together in small teams with the help of a trained Key Facilitator. Using their individuality, curiosity and imaginations, they are given the autonomy to dream-up, plan, budget, pitch (to a panel), deliver and evaluate their very own project ideas. This ownership is highly motivating and helps young people to show a real commitment to achieving their goals.

As young people progress through The Key Framework, they build important personal and social skills (the 12 Key Skills). These help young people to meet the three psychological needs represented by Self-Determination Theory: autonomy, relatedness and competence. These vital ingredients help young people to develop a 'growth mindset', to take control and go on to lead more independent, sustainable and successful lives.

Even though engagement in The Key Framework provides great personal development opportunities for each of the young people involved, over 10 times as many members of the community have benefited as a direct result of young people's projects. This clearly demonstrates the positive ripple effect and the double benefit of The Key Framework to both the participants and the communities they care about.

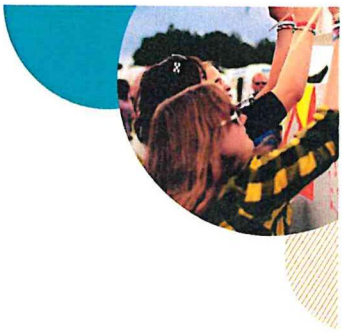
Young people can complete The Key Framework up to four times, each time further developing themselves by planning more challenging projects with greater community reach.

During the last seven years we have supported 12,044 young people to develop 2,914 projects, which have benefitted 113,955 members of the community. As a result, young people improved their confidence and wellbeing by developing life skills and forming a growth mindset. This led to them making 7,141 positive steps into employment, education, training and/or volunteering.

Financial Transparency

The criteria for young people accessing funds via The Key Framework are:

- The project proposal must come from a group of three or more young people.
- The project must be the young people's own idea.
- Each group of young people must:
    - be aged between 11 and 25
    - plan and budget the project themselves



- demonstrate their development of the 12 Key skills
- work with a trained Key Facilitator via an organisation holding a valid Key membership
- present to and be assessed by an independent, live panel with a robust prescribed process.
- progress incrementally through the four stages, starting at stage one.

The group cannot progress to the next stage until they have completed the previous stage.

Our Staff and Volunteers

The Key is run by an efficient team of employees and is reliant upon the help of our extensive network of volunteers to deliver The Key Framework with young people. The Key offers a wide range of volunteering opportunities for both young people and adults, ranging from young people becoming actively involved in our recruitment process, or employees from corporate partners providing pro-bono professional support, to structured volunteering roles such as Key Facilitators and Community Panel Members. We would like to take this opportunity to thank all of our volunteers for their loyalty and dedication and hope that they continue to support us in 2021-22.

Public benefit

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Achievements and Performance

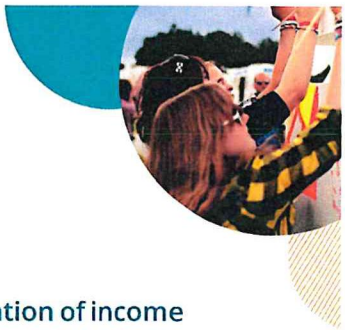
Progress against our 2020/21 Strategic Objectives

1. Sustaining our existing network of delivery partners (members)

We adapted our membership offer throughout the pandemic, creating bespoke solutions for delivery partners depending on their circumstances, especially for those who were unable to deliver projects due to national restrictions. This involved a combination of extending membership years and rolling over unused project credits on renewal. At the time of writing, the retention rate of membership was 85%, as well as recruitment of a further eight new delivery partners. Across the entire membership, there are 322 trained facilitators who are equipped to deliver The Key across the North East and a further 42 volunteers who can sit on community panels.

2. Increasing the number of young people from our target groups who benefit from The Key Framework

Due to the pandemic and the restrictions placed on all of our delivery partners we were unable to progress this objective practically in a meaningful way. In fact, the total number of young people able to complete a stage of The Key was at 20% of our usual levels. Instead, we focused our efforts on writing a new strategy and making sure this commitment was central. This will place us in the position to refocus on this objective once restrictions are lifted and delivery partners resume more typical patterns of working with young people.



