

**COMPANY REGISTRATION NUMBER: 5031398**  
**CHARITY NUMBER: 1108921**

**SOUTH TYNESIDE CHURCHES' KEY PROJECT**

**(Company Limited by Guarantee)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2021**

**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2021**

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# **SOUTH TYNESIDE CHURCHES' KEY PROJECT**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Registered Charity Name</b>	South Tyneside Churches' KEY Project (will be referred to as KEY throughout these financial statements)
<b>Registration Numbers</b>	Charity Number 1108921 Company Number 5031398
<b>Trustees</b>	B Askins J Askins P Brennan P Hayton S Hamilton I Montgomery E Hobson K. Shields (appointed 15.06.2021) (Trustees are also the directors of KEY for the purposes of company law)
<b>Company Secretary</b>	J Askins
<b>Registered Office</b>	116 Baring Street South Shields Tyne & Wear NE33 2BA
<b>Auditors</b>	Torgersens Chartered Accountants Somerford Buildings Norfolk Street Sunderland SR1 1EE
<b>Bankers</b>	Unity Trust Bank Plc 4 Brindley Place Birmingham B1 2JR  Barclays Bank Plc 53 Fawcett Street Sunderland SR1 1SD  Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
<b>Solicitors</b>	Hardings 58 John Street Sunderland SR1 1QH

## **SOUTH TYNESIDE CHURCHES' KEY PROJECT**

### **THE TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

**YEAR ENDED 31 MARCH 2021**

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#### **GOVERNING DOCUMENT**

The organisation is a charitable company limited by guarantee, incorporated on 2<sup>nd</sup> February 2004 and registered as a charity on 7<sup>th</sup> April 2005. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up, members are required to contribute an amount not exceeding £10.

#### **RECRUITMENT AND APPOINTMENT OF BOARD OF DIRECTORS**

At the 2020 AGM the following directors were reappointed: Jonathan Askins, Ian Montgomery, Elizabeth Hobson.

#### **TRUSTEE INDUCTION AND ONGOING TRAINING OF DIRECTORS**

- The Board identifies the skills and experience needed on the Board. Directors are members of the local community or have strong local connections. New trustees are appointed at the AGM.
- New directors meet with the Chair and the Executive Lead to discuss their involvement with KEY and they are supported by the Chair and other trustees while they settle in. An induction programme is followed.
- New directors are linked to an individual member of staff and offered the opportunity to accompany the staff to learn about the work.
- Individual directors undertake training to keep up-to-date and to carry out their roles more effectively.

#### **RECRUITMENT OF VOLUNTEERS**

Volunteering is a core part of KEY's ethos. This year 50 people volunteered at KEY and its associated Key 2 Life Foodbank.

#### **RISK MANAGEMENT**

- Appropriate systems and procedures have been established to mitigate the risks which the charity faces. These include Health and Safety, Recruitment and Selection, Safeguarding, Data Protection and policies related to delivery of services in accordance with the Supporting People contract and national guidelines. Robust financial procedures are in place with regular checks on petty cash and financial information is reported to the Board of Directors at each meeting. With the uncertainty of continued outside funding, a Reserves Policy has been established with the intention of building up reserves of 6 months of expenditure.
- KEY is working towards its long-term sustainability by:
  - recruiting Board members with a range of appropriate skills
  - building a strong and committed staff team
  - diversifying its funding and developing new funding streams
  - increasing its volunteer base of local people
  - developing a strong support base in the local community
  - working in partnership with other organisations

#### **ORGANISATIONAL STRUCTURE**

- The Board of Directors is made up of people from professional backgrounds including homelessness, housing, finance, human resources, marketing, education, training, community development and the church. The Board meets monthly and is responsible for the strategic direction and policy of the charity.
- Decisions are made by the Board at their monthly meetings.
- The levels of remuneration of KEY staff are made at Board meetings in line with policy.
- The Board operates standing committees/working groups comprising board members, staff and young people to oversee the various aspects of the charity's work.
- The day-to-day operational responsibility lies with the Executive Lead, who manages the staff team and ensures that the team deliver services within agreed contracts and that the services continue to meet the needs of the service users.

#### **RELATED PARTIES**

KEY provides residential support at Flavia House which is owned by the Durham Diocese and managed by Bernicia Homes. Residential support is also provided by KEY at Askins Lodge which is owned by Karbon Homes and leased to KEY.



# **SOUTH TYNESIDE CHURCHES' KEY PROJECT**

## **THE TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

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KEY is a partner of the South Tyneside Consortium for Youth Homelessness. Other partners include DePaul UK and Places for People.

KEY works collaboratively with Churches Together South Tyneside and is supported by sixty local churches in practical ways.

#### **PURPOSES**

##### **Public Benefit Disclosure**

KEY's purposes are set out in the Mission Statement and the Objects contained in the Memorandum of Association. The Objects limit the services provided. Activities are undertaken to further the charity's purposes for the public benefit. KEY works only with young people in South Tyneside.

The trustees have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

##### **Vision**

*Every young person in South Tyneside will have a home and someone to turn to when they need support.*

##### **Mission**

*When young people are experiencing hardship or threatened with homelessness, KEY is committed to inspiring them with hope in the future and the skills to live independently, to flourish, be good citizens and the best people they can be.*

**Overall Aim:** *To motivate and guide young people in hardship or threatened with homelessness to move forward through a process of positive change*

#### **Achievements and Performance from April 1st, 2020 to March 31<sup>st</sup> 2021.**

##### **Aim 1: To prevent homelessness.**

Objective 1: Provide advice and guidance to help a young person decide if they can remain at home or need to move out.

- 300 young people presented for advice and guidance around housing needs.

Referrals came through from Housing Options, Children Services, colleges, and schools. Each young person was given the appropriate advice and guidance to meet their accommodation needs, whether moving into supported accommodation, outreach properties, own tenancy or to remain in the family home.

Objective 2: Provide mediation support for young people and their families to reduce conflict and improve relationships in the home to enable the young person to remain at home (if this is a safe option).

- 125 young people (aged 11-24) and their families received intervention support to rebuild their relationships to remain in the family instead of being looked after by the local authority, other family members or moved into supported accommodation.
- 69 families with young people aged 16 – 24 received mediation and 51 returned home, with only 9 young people re-presenting as homeless.

