

COMPANY REGISTRATION NUMBER: 5031398
CHARITY NUMBER: 1108921

KEY COMMUNITY
(Company Limited by Guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

**KEY COMMUNITY
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2022**

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KEY COMMUNITY

LEGAL AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31 MARCH 2022

Registered Charity Name	Key Community (will be referred to as KEY throughout these financial statements)
Registration Numbers	Charity Number 1108921 Company Number 5031398
Trustees	B Askins (Resigned 21/09/2022) J Askins (Resigned 21/09/2022) P Brennan (Resigned 27/01/2022) P Hayton S Hamilton I Montgomery E Hobson K. Shields (Trustees are also the directors of KEY for the purposes of company law)
Company Secretary	J Askins (Resigned 21/09/2022)
Registered Office	116 Baring Street South Shields Tyne & Wear NE33 2BA
Auditors	Torgersens Chartered Accountants Somerford Buildings Norfolk Street Sunderland SR1 1EE
Bankers	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 Shawbrook Bank Limited Lutea House Warley Hill Business Park The Drive Great Warley Brentwood Essex CM13 3BE The Charity Bank Limited Fosse House 182 High Street Tonbridge TN9 1BE
Solicitors	Hardings 58 John Street Sunderland SR1 1QH

KEY COMMUNITY

THE TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT)

YEAR ENDED 31 MARCH 2022

GOVERNING DOCUMENT

The organisation is a charitable company limited by guarantee, incorporated on 2nd February 2004 and registered as a charity on 7th 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 2022 AGM the following directors were reappointed:

Bernadette Askins Chair
Penny Hayton Deputy Chair
Ian Montgomery Treasurer

Resignation of Board Directors:
Paul Brennan

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.
- In January 2022 all directors completed the NSPCC Safeguarding Training for Charity Trustees.

RECRUITMENT OF VOLUNTEERS

Volunteering is a core part of KEY's ethos. This year 46 people volunteered at KEY and its associated Key 2 Life Foodbank. We also have had the support of 6 Health and Social Care students and 2 Silver Duke of Edinburgh students; one of whom has completed the award alongside support from the youth justice team for their community work.

A further 2 volunteers have undertaken safeguarding and lone worker training and are supporting young people living in KEY's supported living accommodation.

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 set at Board meetings in line with policy.

KEY COMMUNITY

THE TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (CONTINUED)

YEAR ENDED 31 MARCH 2022

- 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, leased to Bernicia Homes and managed by KEY. Residential support is also provided by KEY at Askins Lodge which is owned by Karbon Homes and leased to KEY.

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: <i>To motivate and guide young people in hardship or threatened with homelessness to move forward through a process of positive change</i>
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Achievements and Performance from April 1st 2021 to March 31st 2022.

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.

- 112 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.

- 156 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.
- 61 families with young people aged 11 – 24 received mediation and 54 returned home, with only 7 young people re-presenting as homeless.

KEY COMMUNITY

THE TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (CONTINUED)

YEAR ENDED 31 MARCH 2022

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.

- KEY's E-news distributed to stakeholders including local churches, community groups, the local authority, local members, funders and supporters.
- Homeless stories
- Launch of website
- Marketing and communications officer
- Key 2 Life facebook
- KEY Facebook
- Features in local media
- Fundraising and awareness
- Talks and presentations

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).

- 51 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.

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

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

- A total of 35 young people were able to move on to living independently with their own tenancy after being supported in supported accommodation and move on properties.

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 provides every young person and their families with skills and strategies to help reduce arguments in the family home. 40 young people were supported around wellbeing issues and assisted to access services that met their needs. This includes CYPS, Talking Therapies, Escape Intervention and our own Well Being Practitioner
- KEY's Prevention Team supported 24 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 were able to access our supported accommodation which helped their wellbeing and enabled them to concentrate on their education.

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

- Self-awareness and wellbeing sessions
- A series of cookery workshops
- Get healthy sports and gardening sessions
- Activity outings
- December 2021 Christmas lunch for both past and present residents

KEY COMMUNITY

THE TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (CONTINUED)

YEAR ENDED 31 MARCH 2022

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

- Opportunities to discuss the effect of the Covid 19 pandemic and the way in which the country has handled the crisis.

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

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

- 1,650 young people, 5,351 adults and 6,812 children were fed at the Key2Life Foodbank.
- We have provided 4,308 family parcels and 1,828 emergency parcels.

Objective 2: Provide furniture and household furnishings.