3. Development and implementation of Income Generation Strategy – Diversification of income streams

A three-year income generation strategy was created to support The Key's ambitions to further diversify income streams. Initial work has focused on improving and developing processes, building, and expanding our funding pipeline and establishing both digital fundraising and corporate fundraising. Further effort and focus will be extended into generating income from a range of sources including: digital, community, corporate and an increase in membership sale.

4. Development and implementation of marketing strategy – Strengthening our brand identity

During 2020/21 The Key undertook an in-depth review of branding, tone, and messaging. The review resulted in the creation of a three-year marketing strategy which will not only support The Key's ambitious growth plans, but also enable in an increase in engagement and improved interaction with all stakeholders. A particular focus over the coming years is an increase in authentic youth voice. A decision to increase activity towards Instagram has already led to improvements in this regard. Early concept and messaging work was undertaken to both define, and support the sale of, The Key's next iteration which is provisionally named 'Key+'.

5a. Delivery of "co-creation and testing" partnership with Newcastle College

The pandemic has had a profound impact on Newcastle College this year, resulting in a significant time delay in our partnership working. The college have now reopened but are adjusting to many changes and new procedures on campus which will create further delays. The college have expressed their support and confidence in using The Key within their employability programme and have committed to continuing to work together on producing a proposition for The Key to take to offer FE institutions. An external evaluation is also underway into the impact of the pilot project. The findings will be used to build on and strengthen the co-creation work between Newcastle College and The Key.

5b. Development and delivery of "co-creation and testing" partnership in at least one market segment in NE

Mental health and wellbeing have been identified as a potential market segment for The Key to expand into within the North East region. A multi-year funding proposal was submitted to further explore this in response to an opportunity provided by Comic Relief's Change Maker funding programme. The Key have been working with six delivery partners to design a co-creation and testing programme to test the impact of using The Key Framework as an early intervention tool with young people experiencing mental health problems. This work will also seek to identify any NHS social prescribing funding opportunities for delivery partners as a result of using The Key as an early intervention tool for mental health.

5c. Development of "co-creation and testing" partnership to replicate The Key outside North East

This was another of the strategic objectives that we could not progress during 2020-21 due to the pandemic. It remains an important part of our plans and central to our activities in 2021-22.

6. Development and implementation of new IT system

Work is underway to produce recruit a suitable technology partner to build a new digital platform for use by our delivery partners, and to address increasingly poor performance by our existing infrastructure. To fulfil a technical knowledge gap within the current team, an external consultant has been appointed to work with us in support to define the processes required within the new system, which will strengthen and enhance the way The Key operates digitally. A detailed specification of features and user cases will be included in the request for proposals document.

7. Strengthening our evidence base and impact measurement

A number of measures and approaches were considered with a view to trying to find the best fit with The Key's framework. Several were considered but as the year concluded we felt that two approaches had merit.

The Brief Resilience Scale is designed to measure resilience. It uses a simple set of 6 statements, with a 5 point Likert scale. We believe it may provide the missing link between the activities in the Key Framework and an increase in self-efficacy or resilience. It is quick to collect the data and easy to explain the results to young people of different ages and abilities. There are benchmarked results, so we can report on actual increases as well as % increases.

We are also working with the Centre For Youth Impact to examine whether we can incorporate the approach they have been developing. We already have good links with the Centre and this work is their suggested approach for youth services to understand the quality and impact of the service.

Both of these approaches will be considered further and tested within the development of our new digital platform.

8a. Redefining our relationship and improving engagement with young people

We have developed our Youth Engagement program throughout the year, although efforts were hampered by the pandemic. Building on the work of our university placement student we have engaged young people in several virtual sessions, gathering opinions, testing ideas and hosting competitive Kahoot quizzes. We have learnt a lot along the way and are developing opportunities to connect with young people in person. We also have plans for young volunteer panel members and for young people to join The Key Team via apprenticeships and traineeships, involving young people at the heart of everything we do.

8b. Redefining our relationship and improving engagement with delivery partners

We held two virtual facilitators meet ups allowing Key facilitators to connect, share ideas and success stories over Zoom. We have also revamped all of our training, adapting it to be run via video conference, utilising Kahoot to make it as interactive and engaging as possible and combat Zoom fatigue. We have also adapted our day-to-day support, assisting facilitators encouraging digital and detached delivery of The Key and having great success with virtual panels.