Objective 3: Raise awareness of the realities of being homeless. Volunteers and staff give talks to local schools, churches, and community organisations. Every opportunity is taken to publicise our work in the local press and social media.

- Produced and distributed KEY's regular e-news and sign-up feature added to website (distributed to stakeholders including local churches, community groups, local authority, local members, funders and supporters)
- Continued to improve existing website performance i.e. traffic, bounce rate, session length, loading speed, mobile optimisation
- Established a regular posting pattern on social media increasing the number of followers and levels of engagement across all channels (e.g. KEY Project Facebook followers increased by 27% to 1196 and KEY2Life followers by 312% to 3561 on the previous financial year)

## **SOUTH TYNESIDE CHURCHES' KEY PROJECT**

### **THE TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

#### **YEAR ENDED 31 MARCH 2021**

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- Fundraising: promoted various appeals/events highlighting link to donate page and engaged with local social media influencers such as Rosie Ramsay which had a significant impact on both profile and income (total raised increased by 350% compared to previous financial year and number of donations by 720%)
- 17 stories/features in media (national, regional & local press, tv & radio)
- Established free non-profit Canva account (graphic design platform) to improve our visual content across all mediums
- Promoted regular KEY appeals & partnership initiatives e.g. uniform exchange; online Harvest Festival; Christmas hamper appeal; picnic/trails summer holiday with South Tyneside Council; Halloween Afternoon Tea & Ready Meals/Cookability with Action Station and Feeding Britain
- Progressed rebranding/website project: undertook audit of current website and wrote draft brief for new website which fed directly into short Comms Consultant strategy & final brief; supported commissioning & appointing of creative agency
- Supported Food Bus Project Manager with feasibility study (setting up and promotion of online questionnaire)
- Various talks and presentations given to schools, churches, local businesses and community groups e.g. Rotary club and Baptist Church South Shields.

#### **Aim 2: To prepare young people for independent living.**

Objective 1: Provide supported shared accommodation for up to one year at Askins Lodge (18 beds), Flavia House (5 bedrooms), Strickland House (4 bedrooms).

- 74 young people stayed in our shared supported housing projects.

Objective 2: Provide 'move on' accommodation (following their stay at Askins Lodge, Flavia and Strickland Houses) where they can begin to live independently with a lower level of support for two more years.

- 22 young people stayed in our 12 move on flats.

Objective 3: Assist the young people to secure their own tenancy, when they are ready for independent living.

- A total of 96 young people were supported through our shared supported housing projects, move-on accommodation, to living independently with their own tenancy.

#### **Aim 3: To enable young people to take opportunities for education, training, employment and wellbeing.**

Objective 1: Learn life skills following KEY's innovative 8 step programme.

- KEY promote activities in supported housing projects to encourage healthy lifestyles including: Keep fit sessions, Zumba, cooking and arts crafts sessions, yoga, pilates, mindfulness
- KEY provides bursary grants to help young people overcome barriers to employment, education, and training. These cover costs accessing college, training, employment e.g. bus fares, books, equipment when this is not provided.
- KEY's Prevention Team provide every young person and their families skills and strategies to help reduce arguments in the family home. 87 young people were supported around wellbeing issues and assisted to access services that met their needs.
- KEY's Prevention Team supported 34 young people to remain in education (school or college). Working with their families and the young people we were able to rebuild the relationships. Those that could not return home we supported them into supported accommodation which helped their wellbeing and to concentrate more on their education.

Objective 2: Arrange opportunities to take part in leisure and community activities.

- Christmas Dinner for 39 young people in December 2020.
- Summer Barbecue held at Askins Lodge.
- Monthly gym passes provided to young people to improve their mental and physical health.
- Outdoor Gym for young people at Askins Lodge
- Wellbeing activities across all supported accommodation services.

Objective 3: Provide opportunities to reflect on current issues in the world.



## **SOUTH TYNESIDE CHURCHES' KEY PROJECT**

### **THE TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

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- KEY staff discuss with young people, in groups and 1 to 1, issues around COVID-19, Brexit, immigration, politics, news stories and how they are presented in the media. We also encourage our young people to be proactive with issues that they care about and demonstrate on how they can make a positive difference in their lives and communities.

**Aim 4: To meet the needs of young people needing crisis support.**

Objective 1: Provide emergency food packs including food, toiletries, and cleaning materials.

- 16,000 young people, adults, and families were fed at the Key2Life Foodbank

Objective 2: Provide furniture and household furnishings.

- Young people supported by KEY can access a Resettlement Starters Fund where they can apply for up to £150 to help them buy furnishings and household items. This was set up with a grant from the *Pattison Estate Agents* Fund at the Community Foundation.
- KEY staff apply for hardship grants on behalf of young people and families from trusts such as Buttle and Greggs. For example, KEY's Prevention Team supported 5 families to obtain furniture including cookers and beds for young people. These were accessed via the Greggs Hardship Fund.
- KEY also receive donations from the local community and churches.

Objective 3: Provide advocacy with crisis loans, benefits claims, sanction appeals.

- KEY's workers make sure young people claim benefits, budget effectively as their financial circumstances frequently change, advocate for them in dealings with utility companies, landlords, Housing Benefit, Job Centre Plus.
- Young people helped to complete online Advance Payment applications for Universal Credit.
- KEY's Prevention Team occasionally assisted families with making new benefit claims as young people were estranged from family members. They supported families with appeals around benefit claims e.g. Personal Independent Claims (PIP). They also help reduce rent arrears so families could remain in their home.
- KEY also have a bursary scheme which support young people who are entering into Education, Employment or Training. This can cover the initial costs of travel, equipment or other items that will help them succeed in their role.