- KEY staff, depending on the circumstances of the young person, will apply for a grant to assist with household furnishings and funding.
- KEY also receives 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 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 the local community, voluntary, private sector and statutory bodies, for example 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; DePaul, Places For People and Community Campus, to share good practice and to discuss concerns relating to funding and sustainability of services in a changing climate.
- Forming appropriate partnerships:
Working with Durham Diocese and Bernicia Homes for 12 years and with Karbon Homes for 5 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 Allocation Pathway Planning Support).
KEY partners with Churches Together South Tyneside to run Key2 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 2021, Key 2 Life partnered with South Tyneside Council to provide holiday activities for those struggling families.
- Contributing to wider strategic planning. KEY's Executive Lead attends meeting organised by South Tyneside Council, for example: Homelessness Forum, Local Safeguarding Children's Board, regional Youth Homelessness Network and the Children's and Family Board.

KEY COMMUNITY

THE TRUSTEES' REPORT (INCORPORATING THE DIRECTORS' REPORT) (CONTINUED)

YEAR ENDED 31 MARCH 2022

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 5 year business plan is to be launched at the end of 2022.

Future Plans

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

In the coming year KEY aims to continue to focus on wellbeing, mental health and employability. KEY has ambitious plans to grow its housing portfolio and to become a Registered Provider thus creating safe and sustainable housing for our beneficiaries. We will continue to invest in our infrastructures to keep pace with our growth.

The new website will be launched at the end of the year alongside new branding.

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.

KEY have been successful in raising £551,634 through grants this year.

As KEY's income is now over £1 million per annum this limits the number of trusts to which it can apply. However, KEY is in a fortunate position having established diverse and sustainable income streams over the past 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 3 on pages 15 to 16 of the Annual Accounts.

There was a surplus of income over expenditure for the year of £377,216

Restricted funds include advanced funding which will be spent before the end of March 2023. See note 17 of the Accounts.

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 17 and 18 on page 22 to 27 of the accounts.

As the charity's sources of income become more diversified, 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.

KEY COMMUNITY

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

YEAR ENDED 31 MARCH 2022

Investment Policy

The bulk of our funds are held in a current account with Unity Trust Bank.

Further funds are spread across the Central Finance Board of the Methodist Church, Barclays Bank, The Charity Trust Bank and Shawbrook Bank.

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:



Penny Hayton

15/12/2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY COMMUNITY

YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Key Community (the 'charity') for the year ended 31 March 2022 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 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;
- 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 KEY COMMUNITY (CONTINUED)

YEAR ENDED 31 MARCH 2022

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 KEY COMMUNITY (CONTINUED)

YEAR ENDED 31 MARCH 2022

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 KEY COMMUNITY
(CONTINUED)**

YEAR ENDED 31 MARCH 2022

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: 16/2/22

KEY COMMUNITY

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
INCOME					
Income and endowments from:					
Donations and legacies	4	32,182	31,104	63,286	84,372
Charitable activities	5	902,507	521,634	1,424,141	1,351,865
Investments	6	89	-	89	432
Total incoming resources		<u>934,778</u>	<u>552,738</u>	<u>1,487,516</u>	<u>1,436,669</u>
EXPENDITURE					
Expenditure on:					
Raising funds	7	12,349	105	12,454	28,811
Charitable activities	8	720,832	377,014	1,097,846	1,000,890
Total		<u>733,181</u>	<u>377,119</u>	<u>1,110,300</u>	<u>1,029,701</u>
Net incoming/(outgoing) resources		201,597	175,619	377,216	406,968
Transfers between Funds		33,726	(33,726)	-	-
NET MOVEMENT IN FUNDS		<u>235,323</u>	<u>141,893</u>	<u>377,216</u>	<u>406,968</u>
Total funds brought forward		1,034,270	360,888	1,395,158	988,190
Total funds carried forward		<u>1,269,593</u>	<u>502,781</u>	<u>1,772,374</u>	<u>1,395,158</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.