8c. Redefining our relationships and improving engagement with funders, potential funders and corporate partners

We were delighted to progress with plans to reconvene our Funders' Forum, an event which occurred in April 2021. This brings several of our primary funders together to receive an update and consider common issues and what extra support they can leverage. The forum will now convene bi-annually and will follow a mutually beneficial format. The Key also secured a place on Pilotlight's 'Setting Directions' programme, aimed at supporting charities with strategic opportunities. We were paired with a group of volunteers from Barclays who agreed to review how The Key could best approach corporate fundraising. The programme began in March 2021 and concluded in May. The resulting report and recommendations are being used in support of corporate growth.

Financial Performance

The Key's income streams are divided into:

a) **Key Funds** – representing funds received for distribution to groups of young people in order to implement the Key projects they have planned by participating in The Key Framework;
b) **Project Funds (Core Income)** – representing funds received to support delivery of The Key Framework to young people.

In summary, 2020-21 was a relatively stable year financially. Despite a very challenging external environment, we were able to contribute £3,513 to our reserves at year-end and entered 2021-22 with a Project Funds balance of £90,601 and a Key Funds balance of £80,230.

We started 2020-21 with an opening restricted Key Funds balance of £67,406. Total incoming Key Funds for the year amounted to £40,465 (2019-20: £83k). The total Key Funds expended (including restricted and unrestricted Key Funds) was £27,641 (2019-20: £111k), leaving a total Key Fund balance to carry forward into 2021 of £80,230.

At the start of 2020-21 we had restricted Project Funds of £103,218 (2019-20: £89.8k). Total incoming restricted Project Funds for the year amounted to £77,270 (2019-20: £158k). The total restricted Project Funds expended was £89,887 (2019-20: 144.8k). £90,601 of restricted Project Funds was carried forward into 2021.

We started the year with £138,505 of unrestricted General Funds (i.e. reserves). The total incoming unrestricted General Funds for the year amounted to £131,608 (2019-20: £283.6k less £164.7k transfer to designated funds). The total unrestricted Core Funds expended was £128,095 (2019-20: £113k). £142,018 of unrestricted General Funds was carried forward into 2021.

We started the year with £99,593 of designated Project Funds. The total incoming designated project funds for the year amounted to £234,800 (2019-20: £164.7 transfer from unrestricted General Funds). The total designated Project Funds expended was £146,072 (2019-20: £65.1k). £188,321 of designated Project Funds was carried forward into 2021.

We started the year with a nil balance of designated Key funds. The total incoming designated Key funds for the year amounted to £20k (2019-20: £0). The total designated Key funds expended was £250 (2019-20: £0). £19,750 of designated Key funds was carried forward into 2021.

We raised £37,031 less core funds than budgeted during the year. The main areas of shortfall against the budget came from membership income and restricted grants. Core expenditure was less than budgeted by £176,654. The main areas of underspend include staffing (£56k), which was mostly due to positions not being filled during the year, and administration (£105k). Due to delays in our scaleup development work in building a new IT system and consultancy work we incurred less expenditure than anticipated.

Key Fund income raised was £66,661 less than budgeted during the year. We saw an underspend in Key Funds expenditure of £85,344, and we have an opening Key Funds balance for 2021-22 (£80,230) that represents eleven months of budgeted expenditure for the year.

We continue to strive for diversity in our income streams and to strengthen our financial resilience, but we recognise that this will not be an easy challenge.

Reserves policy

A reserves policy was approved by the Directors in 2006-07 and implementation commenced in that year. The Directors have reviewed the policy, which is designed to create a buffer to cover six months cost commitments that would have to be paid in the event of business wind-up at any given time. At 31 March 2021 there were unrestricted reserves of £142,018, which is at the current level of required reserves.

Reserves are an integral part of The Key's strategic planning process, but we are also realistic about the difficulties of the current economic climate. It is therefore a focus of our 2021-22 income and expenditure budget to make a contribution of £5,658 in order to bring our reserves closer to the 6 months fixed costs level by year end.