**We achieve our aims by working in partnership with other agencies and faith / voluntary organisations by:**

- Networking: with local community, voluntary, private sector and statutory bodies. E.g. the Stakeholder Group for Flavia House meets regularly with our partners – Bernicia Homes, Northumbria Police, Flavia House neighbours and South Tyneside Council.
- Working with other housing providers: KEY meets regularly with other housing providers to share good practice and to discuss concerns relating to funding and sustainability of services in a changing climate e.g. DePaul, Places for People, SHAID and Community Campus.
- Forming appropriate partnerships:
  - Working with Durham Diocese and Bernicia Homes for eleven years and with Karbon for four years to provide supported living accommodation.
  - KEY helped set up the South Tyneside Consortium for Youth Homelessness with DePaul UK and Places for People. Working together as a consortium, the three organisations provide integrated pathways for young people accessing homelessness services in South Tyneside. This includes attending the weekly meetings for HAPPS (Homeless Allocations Pathway Planning Support).
  - KEY partners with Churches Together South Tyneside to run KEY 2 Life, a poverty alleviation project, based at the library on Boldon Lane, South Shields. It includes a Foodbank providing food for young people and the wider community; Fuel Voucher Scheme; School Uniforms 4 All; Food and Fun holiday programme. In 2020, KEY 2 Life partnered with South Tyneside Council to provide picnics for struggling families taking part in the summer holiday Family Trail (a walking programme).
- Contributing to wider strategic planning. KEY's Executive Lead attends meetings organised by South Tyneside Council e.g. Homelessness Forum, Local Safeguarding Children's Board, Regional Youth Homelessness Network and the Children and Families Board.

## **SOUTH TYNESIDE CHURCHES' KEY PROJECT**

### **THE TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**

**YEAR ENDED 31 MARCH 2021**

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#### **BUSINESS PLANNING**

##### **Business Plan**

A 3-year rolling business plan ensures KEY meets its aims, taking account of KEY's values, the client needs and national and local policy agendas. Each year, activities are agreed that support our objectives and these are monitored quarterly by the Board. At the end of each year, overall achievement is noted, and plans are made to remedy any deficiencies. The Board tracks and ensures that the services and activities of KEY are of high quality. Reviews are in line with the Charity Commission's general guidance on public benefit. A new 3-year business plan is to be launched in 2021-22.

##### **Future Plans**

In 2022 the trustees plan to:

- continue to work through their three-year governance development plan, reviewing the Constitution and continuing to review of committees Terms of Reference and membership
- carry out a skills gap check and decide whether we need to recruit more trustees
- assess the criteria and making necessary changes to meet the requirements to become a Registered Provider.
- all the trustees to complete a Safeguarding training programme and do some training around identifying and managing conflicts
- consider ways KEY can be a 'greener', more environmentally sustainable organisation.

We want to continue expanding the provision of services and accommodation for young people following our continued expansion during the last year.

In 2021 – 22 KEY aims to target services at evolving needs in the aftermath of the COVID Pandemic with a focus on wellbeing, employability, and mental health. KEY has ambitious plans to grow its housing portfolio creating safe sustainable housing for our beneficiaries. We will continue to invest in our infrastructure to keep pace with our continued growth. The new website will be launched with new branding completing phase one of our Communications Strategy. New sources of grant funding awarded in 2020 will enable KEY to extend its Mediation and Family Intervention Service in 2021 with funding also secured in Mental health and employability.

##### **Fundraising Review**

KEY's income is derived from 3 main sources: rental income, a commissioned contract with South Tyneside Council and fundraising.

Fundraising covers both grant funding from trusts and foundations and community fundraising such as cash donations from the public and events. During the pandemic KEY was not able to run its traditional events or have supporters competing in the GNR. We did however see a threefold increase in online donations.

KEY have been successful in accessing grant funding this year. However, we anticipate that in the coming year as the country comes out of the pandemic the funding environment will be challenging.

As KEY's income is now over £1 million per annum this limits the number of trusts it can apply to. However, compared to many other charities, KEY is in a fortunate position, having established diverse and sustainable income streams, over the last few years.

To help with fundraising KEY has a team of committed and experienced staff.

#### **FINANCIAL REVIEW**

##### **Principal Funding Sources**

Full details are set out in note 6 on page 17 of the Annual Accounts.

There was a surplus of income over expenditure for the year of £406,968

Restricted funds include advanced funding which will be spent before the end of March 2022. See note 19 of the Accounts.



**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**THE TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)**  
**YEAR ENDED 31 MARCH 2021**

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**Reserves Policy**

The Board of Directors has examined the charity's requirement for reserves considering the main risks to the organisation.

Reference should be made to note 19 and 20 on page 22 to 26 of the accounts.

As the charity's sources of income become more diversified with the introduction of rental income from its housing assets, it is hoped that the reserves policy outlined above will be quickly achieved. The Board has considered the extent to which existing activities and expenditure could be curtailed should future funding not be forthcoming.

**Investment Policy**

A substantial part of our reserves is held in a higher interest account with the Central Finance Board of the Methodist Church and Barclays Bank, with the remainder in a current account.

**RESPONSIBILITIES OF TRUSTEES**

The charity trustees (who are also the directors of KEY for the purposes of the company law) have prepared this trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

And signed on their behalf:

  
\_\_\_\_\_  
Jonathan Askins.



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH TYNESIDE CHURCHES' KEY PROJECT (CONTINUED)**

**YEAR ENDED 31 MARCH 2021**

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## **Opinion**

We have audited the financial statements of South Tyneside Churches' Key Project (the 'charity') for the year ended 31 March 2021 which comprise the statement of financial position, statement of cash flows and the related notes, 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 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 charity's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained in 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH TYNESIDE CHURCHES' KEY PROJECT (CONTINUED)**

**YEAR ENDED 31 MARCH 2021**

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## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the 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 7, the trustees (who are also the directors 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 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 trustees either intend to liquidate the charity 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:



# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH TYNESIDE CHURCHES' KEY PROJECT (CONTINUED)**

**YEAR ENDED 31 MARCH 2021**

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## **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

The objectives of our audit with regards to fraud are to design tailored and specific audit procedures to enable us to gather sufficient audit evidence. These tests are proportionate and appropriate to the charitable company in terms of assessed risk level and the nature of the entity's activities. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance.

