

# Keyfund Federation Ltd

## FINANCIAL STATEMENTS

for the year ended

31 March 2003



# Keyfund Federation Ltd

## FINANCIAL STATEMENTS

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CONTENTS	PAGES
Members of the board and professional advisers officers	1
Trustees annual report	2 to 3
<i>Independent auditors' report</i>	4 to 5
Statement of financial activities income and expenditure account	6
Balance sheet	7
Notes to the financial statements	8 to 14
The following pages do not form part of the financial statements	
Detailed statement of financial activities income and expenditure account	16

# Keyfund Federation Ltd

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

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### TRUSTEES

Mr S. Howlett  
Ms L. E. McLeod  
Ms A. Nixon  
Mr T. Thomas

### SECRETARY

Mr A Gibson

### REGISTERED OFFICE

447 Armstrong Road  
Scotswood  
Newcastle upon Tyne  
Tyne and Wear  
NE15 6HS

### AUDITORS

Baker Tilly  
Chartered Accountants  
8 Higham Place  
Newcastle upon Tyne  
NE1 8AF

### BANKERS

The Co-operative Bank plc  
P O Box 101  
1 Balloon Street  
Manchester  
M60 4EP

# Keyfund Federation Ltd

## TRUSTEES ANNUAL REPORT for the year ended 31 March 2003

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The trustees, who are also Directors for the purposes of the Companies Act, present their report and the financial statements of the company for the year ended 31 March 2003.

### PRINCIPAL ACTIVITY

The principal activity of the charitable company is to administer and distribute grants to youth organisations.

### LEGAL STATUS

The company is limited by guarantee, company number is 3339120 and charity number is 1093569. The charity obtained charitable status on 28 August 2002.

### BUSINESS REVIEW

The company's balance sheet as detailed on page 7 shows an accumulated fund of £238,051.

### FINANCIAL CONTROLS

Keyfund Federation Ltd is governed by the Companies Act 1985, the Charities Commission and its Memorandum and Articles of Association.

### REVIEW OF DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS

Keyfund currently has a strong balance sheet due to a number of capital grants being received the previous year. These reserves will diminish over the years as will the assets.

### RESERVES POLICY

Restricted funds are held to continue the work of the specific projects.

Otherwise the charity endeavours to hold funds to continue its work, the ideal would be to hold funding to operate for twelve months in reserves. The fund has not managed to do this at 31 March 2003.

### RISK MANAGEMENT

During the year the trustees carried out a detailed review of the charity's activities and produced a comprehensive plan identifying the major risks to which the charity is exposed. As part of the risk management process, the trustees have implemented a risk management strategy which comprises:

- \* an annual review of the risks which the charity may face
- \* detailed action plans to mitigate those risks identified
- \* the implementation of procedures designed to minimise any potential impact on the charity should any of those risks materialise.

The risk management focused on the need to ensure new developments in the Scotswood area are kept abreast of and initiate compliance measures as and when appropriate.

### THE DIRECTORS

The directors who served the company during the period were as follows:

Mr S. Howlett  
Ms L. E. McLeod  
Ms A. Nixon  
Mr A. Gibson (resigned November 2003)  
Mr T. Thomas (appointed April 2003)

# Keyfund Federation Ltd

## TRUSTEES ANNUAL REPORT (continued) for the year ended 31 March 2003

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### DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue its activities.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITORS

A resolution to re-appoint Baker Tilly as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

### SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:  
447 Armstrong Road  
Scotswood  
Newcastle upon Tyne  
Tyne and Wear  
NE15 6HS

On behalf of the board



Director

Approved by the trustees on 23 January 2004

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEYFUND FÉDERATION LTD

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND THE AUDITORS

The trustees' (which also acts as Directors for the charitable activities of the company) responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees Annual Report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

## BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEYFUND  
FEDERATION LTD (continued)

OPINION

In our opinion the financial statements give a true and fair view of the charitable company's state of affairs as at 31 March 2003 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor  
Chartered Accountants  
8 Higham Place  
Newcastle upon Tyne  
NE1 8AF

27 January 2004

# Keyfund Federation Ltd

## STATEMENT OF FINANCIAL ACTIVITIES INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2003

	<i>Note</i>	Unrestricted Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
INCOMING RESOURCES					
INCOME FROM CHARITABLE TRADING ACTIVITIES:					
Grants receivable	2	11,459	398,410	409,869	263,305
Interest receivable	3	3,788	—	3,788	836
Other income		(22)	—	(22)	3,054
TOTAL INCOMING RESOURCES		<u>15,225</u>	<u>398,410</u>	<u>413,635</u>	<u>267,195</u>
RESOURCES EXPENDED					
COSTS OF GENERATING FUNDS:					
Fundraising and publicity	4	84	—	84	175
CHARITABLE EXPENDITURE:					
Costs in furtherance of charitable objects	5	752	283,544	284,296	207,516
Management and administration	6	30	3,774	3,804	2,694
TOTAL RESOURCES EXPENDED	7	<u>866</u>	<u>287,318</u>	<u>288,184</u>	<u>210,385</u>
NET INCOMING RESOURCES FOR THE YEAR	9	14,359	111,092	125,451	56,810
Transfers		(20,000)	20,000	—	—
Balances brought forward		<u>32,724</u>	<u>79,876</u>	<u>112,600</u>	<u>55,790</u>
Balances carried forward		<u>27,083</u>	<u>210,968</u>	<u>238,051</u>	<u>112,600</u>

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

The operating profit for the year arises from the charitable company's continuing operations.