Plans for the Future

What we are planning to do in 2021-22

Our planning is based on our track record which shows that the Key's Framework and its focus on the twelve key skills is a valued and evidence-based way to achieve positive outcomes for young people. On that basis our fundamental offer is strong, but we know we have to transform our delivery model.

Our new strategy outlines where we want to be in three years, and is based on three themes: People, Partners, Product. Those themes devolve down into a set of five strategic priorities to cover the three-year period:

1. Achieve the best outcomes / impact with young people
2. Increase the numbers of young people using the Framework, including those who are currently under-served
3. Focus on three specific sectors adapting the framework where this adds value
4. Collaborate with delivery partners from inside and outside of the North East
5. Develop and launch a new delivery model (core product) for The Key Framework

Annual objectives are set each year to further these strategic priorities. Our annual objectives for 2021-22 are as follows:

- 1200 young people complete a stage of The Key Framework
- Increase the % of young people in groups who do two or more stages
- Re-establish a network of 110 active delivery partners within the North East
- Recruit ten new delivery partners whose focus is on young people identified as being currently under-served
- Recruit at least three key partners operating outside of the North East
- Launch a pilot 'Community Offer' for delivery partners using The Key to support young people's mental
- health and wellbeing
- Begin user testing on a new digital platform for a 'Key+' framework
- Develop the digital platform into a tool for the Further Education sector
- Achieve readiness for early adopters to begin using 'Key+' in April 2022
- Devise the approach and resources needed to support 'Key+' users to self-fund projects

In addition to the above objectives – we have a further set to work on in 2021-22 that relate to enablers that we have identified are critical to achieving our strategy:

- Each function (team) to complete at least one 'test and learn' cycle during the year
- Produce a 'What potential does digital have to help The Key be better at what we do - and what should we do next?' thought piece / plan
- Complete a Youth Engagement Plan and commence implementation
- Complete an Equality Diversity Inclusion review and implement an action plan
- Develop and implement a learning and staff wellbeing plan

Our strategy paints the following picture of what we want 2021-22's objectives and activity to contribute to:

Young People

We'll be working both inside and outside of our current north east delivery area. This will increase the number of young people who use the framework, and many will come from disadvantaged and diverse backgrounds.

We'll have learned about how to try and increase the number of groups involved in two or more group cycles. For the first time young people will interact directly with the process using either their own device, or one belonging to our delivery partner. At the end of each group stage they'll receive creatively presented feedback via those devices about the skills and capabilities they've developed, and the way they've benefitted the community.

Delivery partners

Our delivery partners will be operating both in and outside of the North East. Delivery partners will experience the framework through a transformed delivery model. Some of those partners will be supported for the first time to find their own funding for the groups they are facilitating, others will still be able to utilise funding sourced by The Key.

Our 'product'

Our transformed delivery model's intuitive interface will have cut down on administration meaning front line staff in those organisations can spend more time face to face with young people, and those staff will value being part of a technology enabled community of users where they can access a digital training portfolio, gain ideas, seek advice, ask for support, share successes and build relationships to swap learning.

And...
Foundations, Local Authorities, and corporate sponsors will see The Key as a high-quality delivery kitemark. Utilising The Key will provide them with a viable pathway to distribute funding amongst different organisations in varied sectors to provide an accessible way for young people to create aspirations, unlock potential and build capabilities.

As an organisation we'll embody what The Key sets out to do by providing a pathway of opportunities within our own organisation for young people who have been through the framework to volunteer, be employed by, and shape what The Key does at every level including task and finish action groups and apprenticeships.

Financial Targets

Our primary financial aim is to generate sufficient core and key funds to efficiently deliver against all of our social impact targets and strategic priorities for the year. Beyond this our budget for 2021/22 will enable us to contribute £5,658 to our unrestricted general funds (i.e. reserves). This will bring our total reserves to £147,676, which represents 4.7 months of core operating costs. Our reserves policy has a target of reaching 6 months reserves, so we aim to close this gap over the coming year.

We plan to turnover £480,173 with a combined Core and Key Fund expenditure of £687,591. This is made up of £415,423 Core Funds (£198,629 of which is already guaranteed) and £64,750 Key Funds (of which £8,750 is already guaranteed). This leaves us with an in-year income generation target of £272,794.