- We obtained an understanding of the legal and regulatory requirements which applied to the charitable company, which we deemed to be the Companies Act 2006, and Statement of Recommended Practice to charities, the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS102)).
- We obtained an understanding of how the charitable company had complied with these regulations by reviewing their treatment of transactions, reviewing minutes of meetings and discussing compliance with trustees and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and identified that income from housing benefit and service charges is most susceptible to fraud or error. We designed our audit work to test the controls in place regarding the processing of these transactions and how these controls are capable of preventing or detecting fraud or error.
- Our audit procedures gathered evidence to support the claims of the trustees whilst maintaining professional scepticism to allow us to draw our own conclusion on the matter.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH  
TYNESIDE CHURCHES' KEY PROJECT (CONTINUED)**

**YEAR ENDED 31 MARCH 2021**

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

**Use of our report**

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



Alison Henshaw FCCA  
(Statutory Auditor)

For and on behalf of  
Torgersens  
Chartered accountants & statutory auditor  
Somerford Buildings  
Norfolk Street  
Sunderland  
SR1 1EE

Date: 31/01/22

# **SOUTH TYNESIDE CHURCHES' KEY PROJECT**

## **STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
<b>INCOME</b>					
<b>Income and endowments from:</b>					
Donations and legacies	4	50,835	-	50,835	7,808
Charitable activities	5	898,616	291,993	1,190,609	959,752
Other trading activities	6	-	194,793	194,793	105,169
Investments	7	432	-	432	632
Other Income	8	-	-	-	3,339
<b>Total incoming resources</b>		<u>949,883</u>	<u>486,786</u>	<u>1,436,669</u>	<u>1,076,700</u>
<b>EXPENDITURE</b>					
<b>Expenditure on:</b>					
Raising funds	9	28,811	-	28,811	14,599
Charitable activities	10	694,643	306,247	1,000,890	792,775
<b>Total</b>		<u>723,454</u>	<u>306,247</u>	<u>1,029,701</u>	<u>807,374</u>
<b>Net incoming/(outgoing) resources</b>		<b>226,429</b>	<b>180,539</b>	<b>406,968</b>	<b>269,326</b>
<b>Transfers between Funds</b>		<b>326,448</b>	<b>(326,448)</b>	<b>-</b>	<b>-</b>
<b>NET MOVEMENT IN FUNDS</b>		<u><b>552,877</b></u>	<u><b>(145,909)</b></u>	<u><b>406,968</b></u>	<u><b>269,326</b></u>
Total funds brought forward		<u>481,393</u>	<u>506,797</u>	<u>988,190</u>	<u>718,864</u>
<b>Total funds carried forward</b>		<u><b>1,034,270</b></u>	<u><b>360,888</b></u>	<u><b>1,395,158</b></u>	<u><b>988,190</b></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 15 to 27 form part of these financial statements.




**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**STATEMENT OF FINANCIAL POSITION**  
**31 MARCH 2021**

	Note	£	2021 £	2020 £
<b>FIXED ASSETS</b>				
Tangible fixed assets	15		433,684	433,684
<b>CURRENT ASSETS</b>				
Debtors	16	159,935		45,185
Cash at bank and in hand		860,693		585,042
		<u>1,020,628</u>		<u>630,227</u>
<b>CREDITORS: amounts falling due within one year</b>	17	<u>(59,154)</u>		<u>(75,721)</u>
<b>NET CURRENT ASSETS</b>			<b>961,474</b>	<b>554,506</b>
<b>NET ASSETS</b>			<b><u>1,395,158</u></b>	<b><u>988,190</u></b>
<b>THE FUNDS OF THE CHARITY</b>				
Restricted income funds	19		360,888	506,797
Unrestricted funds	20		1,034,270	481,393
<b>Total Funds</b>			<b><u>1,395,158</u></b>	<b><u>988,190</u></b>

The trustees acknowledge their responsibilities for: (i) ensuring that the charitable company keeps proper accounting records which comply with section 386 of the Act; and (ii) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of the financial year and of its incoming resources and application of resources, including its surplus or deficit for the financial year in accordance with the requirements of section 394 and 395, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the charitable company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the trustees on 27 JAN 2022 and are signed on their behalf by:



B. Askins



I Montgomery

Company number 5031398

The notes on pages 15 to 27 form part of these financial statements.

**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**STATEMENT OF CASH FLOWS**  
**31 MARCH 2021**

	£	2021 £	2020 £
<b>Surplus for the year</b>		<b>406,968</b>	<b>269,326</b>
<b>Adjustments for:</b>			
Depreciation and impairment of tangible fixed assets		-	-
<b>Movement in working capital:</b>			
(Increase)/decrease in debtors	(114,750)		(904)
Increase/(decrease) in creditors	(16,567)		70,998
		<b>(131,317)</b>	<b>70,094</b>
<b>Cash generated from operations</b>		<b>275,651</b>	<b>339,420</b>
<b>Investing activities</b>			
Purchase of tangible fixed assets		-	(62,812)
<b>Net increase in cash and cash equivalents</b>		<b>275,651</b>	<b>276,608</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>585,042</b>	<b>308,434</b>
<b>Cash and cash equivalents at end of year</b>		<b>860,693</b>	<b>585,042</b>

The notes on pages 15 to 27 form part of these financial statements.

**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2021**

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**1. General Information**

The company is a private company limited by guarantee, registered in England and Wales, as well as being a registered Charity. The address of the registered office is 116 Baring Street, South Shields, Tyne & Wear, NE33 2BA.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

**3. Accounting Policies**

***Basis of Accounting***

These financial statements have been prepared under the historical cost convention and in accordance with:

- i) the Statement of Recommended Practice, "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)";
- ii) the special provisions of Part 15 of the Companies Act 2006 ("the 2006 Act") relating to small companies; and
- iii) FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

The financial statements are presented in sterling (£), which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £.

***Tangible Fixed Assets***

All fixed assets are included at cost.

***Depreciation***

Depreciation is calculated to write down the cost, less estimated residual value of all tangible fixed assets over their expected useful lives.

Properties are maintained to such a standard that any depreciation is deemed to be immaterial.

***Incoming Resources***

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.

Investment income is included when receivable.

***Coronavirus Job Retention Scheme***

Coronavirus Job Retention Scheme grant income will be accounted for under the accrual model. The income will be recognised in the period to which the underlining furloughed staff costs relate to. The payroll liability has been incurred by the entity, and it has therefore met the conditions to claim for that payroll accounting period.

***Small Business Grant***

This is to be recognised immediately in income once the entity is satisfied that they are eligible and intend to participate in the scheme.