KEY COMMUNITY

STATEMENT OF FINANCIAL POSITION

31 MARCH 2022

	Note	£	2022 £	2021 £
FIXED ASSETS				
Tangible fixed assets	13		470,921	433,684
CURRENT ASSETS				
Debtors	14	222,082		159,935
Cash at bank and in hand		1,113,815		860,693
		1,335,897		1,020,628
CREDITORS: amounts falling due within one year	15	(34,444)		(59,154)
NET CURRENT ASSETS			1,301,453	961,474
NET ASSETS			1,772,374	1,395,158
THE FUNDS OF THE CHARITY				
Restricted income funds	17		502,781	360,888
Unrestricted funds	18		1,269,593	1,034,270
Total Funds			1,772,374	1,395,158

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 15th Dec 2022 and are signed on their behalf by:

PSC Hayton

P. Hayton

I. Montgomery

I Montgomery

Company number 5031398

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

KEY COMMUNITY
STATEMENT OF CASH FLOWS
31 MARCH 2022

	2022	2021
	£	£
Surplus for the year	377,216	406,968
Adjustments for:		
Depreciation and impairment of tangible fixed assets	-	-
Movement in working capital:		
(Increase)/decrease in debtors	(62,147)	(114,750)
Increase/(decrease) in creditors	(24,710)	(16,567)
	(86,857)	(131,317)
Cash generated from operations	290,359	275,651
Investing activities		
Purchase of tangible fixed assets	(37,237)	-
Net increase in cash and cash equivalents	253,122	275,651
Cash and cash equivalents at beginning of year	860,693	585,042
Cash and cash equivalents at end of year	1,113,815	860,693

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

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2022

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.

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.

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2022

3. Accounting Policies (continued)

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 2022	Total 2021
	£	£	£	£
Donations – general	32,182	-	32,182	50,835
– Food Bank	-	31,085	31,085	33,537
– Clothing fund	-	19	19	-
	<u>32,182</u>	<u>31,104</u>	<u>63,286</u>	<u>84,372</u>

Income from donations in 2021 was £84,372 of which £50,835 was unrestricted and £33,537 was restricted.

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2022

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Anson Close Income	17,192	-	17,192	17,517
Askins Lodge - Income	410,368	-	410,368	437,153
Askins Cottages	116,606	-	116,606	64,305
Dispersed Properties - Income	67,849	-	67,849	75,282
Flavia House	115,991	-	115,991	114,850
Heaton Gardens	17,590	-	17,590	17,146
Hedley Close	17,258	-	17,258	16,186
Strickland House Income	90,920	-	90,920	80,109
116 Baring Street - Rent from flat	18,048	-	18,048	15,068
Baring Street - Rent from desks	685	-	685	-
Accommodation grant	-	41,200	41,200	40,833
Act 435	-	735	735	2,240
All Churches Together	-	11,700	11,700	-
Awards for All	-	-	-	10,000
Ballinger Grant	-	15,000	15,000	15,000
BBC Children in Need	-	18,116	18,116	9,913
Bernard Sunley	15,000	-	15,000	-
BUS Project - Community Foundation	-	10,000	10,000	-
Consortium	-	88,405	88,405	90,249
Community Foundation	-	15,900	15,900	14,823
Covid 19 Grants	-	-	-	15,658
Charities Trust - Nationwide	-	48,699	48,699	-
Community CAN NE	-	1,000	1,000	-
Durham Community	-	-	-	2,150
Feeding Britain	-	9,753	9,753	-
Food Bank - Grants	-	170,383	170,383	160,756
Fuel Bursary Donation	-	80	80	4,000
GFINTLSOLS	-	-	-	1,300
Great North Run	-	974	974	250
Greggs	15,000	-	15,000	50
Groundword - Consultancy	-	5,000	5,000	-
- Gym Passes	-	-	-	500
Henry Smith	-	17,850	17,850	-
HMRC JRS Income	-	-	-	4,817
Homeless Link	-	-	-	16,900
Leathersellers	-	15,000	15,000	15,000
Lloyds Bank Foundation	-	-	-	33,000
Mercers	-	30,000	30,000	8,000
Northumbria Police	-	-	-	5,000
Places for People	-	7,000	7,000	-
Raindance Trust	-	-	-	3,000
RISE	-	14,839	14,839	-
Scottish Power	-	-	-	40,810
South Tyneside Council Rates Relief	-	-	-	10,000
Virgin Money	-	-	-	10,000
Total Grants and Contracts	902,507	521,634	1,424,141	1,351,865

Income from charitable activities in 2021 was made up of unrestricted funds of £898,616 and restricted funds of £453,249.

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2022

6. INVESTMENT INCOME

	2022	2021
	£	£
Cash investments held in the UK	<u>89</u>	<u>432</u>

Investment income in both 2022 and 2021 was unrestricted.

7. EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Advertising, marketing and development	8,022	105	8,127	3,420
Other fund raising costs	4,327	-	4,327	25,391
	<u>12,349</u>	<u>105</u>	<u>12,454</u>	<u>28,811</u>

Expenditure on raising funds in 2021 was unrestricted.