Structure, Governance and Management

Constitution

The company is a charitable company limited by guarantee and was set up by its Memorandum and Articles of Association on 25 March 1997.

The company's constitution is dated 25 March 1997 as amended by Special Resolution dated 10 October 2020 and is a registered charity (number 1093569).

Changes were made to the objectives, method of appointment or election of Directors since the last annual report by Special Resolution dated 10 October 2020. The objects were updated to allow the company to work throughout England and Wales. The articles were updated to allow the appointment of a founding trustee.

Recruitment and appointment of Directors

The Trustees, who are also the directors under Company Law, are responsible for the management and administration of the charitable company.

The current Directors were recruited and appointed by an open and efficient process managed by the Directors using the network of public, private and voluntary sector organisations that are involved or aligned to the work of The Key.

The Board met on six occasions during 2020-21. A Finance and Risk Sub-Group have also met on six occasions during 2020-21. Currently the Board is well balanced and includes expertise from the private, public and third sectors.

The Board of Directors were appointed using a skills audit. The areas of expertise covered between them are:

- Financial management, budget management, chartered accountancy
- Strategic planning, change management and project management
- Youth policy, voluntary youth work, statutory youth provision
- Sales, marketing, PR and communications
- Corporate social responsibility
- Human resources, equality and diversity, policies and procedures and recruitment
- Learning and skills development
- High growth in small to medium enterprises

The Directors consider that they have complied with their duty to have due regard to public benefit guidance published by the Charity Commission.

Our organisational structure consists of a core team of 9 staff working under the guidance of our CEO. Delivery of The Key Framework is delivered both directly by Key employees and indirectly by trained and supported Key Facilitators who link to our Member organisations. In 2020-21 we had Members covering all local authority areas across the North East. Each Member pays an annual organisational membership fee. Facilitators' work is quality assured and their impact measured by employees of The Key. They are all DBS checked and all operate under the policies, procedures and insurances of their employing / supporting Member organisation.

Our Key Facilitators range from youth work professionals, community volunteers, youth offending team staff, detached youth workers, care workers, uniformed group leaders and learning mentors, to name but a few. Our networks also contain hundreds of individuals who volunteer to become Community Panel Members. These individuals volunteer directly for The Key and are trained for the role. However, they are never in a situation where they are alone with young people.

Related party relationships

The Key works with a diverse range of organisations as members, to support young people across the region. Each either employs or supports a small team of Key Facilitators. These organisations include: youth work / detached work projects, schools, alternative education providers, youth justice programmes, democracy projects, church groups, BME groups, sports groups, voluntary groups, guides/scouts, mental health projects, secure units, training organisations, FE colleges, health groups and social housing providers. Each organisation is supported in their day to day activity by The Key.

Grant making trusts and foundations again provided much needed support with core funds by investing in building the capacity of the staff team and the longer-term viability of the organisation. Such investors included Paul Hamlyn Foundation, Esmée Fairbairn Foundation, Dulverton Trust, Sir James Knott Trust, Rank Foundation and 29th May Charitable Trust.

The Key continues to work a growing number of private sector partners and their foundations too. Our partners have supported us with our core work. We are delighted to be working once again with St James's Place, Virgin Money, LNER, KFC, Bellway and Kavli.

Pay policy of senior staff

The directors consider the Board of Directors, who are The Key's trustees, and the Executive Team to comprise the key management personnel of the charity in charge of directing and controlling, running and operating The Key on a day-to-day basis. All directors give their time freely. Details of directors' expenses and related party transactions are disclosed in the notes to the financial statements.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the directors benchmark against pay levels in other charities of a similar size. The remuneration benchmark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 30% for any additional responsibilities. If recruitment has proven difficult in the recent past, a market addition is also paid with the pay maximum no greater than the highest benchmarked salary for a comparable role.

Leadership changes

In October 2020 Richard Haigh was appointed as CEO following a period of job share between Austin McNamara, a specialist in interim leadership with a strong background in education and provision for young people, and Hannah Underwood who returned to work from maternity leave in April 2020. Richard has an impressive background of over 25 years working in the statutory and voluntary sector with children, young people and families.