**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2021**

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**3. Accounting Policies (continued)**

***Resources Expended***

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

Charitable activity expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

All costs are allocated between the expenditure categories of the SOFA on a basis designated to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

***Going Concern***

There are no material uncertainties regarding the charity's ability to continue as a going concern.

***Financial Instruments***

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the charitable company after deducting all of its liabilities.

***Value Added Tax***

Value Added Tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

***Taxation***

Due to the company's charitable operations no corporation tax is payable on the results for the year.

***Fund of Accounting***

Funds held by the charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

***Operating leases***

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

***Defined contribution plans***

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

**4. VOLUNTARY INCOME – DONATIONS AND GRANTS**

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Donations	<u>50,835</u>	<u>-</u>	<u>50,835</u>	<u>7,808</u>

Income from donations in 2020 was unrestricted.

**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2021**

**5. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Anson Close Income	17,517	-	17,517	20,890
Askins Lodge - Income	437,153	-	437,153	368,678
Askins Cottages	64,305	-	64,305	-
Strickland House Income	80,109	-	80,109	87,700
Dispersed Properties – Income	75,282	-	75,282	72,423
116 Baring Street – Rent from flat	15,068	-	15,068	31,318
Flavia House	114,850	-	114,850	103,048
Heaton Gardens	17,146	-	17,146	-
Hedley Close	16,186	-	16,186	2,508
Accommodation grant	-	40,833	40,833	32,500
Act 435	-	2,240	2,240	1,140
Ballinger Grant	-	15,000	15,000	15,000
Lloyds Bank Foundation	33,000	-	33,000	-
Consortium	-	90,249	90,249	93,407
Community Foundation	-	14,823	14,823	20,355
Covid 19 Grants	-	15,658	15,658	-
DWF Charitable Foundation	-	-	-	1,000
Family Intervention Event-	-	-	-	1,000
Fuel Bursary Donation	-	4,000	4,000	-
Hospital of God Greatham	-	-	-	2,000
116 Baring Street - Grant	-	-	-	1,600
HMRC JRS Income	-	4,817	4,817	-
Kielder Trip	-	-	-	59
Property Purchase Grants	-	-	-	65,000
Mercers	-	8,000	8,000	30,000
South Tyneside Council Rates Relief	10,000	-	10,000	-
Young People Activities	-	-	-	126
Northumbria Police	-	5,000	5,000	-
Van - Grant	-	-	-	10,000
Virgin Money	-	10,000	10,000	-
Raindance Trust	3,000	-	3,000	-
Awards for All	-	10,000	10,000	-
BBC Children in Need	-	9,913	9,913	-
Durham Community	-	2,150	2,150	-
Great North Run	-	250	250	-
Greggs	-	50	50	-
Homeless Link	-	16,900	16,900	-
Leathersellers	15,000	-	15,000	-
Scottish Power	-	40,810	40,810	-
GFINTLSOLS	-	1,300	1,300	-
<b>Total Grants and Contracts</b>	<b>898,616</b>	<b>291,993</b>	<b>1,190,609</b>	<b>959,752</b>

Income from charitable activities in 2020 was made up of unrestricted funds of £688,165 and restricted funds of £271,587



**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2021**

**6. OTHER TRADING ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Barbour re Christmas party	-	-	-	700
Bursary Fund	-	-	-	1,000
Food Bank/Support Packs	-	194,293	194,293	60,482
Fund Raising	-	-	-	2,019
KEY Staff	-	-	-	39,795
Clothing fund	-	-	-	50
Client grants	-	-	-	623
Groundwork re trip	-	-	-	500
Gym passes	-	500	500	-
<b>Total Income</b>	<u>-</u>	<u>194,793</u>	<u>194,793</u>	<u>105,169</u>

Income from other trading activities in 2020 was made up of unrestricted funds of £2,019 and restricted funds of £103,150.

**7. INVESTMENT INCOME**

	2021 £	2020 £
Cash investments held in the UK	<u>432</u>	<u>632</u>

Investment income in 2020 was unrestricted.

**8. OTHER INCOME**

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Other voluntary income	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,339</u>

Income from donations and other voluntary income in 2020 were unrestricted.

**9. EXPENDITURE ON RAISING FUNDS**

	Unrestricted Funds £	Restricted Funds £	2021 Total £	2020 Total £
Advertising, marketing and development	3,420	-	3,420	555
Other fund raising costs	25,391	-	25,391	14,044
	<u>28,811</u>	<u>-</u>	<u>28,811</u>	<u>14,559</u>

Expenditure on raising funds in 2020 was unrestricted.

**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2021**

**10. EXPENDITURE ON CHARITABLE ACTIVITIES**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>2021 Total £</b>	<b>2020 Total £</b>
Anson Close	16,388	-	16,388	11,835
Askins Lodge	362,969	-	362,969	256,673
Askins Cottages	58,556	-	58,556	-
Baring Street – flat costs	17,852	-	17,852	20,253
Strickland House – salaries and running costs	65,045	-	65,045	63,214
Dispersed properties – set up and running costs	44,732	-	44,732	36,416
Flavia House – salaries and running costs	68,144	-	68,144	87,864
Heaton Gardens – running costs	5,097	-	5,097	3,323
Hedley Close – running costs	4,098	-	4,098	1,071
Accommodation managers	-	25,166	25,166	48,396
Art Project Mural	-	-	-	268
Staff costs (employed and other workers) - Consortium	-	88,068	88,068	93,127
HMRC JRS Salaries	-	4,817	4,817	-
Training	4,061	-	4,061	1,580
Client expenses	-	-	-	623
Recruitment	553	-	553	-
Management Committee and AGM costs	-	-	-	613
Food Bank – Salary and costs	-	71,641	71,641	45,875
- Holiday Hunger	-	11,148	11,148	14,000
General office (computer, stationery etc)	1,168	-	1,168	-
Family Intervention Event	-	-	-	1,000
Baring Street – running costs	7,234	-	7,234	17,077
Bank charges	934	-	934	772
Bursary expenses	-	-	-	764
Fuel bursary	-	4,250	4,250	30
Insurance	1,193	-	1,193	1,088
Projects – salaries and costs	-	71,271	71,271	64,429
Young People Activities	-	-	-	443
Act 435	-	3,015	3,015	965
Barbour re Christmas party	-	-	-	700
Gym passes	-	-	-	2
Kielder Trip	-	-	-	170
Starter Fund	-	-	-	750
Van	2,209	-	2,209	12,140
Volunteer Expenses	3,135	-	3,135	433
Website	-	-	-	2,081
Governance cost	4,600	-	4,600	4,800
BBC Children in Need	-	9,913	9,913	-
Communications	5,646	-	5,646	-
Development costs	-	1,300	1,300	-
Covid 19	-	15,658	15,658	-
IT	21,029	-	21,029	-
<b>Total resources expended</b>	<b>694,643</b>	<b>306,247</b>	<b>1,000,890</b>	<b>792,775</b>

**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2021**

**10. EXPENDITURE ON CHARITABLE ACTIVITIES (*continued*)**

Expenditure on charitable activities in 2020 was made up of £524,758 unrestricted and £268,017 restricted funds.