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2022

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2022 Total £	2021 Total £
Anson Close	12,007	-	12,007	16,388
Askins Lodge	325,218	-	325,218	362,969
Askins Cottages	70,252	-	70,252	58,556
Dispersed properties – set up and running costs	41,110	-	41,110	44,732
Flavia House – salaries and running costs	99,041	-	99,041	68,144
Heaton Gardens – running costs	13,006	-	13,006	5,097
Hedley Close – running costs	7,100	-	7,100	4,098
Strickland House – salaries and running costs	73,604	-	73,604	65,045
116 Baring Street – flat costs	12,384	-	12,384	17,852
Trinity Walk	976	-	976	25,166
Accommodation managers	-	39,680	39,680	-
Act 435	-	693	693	3,015
All Churches Trust	-	1,428	1,428	-
Awards for All	-	7,557	7,557	-
Bank charges	794	-	794	934
Baring Street – running costs	6,820	-	6,820	7,234
BBC Children in Need	-	18,097	18,097	9,913
BUS Project	-	16,920	16,920	-
Coalfields	7,669	-	7,669	-
Communications	4,413	-	4,413	5,646
Community Foundation – Salary costs	-	26,369	26,369	-
– Project costs	-	2,870	2,870	-
COVID-19	-	-	-	15,658
Development costs	-	-	-	1,300
Family Intervention Event	-	784	784	-
Food Bank – Consumables	-	30,807	30,807	-
– Lloyds Foundation	-	29,636	29,636	-
– Salary and costs	-	12,400	12,400	71,641
– Holiday Hunger	-	-	-	11,148
– Rent	-	8,200	8,200	-
Fuel bursary	-	-	-	4,250
General office (computer, stationery etc)	1,333	1,753	3,086	1,168
Governance cost	13,998	-	13,998	4,600
HAF Project	-	13,285	13,285	-
HMRC JRS Salaries	-	-	-	4,817
HR	2,731	-	2,731	-
Insurance	524	-	524	1,193
IT	7,484	-	7,484	21,029
Outreach	874	-	874	-
Projects – salaries and costs	13,281	80,047	93,328	71,271
Recruitment	522	-	522	553
RISE	-	6,865	6,865	-
Staff costs (employed and other workers)	-	-	-	-
– Consortium	-	75,405	75,405	88,068
Training	5,691	-	5,691	4,061
Van	-	2,400	2,400	2,209
Volunteer Expenses	-	1,818	1,818	3,135
Total resources expended	720,832	377,014	1,097,846	1,000,890

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2022

8. EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Expenditure on charitable activities in 2021 was made up of £694,643 unrestricted and £306,247 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.

9. NET INCOMING RESOURCES FOR THE YEAR

	2022	2021
	Total	Total
	£	£
This is stated after charging the following:		
Governance costs	<u>13,298</u>	<u>4,600</u>

10. STAFF COSTS AND NUMBERS

	2022	2021
	£	£
Staff costs (employed only) comprise:		
Salaries	594,220	550,426
Employers NI contributions	49,597	45,193
Pension costs	23,711	21,081
	<u>667,528</u>	<u>616,700</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.

	2022	2021
	£	£
The average number of persons employed by the Trust was as follows:		
Management and administrative	3	3
Charitable activities	20	19
	<u>23</u>	<u>22</u>

The number of employees whose remuneration for the year fell within the following bands, were:

	2022	2021
	No.	No.
£60,000 to £69,999	-	1
£70,000 to £79,999	1	-

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 £71,524 (2021: £65,170).

11. TRUSTEES REMUNERATION AND RELATED PARTY TRANSACTIONS

No members of the Trustees received any remuneration during the year (2021: £Nil)

Travel and other costs of £Nil (2021: £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 (2021: £Nil).

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2022

12. TAXATION

As a charity, Key Community 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.