Hannah Underwood has now moved into a new role of Director of Innovation and Growth. Additionally in October 2020 we also appointed Ashley Elliott into the role of Head of Marketing and Income Generation, building on her fundraising and marketing track record both within organisations and on a consultancy basis.

Risk management

The Directors have overall responsibility for establishing and maintaining The Key's risk management policy and for reviewing its effectiveness. Strategic risk assessment is carried out by the Finance and Risk Sub-Committee of the Board on all activities to ensure all major risks to which the charity is exposed have been considered as well as the overall impact they would have on the organisation. These risks are varied and cover areas including health and safety, client safeguarding, event management, fundraising, compliance, relationship management and, more recently, the COVID-19 pandemic.

Risk management is carried out by developing approaches to mitigate each risk identified in the assessment, which are monitored at regular intervals. Procedures are then established to manage these risks. A system of internal controls and compliance has been designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved. These are recorded monthly by the executive team and are discussed at bi-monthly Finance and Risk Sub-Committee Meetings. If required, issues are tabled at full Board meetings for further debate or decision.

A key element in the management of financial risk is the distribution of clear and transparent monthly management accounts and cash flow forecasts to the Directors and executive team; this is in addition to the monthly production of our strategic objective reports and Balanced Scorecard Dashboard (which details non-financial information). These reports exist to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of The Key's assets and interests, providing clear information to assist in effective risk management.

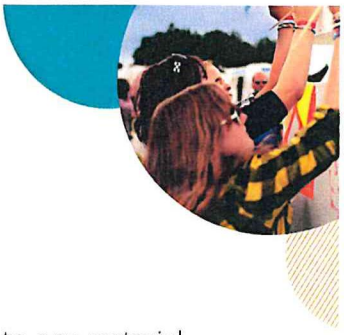
We monitor opportunity in a similar way in order to ensure we are managing The Key's potential for growth & development.

Statement of Directors Responsibilities

The Directors (who are also trustees of The Keyfund Federation Limited for the purposes of charity law) are responsible for preparing the Directors' 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 Directors 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 Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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 operation.

The Directors 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.

So far as each of the Directors is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

A resolution proposing that Haines Watts be reappointed as auditors of the charitable company will be put to the Annual General Meeting.

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

This report was approved by the Directors on 21/9/..... 2021 and signed on its behalf, by:

Andrew Silver
Chair

Keyfund Federation Limited
(A company limited by guarantee)

Independent Auditors' Report to the members of Keyfund Federation Limited For the year ended 31 March 2021

Opinion

We have audited the financial statements of Keyfund Federation Ltd (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charity 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed on page 26 and in the accounting policies note.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the directors' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the directors' 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 directors 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors 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 directors 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 directors are responsible for assessing the charity'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 directors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements.

Our audit procedures included:

- confirming with the directors and management whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing a sample of journal entries;
- reviewing minutes of meetings of those charged with governance; and
- reviewing the appropriateness of allocation of funds.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 auditors' 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.

G Benjamin

Gillian Benjamin ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts North East Audit LLP

22/9/2021

Chartered Accountants
Statutory Auditor

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Keyfund Federation Limited
(A company limited by guarantee)

Statement of Financial Activities
Including income and expenditure account
For the year ended 31 March 2021

Current financial year

	Notes	Unrestricted funds general 2021 £	Unrestricted funds designated 2021 £	Restricted funds 2021 £	Total 2021 £	Total 2020 £
Income from:						
Donations and legacies	**3**	11,302	-	-	11,302	11,500
Charitable activities	**4**	119,500	254,800	117,735	492,035	512,098
Investments	**5**	806	-	-	806	1,220
Total income		131,608	254,800	117,735	504,143	524,818
Expenditure on:						
Charitable activities	**6**	128,095	146,322	117,528	391,945	434,640
Net income for the year/ Net movement in funds		3,513	108,478	207	112,198	90,178
Fund balances at 1 April 2020		138,505	99,593	170,624	408,722	318,544
Fund balances at 31 March 2021		142,018	208,071	170,831	520,920	408,722

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Keyfund Federation Limited
(A company limited by guarantee)

Statement of Financial Activities (Continued)
Including income and expenditure account
For the year ended 31 March 2021