Costs are allocated, where possible, directly to the project concerned. Where this is not possible the management committee have decided upon a basis which they consider appropriate.

**11. NET INCOMING RESOURCES FOR THE YEAR**

	2021 Total £	2020 Total £
<b>This is stated after charging the following:</b>		
Depreciation	-	-
Trustees remuneration	-	-
Governance costs	<u>4,600</u>	<u>4,800</u>

**12. STAFF COSTS AND NUMBERS**

	2021 £	2020 £
<b>Staff costs (employed only) comprise:</b>		
Salaries	550,426	439,966
Social Security costs	45,193	35,874
Pension costs	21,081	16,172
	<u>616,700</u>	<u>492,012</u>

The figures for pension costs referred to above relate to KEY's contribution to Staff Pension Schemes. Two members of staff are in Stakeholder Pension Schemes.

	2021 £	2020 £
<b>The average number of persons employed by the Trust was as follows:</b>		
Management and administrative	3	3
Charitable activities	19	15
	<u>22</u>	<u>18</u>

No employee received remuneration of more than £60,000 (2020: none).

**Key Management Personnel**

Key management personnel comprise of one employee that has authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £65,170 (2020: £53,479).

**13. TRUSTEES REMUNERATION AND RELATED PARTY TRANSACTIONS**

No members of the Trustees received any remuneration during the year (2020: £Nil)

Travel and other costs of £Nil (2020: £Nil) were reimbursed.

No Trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity during the year (2020: £Nil).

**14. TAXATION**

As a charity, South Tyneside Churches' Key Project is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or S252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2021**

**15. FIXED ASSETS - Tangible Assets**

	Strickland House	Heaton Gardens	Hedley Close	116 Baring Street	Computer Equipment	Fixtures, Fittings & Equipment	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 April 2020	205,357	31,906	30,906	165,515	19,960	7,624	461,268
Disposals	-	-	-	-	(19,960)	(7,624)	(27,584)
At 31 March 2021	<u>205,357</u>	<u>31,906</u>	<u>30,906</u>	<u>165,515</u>	<u>-</u>	<u>-</u>	<u>433,684</u>
<b>Depreciation</b>							
At 1 April 2020	-	-	-	-	19,960	7,624	27,584
Disposals	-	-	-	-	(19,960)	(7,624)	(27,584)
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Book Value</b>							
At 31 March 2021	<u>205,357</u>	<u>31,906</u>	<u>30,906</u>	<u>165,515</u>	<u>-</u>	<u>-</u>	<u>433,684</u>
At 31 March 2020	<u>205,357</u>	<u>31,906</u>	<u>30,906</u>	<u>165,515</u>	<u>-</u>	<u>-</u>	<u>433,684</u>

**16. Debtors**

	2021	2020
	£	£
Amounts due from consortium	22,103	22,102
Housing benefit due	124,147	17,003
Service charges due	13,685	5,230
Other debtors and prepayments	-	850
	<u>159,935</u>	<u>45,185</u>

**17. Creditors: amounts falling due within one year**

	2021	2020
	£	£
Taxation and social security	-	-
Other creditors, accruals and deferred income	59,154	75,721
	<u>59,154</u>	<u>75,721</u>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	General Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	61,754	371,930	433,684
Current assets	350,040	673,744	(3,156)	1,020,628
Current liabilities	-	(51,268)	(7,886)	(59,154)
<b>Net Assets at 31 March 2021</b>	<u>350,040</u>	<u>684,230</u>	<u>360,888</u>	<u>1,395,158</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS – previous year**

	General Funds	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	61,754	371,930	433,684
Current assets	-	495,247	134,980	630,227
Current liabilities	-	(75,608)	(113)	(75,721)
<b>Net Assets at 31 March 2020</b>	<u>-</u>	<u>481,393</u>	<u>506,797</u>	<u>988,190</u>



**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2021**

**19. ANALYSIS OF RESTRICTED FUND MOVEMENTS**

	At 1 April				At 31 March
	2020	Incoming	Outgoing	Transfers	2021
	£	£	£	£	£
Accommodation Grant	32,500	40,833	(25,166)	-	48,167
Bursary Fund	420	-	-	-	420
Clothing Fund	828	-	-	-	828
Northern Rock Foundation	150,000	-	-	(150,000)	-
Strickland House Grant	143,603	-	-	(143,603)	-
Consortium	18,356	90,249	(88,068)	-	20,537
Elvet Church Durham	21,598	-	-	(21,598)	-
Law Top flat (Baring Street Grants)	11,247	-	-	(11,247)	-
Food Bank/Support packs - funding	5,022	194,293	(70,392)	-	128,923
Holiday Hunger	11,148	-	(11,148)	-	-
Act 435	775	2,240	(3,015)	-	-
KEY Staff	2,234	-	-	-	2,234
Young People's Activities	2,563	-	-	-	2,563
Barbour re Christmas party	39	-	(39)	-	-
Ballinger Grant	15,000	15,000	(15,029)	-	14,971
Community Foundation	21,355	14,823	(26,312)	-	9,866
Fuel Bursary Donation	260	4,000	(4,250)	-	10
Mercers	30,000	8,000	(10,435)	-	27,565
Property Purchase Grants	38,689	-	-	-	38,689
Virgin Money	-	10,000	-	-	10,000
Groundwork re trip	1,160	500	(1,160)	-	500
COVID-19 Grants	-	15,658	(15,658)	-	-
HMRC JRS Income	-	4,817	(4,817)	-	-
Northumbria Police	-	5,000	-	-	5,000
BBC Children in Need	-	9,913	(9,913)	-	-
Awards for All	-	10,000	-	-	10,000
Durham Community	-	2,150	-	-	2,150
Great North Run	-	250	-	-	250
Greggs	-	50	(50)	-	-
Homeless Link	-	16,900	(10,435)	-	6,465
Scottish Power	-	40,810	(9,060)	-	31,750
GFINTLSOLS	-	1,300	(1,300)	-	-
	<u>506,797</u>	<u>486,786</u>	<u>(306,247)</u>	<u>(326,448)</u>	<u>360,888</u>

The transfer of £326,448 from restricted to unrestricted funds was for the purchase of capital items out of restricted monies.