13. FIXED ASSETS - Tangible Assets

	Strickland House £	Heaton Gardens £	Hedley Close £	116 Baring Street £	Trinity Walk £	Total £
Cost						
At 1 April 2021	205,357	31,906	30,906	165,515	-	433,684
Additions	-	-	-	-	37,237	37,237
At 31 March 2022	<u>205,357</u>	<u>31,906</u>	<u>30,906</u>	<u>165,515</u>	<u>37,237</u>	<u>470,921</u>
Depreciation						
At 1 April 2021	-	-	-	-	-	-
Charge for the year	-	-	-	-	-	-
At 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value						
At 31 March 2022	<u>205,357</u>	<u>31,906</u>	<u>30,906</u>	<u>165,515</u>	<u>37,237</u>	<u>470,921</u>
At 31 March 2021	<u>205,357</u>	<u>31,906</u>	<u>30,906</u>	<u>165,515</u>	<u>-</u>	<u>433,684</u>

14. Debtors

	2022 £	2021 £
Amounts due from consortium	7,367	22,103
Housing benefit due	166,006	124,147
Service charges due	25,089	13,685
Other debtors and prepayments	23,620	-
	<u>222,082</u>	<u>159,935</u>

15. Creditors: amounts falling due within one year

	2022 £	2021 £
Taxation and social security	-	-
Other creditors, accruals and deferred income	34,444	59,154
	<u>34,444</u>	<u>59,154</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	-	470,921	-	470,921
Current assets	84,233	748,672	502,992	1,335,897
Current liabilities	(34,233)	-	(211)	(34,444)
Net Assets at 31 March 2022	<u>50,000</u>	<u>1,219,593</u>	<u>502,781</u>	<u>1,772,374</u>

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2022

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	350,040	673,744	(3,156)	1,020,628
Current liabilities	-	(51,268)	(7,886)	(59,154)
Net Assets at 31 March 2021	350,040	684,230	360,888	1,395,158

17. ANALYSIS OF RESTRICTED FUND MOVEMENTS

	At 1 April 2021	Incoming	Outgoing	Transfers	At 31 March 2022
	£	£	£	£	£
Accommodation Grant	48,167	41,200	(39,680)	-	49,687
Act 435	-	735	(693)	-	42
All Churches Trust	-	11,700	(1,428)	-	10,272
Awards for All	10,000	-	(7,557)	-	2,443
Ballinger Grant	14,971	15,000	(14,924)	-	15,047
Bursary Fund	420	-	-	-	420
BUS Project	-	10,000	(9,953)	-	47
Charities Trust - Nationwide	-	48,699	-	-	48,699
Clothing Fund	828	19	-	-	847
Community CAN NE	-	1,000	-	-	1,000
Community Foundation	9,866	15,900	(29,239)	3,473	-
Consortium	20,537	88,405	(75,405)	-	33,537
Durham Community	2,150	-	-	-	2,150
Family Intervention	-	35,966	(18,881)	-	17,085
Feeding Britain	-	9,753	(6,967)	-	2,786
Food Bank/Support packs - funding	128,923	201,468	(100,403)	-	229,988
Fuel Bursary Donation	10	80	-	-	90
Great North Run	250	974	-	-	1,224
Groundwork re trip	500	5,000	-	-	5,500
Homeless Link	6,465	-	(6,503)	38	-
KEY Staff	2,234	-	-	-	2,234
Leathersellers	-	15,000	(10,757)	-	4,243
Mercers	27,565	30,000	(26,269)	-	31,296
Northumbria Police	5,000	-	-	-	5,000
Places for People	-	7,000	(3,099)	-	3,901
Property Purchase Grants	38,689	-	-	(37,237)	1,452
RISE	-	14,839	(6,865)	-	7,974
Scottish Power	31,750	-	(18,496)	-	13,254
Virgin Money	10,000	-	-	-	10,000
Young People's Activities	2,563	-	-	-	2,563
	360,888	552,738	(377,119)	(33,726)	502,781

The transfer of £37,237 from restricted to unrestricted funds was for the purchase of capital items out of restricted monies. The transfer of £3,511 from unrestricted to restricted funds represents top up of funds with a negative balance at the year end.

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2022

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

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

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2022

17. ANALYSIS OF RESTRICTED FUND MOVEMENTS (continued)

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

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.

All Churches Trust – Funding was received towards salary costs for a wellbeing worker.

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

Ballinger Grant – KEY receives an annual grant award of £15,000 to help with KEY's activities.

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

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

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

BUS Project – Funds were received from Community Foundation and Feeding Britain towards the salary of a project lead.

Charities Trust - Nationwide – Represents funds received towards tenancy retention.

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

Community CAN NE – Funds received towards development and registered provider progression.

Community Foundation - Represents funds received from Growth and Resilience Fund towards infrastructure investment post supporting the development of KEY's new services in the prior year. This year funds were received towards employability support.

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

COVID-19 Grants – These grants were received towards additional costs in the prior year incurred by COVID-19 pandemic.

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.