Prior financial year

	Notes	Unrestricted funds general 2020 £	Unrestricted funds designated 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:					
Donations and legacies	3	11,500	-	-	11,500
Charitable activities	4	270,905	-	241,193	512,098
Investments	5	1,220	-	-	1,220
Total income		283,625	-	241,193	524,818
Expenditure on:					
Charitable activities	6	113,342	65,107	256,191	434,640
Gross transfers between funds		(164,700)	164,700	-	-
Net income for the year/ Net movement in funds		5,583	99,593	(14,998)	90,178
Fund balances at 1 April 2019		132,922	-	185,622	318,544
Fund balances at 31 March 2020		138,505	99,593	170,624	408,722

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

Keyfund Federation Limited
(A company limited by guarantee)

Balance Sheet
For the year ended 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	10		2,511		-
Current assets					
Debtors	11	4,391		67,754	
Cash at bank and in hand		535,710		401,040	
		540,101		468,794	
Creditors: amounts falling due within one year	12	(21,692)		(60,072)	
Net current assets			518,409		408,722
Total assets less current liabilities			520,920		408,722
Income funds					
Restricted funds	14		170,831		170,624
Unrestricted funds					
Designated funds	15	208,071		99,593	
General unrestricted funds		142,018		138,505	
			350,089		238,098
			520,920		408,722

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

The financial statements were approved by the Directors on 21/9/2021

T Burke
Trustee

Company Registration No. 03339120

Keyfund Federation Limited
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 March 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	**17**		136,782		132,723
Investing activities					
Purchase of tangible fixed assets		(2,918)		-	
Investment income received		806		1,220	
Net cash (used in)/generated from investing activities			(2,112)		1,220
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			134,670		133,943
Cash and cash equivalents at beginning of year			401,040		267,097
Cash and cash equivalents at end of year			535,710		401,040

1 Accounting policies

Charity information

Keyfund Federation Limited is a company limited by guarantee, registered in England and Wales, (number 03339120) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the directors in furtherance of their charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the Directors for a particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

1.4 Income

All incoming resources are included in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

1.6 Intangible fixed assets other than goodwill

Intangible assets represent the operating system used by the company and an online manual for licences.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Operating System	3 years straight line
Online Manual	2 years straight line

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office Equipment	10% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

All assets costing more than £500 are capitalised.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 **Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.11 **Taxation**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

1.12 **Employee benefits**

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 **Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and legacies

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Donations	11,302	1,250
Gifts in kind	-	10,250
	11,302	11,500

4 Charitable activities

	Total 2021 £	Total 2020 £
Membership income	6,924	30,546
Grants	484,987	476,460
Other income	124	5,092
	492,035	512,098
Analysis by fund		
Unrestricted funds - general	119,500	270,905
Unrestricted funds - designated	254,800	-
Restricted funds	117,735	241,193
	492,035	512,098

5 Investments

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Interest receivable	806	1,220

6 Charitable activities

	Total 2021 £	Total 2020 £
Staff costs	219,269	158,575
Depreciation and impairment	407	1,390
Direct project costs	30,387	113,573
Staff related costs	17,004	2,795
Travel expenses	521	4,255
Property costs	17,132	16,517
Office costs	2,459	2,817
IT costs	10,165	17,501
Advertising and PR	808	3,433
Legal and professional	54,808	80,059
Bank charges	486	-
	353,446	400,915
Share of support costs (see note 7)	33,329	27,131
Share of governance costs (see note 7)	5,170	6,594
	391,945	434,640
Analysis by fund		
Unrestricted funds - general	128,095	113,342
Unrestricted funds - designated	146,322	65,107
Restricted funds	117,528	256,191
	391,945	434,640

7 Support costs

	Support costs £	Governance costs £	2021 £	Support costs £	Governance costs £	2020 £
Staff costs	33,329	-	33,329	27,131	-	27,131
Audit fees	-	4,608	4,608	-	4,608	4,608
Meeting costs	-	562	562	-	1,986	1,986
	33,329	5,170	38,499	27,131	6,594	33,725
Analysed between						
Charitable activities	33,329	5,170	38,499	27,131	6,594	33,725

Governance costs includes payments to the auditors of £4,608 (2020 - £4,608) for audit fees.