**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**31 MARCH 2021**

**19. ANALYSIS OF RESTRICTED FUND MOVEMENTS (CONTINUED) – previous year**

	At 1 April 2019 £	Incoming £	Outgoing £	Transfers £	At 31 March 2020 £
Accommodation Grant	1,840	32,500	(1,840)	-	32,500
Bursary Fund	184	1,000	(764)	-	420
Clothing Fund	778	50	-	-	828
Client Funding	-	623	(623)	-	-
Northern Rock Foundation	150,000	-	-	-	150,000
Strickland House Grant	143,603	-	-	-	143,603
Consortium	11,076	93,407	(86,127)	-	18,356
DWF Charitable Foundation	-	1,000	(1,000)	-	-
Elvet Church Durham	21,598	-	-	-	21,598
Law Top flat (Baring Street Grants)	11,247	-	-	-	11,247
Food Bank/Support packs - funding	15,563	35,334	(45,875)	-	5,022
Holiday Hunger	-	25,148	(14,000)	-	11,148
Family Intervention Event	-	1,000	(1,000)	-	-
Art Project Mural	268	-	(268)	-	-
Act 435	600	1,140	(965)	-	775
KEY Staff	5,000	39,795	(42,561)	-	2,234
Young People's Activities	2,880	126	(443)	-	2,563
Barbour re Christmas party	39	700	(700)	-	39
Ballinger Grant	15,000	15,000	(15,000)	-	15,000
Community Foundation	1,000	20,355	-	-	21,355
Co-op Community Foundation	9,998	-	(9,998)	-	-
Fuel Bursary Donation	290	-	(30)	-	260
Funding for Support Worker	10,870	-	(10,870)	-	-
Hospital of God Greatham	-	2,000	(2,000)	-	-
Kielder Trip	-	59	(59)	-	-
Mercers	-	30,000	-	-	30,000
Property Purchase Grants	34,500	65,000	-	(60,811)	38,689
Sir James Knott Trust	5,000	-	(5,000)	-	-
Starter Fund	750	-	(750)	-	-
Van	-	10,000	(10,000)	-	-
Virgin Money	18,142	-	(18,142)	-	-
Zedra Trust	2,000	-	-	(2,000)	-
Groundwork re trip	660	500	-	-	1,160
Gym passes	2	-	(2)	-	-
	<u>462,888</u>	<u>374,737</u>	<u>(268,017)</u>	<u>(62,811)</u>	<u>506,797</u>

Accommodation grants - Represents funding received towards working with young people experiencing poverty and disadvantage.

Awards for All – Represents funding received towards salary and office costs.

Bursary Fund - This is money KEY gives to young people as a bursary to help them overcome employment, education, and training barriers.

COVID-19 Grants and Homeless Link – These grants were received towards additional costs incurred by COVID-19 pandemic.

Clothing Fund – This is money KEY collects from selling donated items on eBay and at cash for clothes.

Client Funding - Represents hardship grants KEY received from grant making trusts on behalf of young people in crisis in order to fund young people's activities in the prior year.

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**19. ANALYSIS OF RESTRICTED FUND MOVEMENTS (continued)**

HMRC JRS Grants – Income received towards staff costs for staff placed on furlough.

Northern Rock Foundation – This was a capital grant award used towards the purchase and conversion of 116 Baring Street into an office in 2015/2016.

Strickland House Grant - This was grant funding received in previous years up to 2015 towards the purchase and refurbishment of Strickland House.

The two funds above have been transferred to designated as no commitment to refund providers upon sale of property.

Consortium – This represents funding received for costs including the commissioned contract with South Tyneside Council in partnership with Depaul UK and Places for People.

DWF Charitable Foundation - This was a grant awarded for the annual running costs of St Hilda's Drop-in in the prior year.

Northumbria Police – This was a grant received within the objectives of cutting crime, crime prevention, reducing re-offending, supporting victims and community safety.

Scottish Power – Represents funding towards KEY Youth Hubs project which is the development of drop in hubs for socially excluded and disadvantaged young people.

Elvet Church Durham – Funding for refurbishment costs raised from fundraising events run by Elvet Church in 2015. Transfer represents amounts used for unrestricted expenditure.

Law Top flat (Baring Street Grants) represents grant funding received towards the refurbishment of 112 Fort Street in previous years. As there is no agreement to refund the grant on sale of property, the funds have been transferred to designated funds this year.

Food Bank/Support packs is funds KEY receives for the KEY2Life Food Bank.

Holiday Hunger – Grant funding and donations received to run the Holiday Hunger Summer Clubs for KEY2Life Foodbank.

Family Intervention Event – Funding for family intervention event in the prior year.

Art Project Mural – Grant awarded for painting murals in KEY's premises at Baring Street and Askins Lodge in the prior year.

Act 435 - This represents donations received to give to individuals in hardship. ACT 435 is an online charity, directly connecting those who want to give to those who are in genuine need of their help through local church networks.

KEY Staff - Covers funding received for costs related to these posts, Funding Officer, Family Intervention Officer, Officer Manager, Prison Matters, Marketing and Communications Officer post.

Young People's Activities – Represents grant funding received to run young people's activities.

Barbour – A grant award to cover the costs of the young people's 2019 Christmas party.

Ballinger Grant – KEY receives an annual grant award of £15,000 to help with core costs.

Community Foundation - Represents funds received from Growth and Resilience Fund towards infrastructure investment post supporting the development of KEY's new services.