# Keyfund Federation Ltd

## BALANCE SHEET

31 March 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	10	2,112	1,110
CURRENT ASSETS			
Debtors	11	46,856	116,930
Cash at bank and in hand		200,306	10,872
		<u>247,162</u>	<u>127,802</u>
CREDITORS			
Amounts falling due within one year	12	<u>(11,223)</u>	<u>(16,312)</u>
NET CURRENT ASSETS		235,939	111,490
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>238,051</u>	<u>112,600</u>
NET ASSETS		<u>238,051</u>	<u>112,600</u>
FUNDS			
Restricted	13	210,968	79,876
Unrestricted	14	<u>27,083</u>	<u>32,724</u>
TOTAL FUNDS		<u>238,051</u>	<u>112,600</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the members of the committee on the 23 January 2004 and are signed on their behalf by:

H. Thomas

H. Thomas  
Director

# Keyfund Federation Ltd

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003

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### 1 ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and the Companies Act 1985.

#### CASH FLOW STATEMENT

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charitable company is small.

#### DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 15% reducing balance

#### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### PENSION COSTS

The charitable company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charitable company. The annual contributions payable are charged to the statement of financial activities income and expenditure account.

#### GRANT INCOME

Grant income is recognised in full in the year in which it is receivable.

# Keyfund Federation Ltd

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2003

### 2 GRANTS RECEIVABLE

	Unrestricted Funds	Restricted Funds	Total Funds 2003	Total Funds 2002
	£	£	£	£
General Unrestricted	11,459	-	11,459	27,125
Big Idea	-	275,850	275,850	-
Community Fund 2	-	12,099	12,099	39,295
SRB5	-	34,137	34,137	34,131
Millennium volunteers	-	17,781	17,781	74,436
Sunderland Post	-	15,000	15,000	-
Other Restricted	-	15,108	15,108	29,445
City of Sunderland	-	259	259	23,250
Fawdon/Kenton	-	1,888	1,888	10,100
Northern Rock Foundation	-	26,288	26,288	25,523
	<u>11,459</u>	<u>398,410</u>	<u>409,869</u>	<u>263,305</u>

### 3 INTEREST RECEIVABLE

	2003	2002
	£	£
Bank interest receivable	<u>3,788</u>	<u>836</u>

### 4 FUNDRAISING AND PUBLICITY

	Unrestricted Funds	Restricted Funds	Total Funds 2003	Total Funds 2002
	£	£	£	£
Insurance costs	<u>84</u>	<u>-</u>	<u>84</u>	<u>175</u>

### 5 COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestricted Funds	Restricted Funds	Total Funds 2003	Total Funds 2002
	£	£	£	£
Provision of charitable services:				
General	752	-	752	1,804
Big Idea	-	156,580	156,580	666
The Community Fund 2	-	34,210	34,210	36,482
SRB5	-	27,908	27,908	31,342
Millennium Volunteers	-	22,488	22,488	94,461
Other Grants - Restricted	-	14,563	14,563	36,398
Northern Rock	-	27,795	27,795	6,363
	<u>752</u>	<u>283,544</u>	<u>284,296</u>	<u>207,516</u>

**Keyfund Federation Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2003

**5 COSTS IN FURTHERANCE OF CHARITABLE OBJECTS** *(continued)*

Analysis of provision of charitable services:

	Staff costs	Depreciation	Other costs	Total 2003	Total 2002
	£	£	£	£	£
General	-	373	379	752	1,804
Big Idea	57,446	-	99,134	156,580	666
The Community Fund 2	32,865	-	1,345	34,210	36,482
SRB5	16,605	-	11,303	27,908	31,342
Millennium Volunteers	12,420	-	10,068	22,488	94,461
Other Grants -					
Restricted	-	-	14,563	14,563	36,398
Northern Rock	27,795	-	-	27,795	6,363
	<u>147,131</u>	<u>373</u>	<u>136,792</u>	<u>284,296</u>	<u>207,516</u>

**6 MANAGEMENT AND ADMINISTRATION**

	Unrestricted Funds	Restricted Funds	Total Funds 2003	Total Funds 2002
	£	£	£	£
Office costs	30	2,406	2,436	694
Audit fees	-	1,368	1,368	2,000
	<u>30</u>	<u>3,774</u>	<u>3,804</u>	<u>2,694</u>