8 Employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Charitable activities	9	8

Employment costs	2021 £	2020 £
Wages and salaries	220,770	162,579
Social security costs	16,508	11,710
Other pension costs	15,320	11,417
	252,598	185,706

The charity trustees were not paid or received any other benefits from employment in the year (2020 – £nil) neither were they reimbursed expenses during the year (2020 - £nil).

The key management personnel of the charity comprise the Chief Executive Officer, the Interim Chief Executive Officer and Deputy Chief Executive Officer (to May 2019). The total employee benefits of the key management personnel of the charity were £78,002 (2020 - £83,996).

There were no employees whose annual remuneration was £60,000 or more.

9 Intangible fixed assets

	Operating System £
Cost	
At 1 April 2020 and 31 March 2021	6,120
Amortisation and impairment	
At 1 April 2020 and 31 March 2021	6,120
Carrying amount	
At 31 March 2021	-
At 31 March 2020	-

10 Tangible fixed assets

	Office Equipment £
Cost	
At 1 April 2020	19,376
Additions	2,918
At 31 March 2021	22,294
Depreciation and impairment	
At 1 April 2020	19,376
Depreciation charged in the year	407
At 31 March 2021	19,783
Carrying amount	
At 31 March 2021	2,511

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	254	65,876
Prepayments and accrued income	4,137	1,878
	4,391	67,754

12 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		6,348	4,310
Deferred income	13	-	38,059
Trade creditors		3,576	7,872
Accruals and deferred income		11,768	9,831
		21,692	60,072

13 Deferred income

	2021 £	2020 £
Other deferred income	-	38,059

14 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Current year

		Movement in funds		
	Balance at 1 April 2020 £	Incoming resources £	Resources expended £	Balance at 31 March 2021 £
Key funds	46,733	40,465	(21,382)	65,816
Project funds	89,518	77,270	(82,661)	84,127
Virgin Money Foundation - Key funds	20,673	-	(6,259)	14,414
Virgin Money Foundation - Project funds	13,700	-	(7,226)	6,474
	170,624	117,735	(117,528)	170,831

Prior year

		Movement in funds		
	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Balance at 1 April 2020 £
Key funds	75,481	53,044	(81,792)	46,733
Project funds	80,504	122,535	(113,521)	89,518
Virgin Money Foundation - Key funds	20,218	30,000	(29,545)	20,673
Virgin Money Foundation - Project funds	9,419	35,614	(31,333)	13,700
	185,622	241,193	(256,191)	170,624

Virgin Money Foundation has been separately disclosed for reporting purposes.

Key funds
Represent funds received for distribution to groups of young people in order to implement the Key projects they have planned by participating in The Key Framework.

Project funds
Represents funds received to support delivery of The Key Framework to young people.

15 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Current year

		Movement in funds			
	Balance at 1 April 2020	Incoming resources	Resources expended	Transfers	Balance at 31 March 2021
	£	£	£	£	£
Project funds	99,593	234,800	(146,072)	-	188,321
Key funds	-	20,000	(250)	-	19,750
	99,593	254,800	(146,322)	-	208,071

Prior year

		Movement in funds			
	Balance at 1 April 2019	Incoming resources	Resources expended	Transfers	Balance at 31 March 2020
	£	£	£	£	£
Project funds	-	-	(65,107)	164,700	99,593
	-	-	(65,107)	164,700	99,593

Key funds
Represent funds received for distribution to groups of young people in order to implement the Key projects they have planned by participating in The Key Framework.

Project funds
Represents funds received to support delivery of The Key Framework to young people.

16 Related party transactions

There were no related party transactions during the year (2020 - none).

17 Cash generated from operations

	2021 £	2020 £
Surplus for the year	112,198	90,178
Adjustments for:		
Investment income recognised in statement of financial activities	(806)	(1,220)
Depreciation and impairment of tangible fixed assets	407	1,390
Movements in working capital:		
Decrease in debtors	63,363	130
(Decrease)/increase in creditors	(321)	4,186
(Decrease)/increase in deferred income	(38,059)	38,059
Cash generated from operations	136,782	132,723

18 Analysis of changes in net funds

The charity had no debt during the year.