Homeless Link – Funding received from COVID-19 Homelessness Response Fund for assistance during the pandemic.



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**19. ANALYSIS OF RESTRICTED FUND MOVEMENTS (continued)**

Co-op Community Foundation – Grant awarded for a 3-month project to address youth loneliness. Grant was used for staffing, capital items and young people activities in the prior year.

Fuel Bursary Donation – Donation from Virgin Giving used to help young people experiencing fuel poverty.

Funding for Support Worker – Grant funding from Action with Children to cover salary costs for Family Intervention Officer in the prior year.

Hospital of God Greatham – A grant award to contribute towards salary and core costs of a Reconnect Housing Worker – to do rehousing work with ex-offenders in the prior year.

Kielder Trip -Funding for young people's activity in the prior year.

Mercers – Grant award towards the annual salary costs of a second Family Intervention Officer post. In 2021 an additional grant was received towards additional staff costs in response to COVID-19.

Property Purchase Grants - Represents grants received towards the purchase of flats. In 2018/19 KEY received £34,500 from Garfield £25,000; Albert Hunt £5,000; William Leech £2,000; Rank Foundation £2,500. In 2019/20 KEY received £65,000 from Clothworkers £40,000; Beatrice Laing £5,000; John Laing £5,000; Bernard Sunley £10,000; Hobson Charity £5,000.

Sir James Knott Trust – Grant award to contribute towards the salary costs of a Residential Support Worker at Askins Lodge in the prior year.

Starter Fund - Grant award from Pattisons Estate Agency via Community Foundation to help young people buy essential household items when setting up home in the prior year.

Children in Need – provided funding for 3 years towards a Family Intervention Officer.

Greggs – awarded funding to a young person from hardship fund.

Great North Run – funds were entry fees paid from runners for Great North Run which was cancelled in 2020 due to COVID-19.

Van – Grant award from Awards for All towards the purchase of a van to collect and deliver furniture and food donations in the prior year.

Virgin Money – Grant award towards 1-year salary and related costs for Support Worker at Askins Lodge. In 2021 a grant was received towards additional staffing costs incurred due to COVID-19 pandemic.

Zedra Trust – KEY was awarded a £2,000 grant from the William Webster Trust towards buying a flat. William Webster accts are administered by the Zedra Trust in the prior year.

Groundwork – Funding received for young people's activities.

Gym passes – Funding from MG Northumbria and sponsored events to cover the costs of monthly gym passes and other activities for young people in the prior year.

GFINTLSOLS – Represents funding received towards development of South Tyneside House.

Durham Community provided two grants towards a housing project. No further progression has been made on this project as it is a potentially long term project. The funds will be used towards professional and technical support in order for KEY to negotiate a lease and partnership agreement with South Tyneside Ventures Trust and a valuation on property to be developed.



**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
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**20. MOVEMENT IN FUNDS**

	At 1 April 2020 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2021 £
<b>Restricted funds</b>					
Charity activities	506,797	486,786	(306,247)	(326,448)	360,888
<b>Unrestricted funds</b>					
General funds	-	-	-	350,040	350,040
Designated funds	481,393	949,883	(723,454)	(23,592)	684,230
Total Unrestricted funds	481,393	949,883	(723,454)	326,448	1,034,270
<b>Total Funds</b>	<u>988,190</u>	<u>1,436,669</u>	<u>(1,029,701)</u>	<u>-</u>	<u>1,395,158</u>

**MOVEMENT IN FUNDS – previous year**

	At 1 April 2019 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2020 £
<b>Restricted funds</b>					
Charity activities	462,888	374,737	(268,107)	(62,811)	506,797
<b>Unrestricted funds</b>					
General funds	-	-	-	-	-
Designated funds	255,976	(701,963)	(539,357)	62,811	481,393
Total Unrestricted funds	255,976	701,963	(539,357)	-	481,393
<b>Total Funds</b>	<u>718,864</u>	<u>1,076,700</u>	<u>(807,374)</u>	<u>-</u>	<u>988,190</u>

**Purposes of Restricted Funds:**

Charity activities: The funding enables support to be given to young people experiencing hardship in South Tyneside to allow them to live independent and successful lives.

**General Funds:**

Funds represent surplus designated funds as calculated below.

**Designated Funds:**

The Trustees have decided that a designated reserve within unrestricted funds should be established to cover up to six months operating expenditure. This decision recognises the extremely difficult funding environment and the longer lead times between funding applications and the final decision on those applications.

Based on a "draft cash flow" for the year to 31 March 2022 showing expenditure of £1,212,234 (including self funding areas), the maximum designated reserve on this basis should be £606,117.

In addition a further amount is being designated for potential redundancy payments (£78,113).

This means that the unrestricted funds shown above should be allocated as under:

	£
Redundancy payments – as at 31 March 2021	78,113
Designated Funds for 6 months expenditure	606,117
Surplus Designated Funds	350,040
	<u>1,034,270</u>

**SOUTH TYNESIDE CHURCHES' KEY PROJECT**  
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**21. ANALYSIS OF CHANGES IN DEBT**

	At 1 Apr 2020	Cash flows	At 31 Mar 2021
	£	£	£
Cash at bank and in hand	<u>585,042</u>	<u>275,651</u>	<u>860,693</u>

**22. OPERATING LEASE COMMITMENTS**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	<u>46,314</u>	<u>46,313</u>
Later than 1 year and not later than 5 years	<u>90,000</u>	<u>121,545</u>
	<u><b>136,314</b></u>	<u><b>167,858</b></u>

**23. RELATED PARTIES**

During the year, the charitable company continued to work in partnership with De Paul and Places for People who are members of the South Tyneside Consortium with KEY Project. Income for the year from De Paul was £90,249 (2020: £95,774). The amounts outstanding from De Paul at the year end were £22,103 (2020: £22,102). There were no transactions with Places for People in the current or prior year.

Churches Together South Tyneside who partner with KEY to run the Key2Life Foodbank is also considered a related party. Income from Churches Together in the current year was £43,456 (2020: £14,250). There were no outstanding balances at the year end (2020: £nil).

**24. COMPANY LIMITED BY GUARANTEE**

The legal status of the Trust is that of a company limited by guarantee and has no share capital. The liability of each member in the event of winding-up is limited to £10.