Elvet Church Durham – Funding for refurbishment costs raised from fundraising events run by Elvet Church in 2015. The transfer in the prior year represents amounts used for unrestricted expenditure.

Family Intervention – Funds were received from The Henry Smith Charity and BBC Children in Need towards a mediation and intervention post for 3 years.

Food Bank/Support packs is funds KEY receives for the KEY2Life Food Bank. Funds in 2021/22 were received in form of donations and grants from South Tyneside Council, Feeding Britain, The Neighbourly Foundation and Community Foundation.

Fuel Bursary – Funds received from individuals who received Winter Fuel Allowance from the Government donating the allowance to the Fuel Bursary Fund to help those in fuel poverty.

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2022

17. ANALYSIS OF RESTRICTED FUND MOVEMENTS (continued)

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

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

Greggs – Funds awarded to a young person from hardship fund in 2021.

Groundwork – Funding received for young people's activities.

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

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

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

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.

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.

Leathersellers – Salaries for prevention and mediation team.

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.

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.

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

Property Purchase Grants - Represents grants received towards the purchase of flats. In 2019/20 KEY received £40,000 from Clothworkers. The transfer of funds of £37,237 in the current year relates to the purchase of the Trinity Walk property.

RISE and Places for People – Represents funds received towards activities sessional worker.

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

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

Stickland House Grant and Baring Street grants above were transferred to designated in the prior year as there is no commitment to refund providers upon sale of property.

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.

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

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2022

18. MOVEMENT IN FUNDS

	At 1 April 2021 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2022 £
Restricted funds					
Charity activities	360,888	552,738	(377,119)	(33,726)	502,781
Unrestricted funds					
General funds	350,040	934,778	(733,181)	(501,637)	50,000
Designated funds	684,230	-	-	535,363	1,219,593
Total Unrestricted funds	1,034,270	934,778	(733,181)	33,726	1,269,593
Total Funds	<u>1,395,158</u>	<u>1,487,516</u>	<u>(1,110,300)</u>	<u>-</u>	<u>1,772,374</u>

MOVEMENT IN FUNDS – previous year

	At 1 April 2020 £	Incoming Resources £	Outgoing Resources £	Transfers £	At 31 March 2021 £
Restricted funds					
Charity activities	506,797	486,786	(306,247)	(326,448)	360,888
Unrestricted funds					
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
Total Funds	<u>988,190</u>	<u>1,436,669</u>	<u>(1,029,701)</u>	<u>-</u>	<u>1,395,158</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 available for the charitable company to use for the purposes of the charitable company without restriction.

Designated Funds:

The Trustees have decided that a designated reserve within unrestricted funds should be established with the aim 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 2023 showing expenditure of £1,333,848 (including self funding areas), the maximum designated reserve on this basis should be £666,924. The transfer of £61,640 represents funds taken from the 6 monthly expenditure designated fund in order to build up the general funds reserve.

In addition, a further amount is being designated for potential redundancy payments £88,511.

Further amounts have been designated towards the major repairs fund of £54,877 represented by the transfer in the year of £30,000 and expenses of £24,877.

Furthermore, funds have been designated towards the property fund which represents the value of all properties purchased by KEY Community as shown in note 13.

KEY COMMUNITY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 MARCH 2022

18. MOVEMENT IN FUNDS (continued)

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

	£
Major repairs fund	54,877
Property fund	470,921
Redundancy payments – as at 31 March 2022	88,511
Designated funds for 6 months expenditure	666,924
Less transfer to general reserve	(61,640)
	<u>1,219,593</u>

19. ANALYSIS OF CHANGES IN DEBT

	At 1 Apr 2021	Cash flows	At 31 Mar 2022
	£	£	£
Cash at bank and in hand	<u>860,693</u>	<u>253,122</u>	<u>1,113,815</u>

20. OPERATING LEASE COMMITMENTS

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

	2022	2021
	£	£
Not later than 1 year	44,125	51,947
Later than 1 year and not later than 5 years	68,048	91,867
Due in more than 5 years	2,897	-
	<u>115,070</u>	<u>143,814</u>

21. 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 Community. Income for the year from De Paul was £89,090 (2021: £90,249). The amounts outstanding from De Paul at the year end were £736/ (2021: £22,103). 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 £2,700 (2021: £43,456). There were no outstanding balances at the year end (2021: £nil).

J Askins, a trustee of KEY Community, is also a director of Hardings Solicitors. During the year KEY Community paid £540 (2021: £813) to Hardings Solicitors for legal fees related to the purchase of Trinity Walk.

22. 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.