**7 TOTAL RESOURCES EXPENDED**

	Staff costs	Depreciation	Other costs	Total Funds 2003	Total Funds 2002
	£	£	£	£	£
Direct charitable expenditure	147,131	373	136,792	284,296	207,516
Fundraising and publicity	-	-	84	84	175
Management and administration	-	-	3,804	3,804	2,694
	<u>147,131</u>	<u>373</u>	<u>140,680</u>	<u>288,184</u>	<u>210,385</u>

The aggregate payroll costs were:

	2003	2002
	£	£
Wages and salaries	135,898	62,386
Social security costs	11,233	3,267
	<u>147,131</u>	<u>65,653</u>

Particulars of employees:

The average number of staff employed by the charitable company during the financial year amounted to:

	2003	2002
	No	No
Number of administrative staff	<u>5</u>	<u>3</u>

**Keyfund Federation Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2003

7 TOTAL RESOURCES EXPENDED *(continued)*

	2003 £	2002 £
Other costs:		
Premises	23,694	7,750
Legal and professional	1,367	2,000
Other	115,619	134,786
	<u>140,680</u>	<u>144,536</u>

8 TRUSTEES' EMOLUMENTS

The trustees' emoluments were:

	2003 £	2002 £
Aggregate emoluments	<u>—</u>	<u>—</u>

9 OPERATING ASSETS

Operating profit is stated after charging:

	2003 £	2002 £
Depreciation	373	196
Auditors' fees	<u>1,367</u>	<u>2,000</u>

10 TANGIBLE FIXED ASSETS

	Office Equipment £
Cost	
At 1 April 2002	1,793
Additions	<u>1,375</u>
At 31 March 2003	<u>3,168</u>
Depreciation	
At 1 April 2002	683
Charge for the year	<u>373</u>
At 31 March 2003	<u>1,056</u>
Net book value	
At 31 March 2003	<u>2,112</u>
At 31 March 2002	<u>1,110</u>

All assets are used for direct charitable purposes.

# Keyfund Federation Ltd

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

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### 11 DEBTORS

	2003	2002
	£	£
Trade debtors	45,788	115,542
Other debtors	1,053	1,203
Prepayments	15	185
	<u>46,856</u>	<u>116,930</u>

### 12 CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	—	12,494
Trade creditors	3,658	—
Corporation tax	133	133
PAYE and social security	4,812	—
Other creditors	—	1,650
Accruals	2,620	2,035
	<u>11,223</u>	<u>16,312</u>

**Keyfund Federation Ltd**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2003

**13 RESTRICTED FUNDS**

	Balance at 1 Apr 2002	Movement in resources:		Balance at 31 Mar 2003
	£	Incoming £	Outgoing & Transfers £	£
Big Idea	(666)	275,850	(157,947)	117,237
The Community Fund	179	12,099	(14,211)	(1,933)
SRB5	—	34,137	(29,880)	4,257
Millennium Volunteers	32,658	17,781	(22,487)	27,952
Sunderland Post	—	15,000	—	15,000
Other Restricted	1	5,000	(1,576)	3,425
The Northern Rock Foundation	19,159	26,288	(27,795)	17,652
City of Sunderland	15,738	259	(3,736)	12,261
County Durham Keyfund	—	10,108	(7,124)	2,984
Blyth	—	—	(850)	(850)
Benwell	90	—	—	90
Washington	2,617	—	(1,612)	1,005
Fawdon/Kenton	10,100	1,888	(100)	11,888
	<u>79,876</u>	<u>398,410</u>	<u>(267,318)</u>	<u>210,968</u>

**The Community Fund**

This is an extension of the Community Fund 1 but is tapered over three years.

**S.R.B.5**

Funding is given to continue and expand work development in schools through SRB4.

**Sunderland City Council**

This is funding for Keyfund pots in each area of the City and also to cover small administrative expenses.

**Kenton and Fawdon**

Specific pot for this area.

**Millennium Volunteers**

Grants to develop opportunities for volunteering as a progression route for young people involved in Keyfund. Includes management, development, volunteers expenses, evaluation and celebration.

**County Durham**

Specific Keyfund pot for this area.

**The Northern Rock Foundation**

This is a grant for an additional member of staff to help within the Keyfund Federation.

**Tudor**

This is a grant for the general Keyfund pot.

# Keyfund Federation Ltd

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

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### 14 ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)

	Fixed Assets	Current Assets	Total
	£	£	£
Restricted	1,168	209,800	210,968
Unrestricted	944	26,139	27,083
	<u>2,112</u>	<u>235,939</u>	<u>238,051</u>

### 15 COMPANY LIMITED BY GUARANTEE

The share capital of the company is £nil. The company is limited by guarantee with each member agreeing to contribute up to £1 each in the event of the company being wound up within one year of cessation of membership.