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

The Key – Inspiring belief in young people

Keyfund Federation Limited
(A company limited by guarantee)

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

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Keyfund Federation Limited
(A company limited by guarantee)

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For the year ended 31 March 2022

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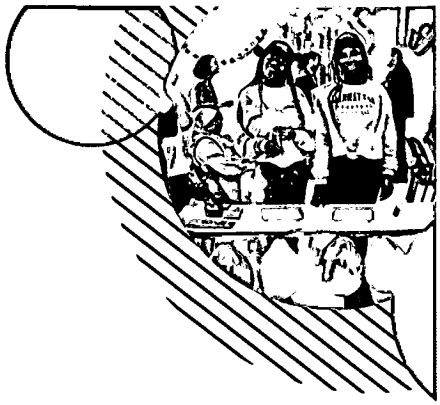
Welcome from the Chair and Chief Executive
For the year ended 31 March 2022



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

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

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

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

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

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

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

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

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

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

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

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

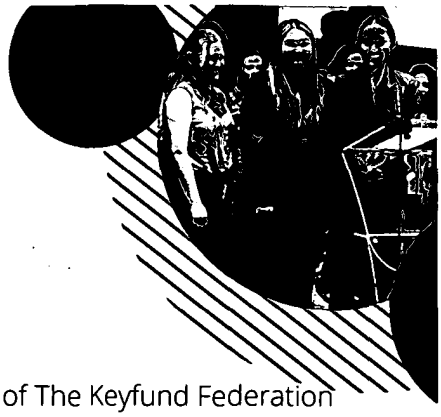
Andrew Silver, Chair

Richard Haigh, CEO

R. Haigh

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

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



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

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

Our values

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

FOCUS: Keeping sight of the goal

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

COLLABORATION: Working together to achieve common objectives

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

GROWTH: Constantly striving to be the best we can be

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

What is KEY+?

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

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

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

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

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

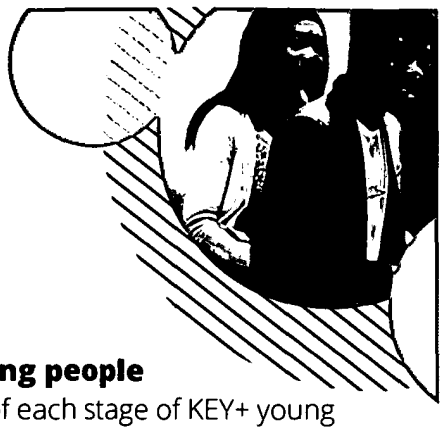
- Stage one: Kickstart skills – young people plan their first activity, get used to the KEY+ process, and make their first pitch to a panel
- Stage two: Exceed expectations - young people are challenged to deliver a more stretching activity or project with a higher budget
- Stage three: Youth impact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

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

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

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

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



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

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

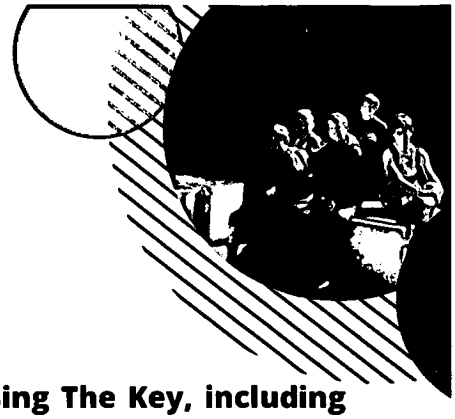
As well as skills development, involvement in enriching experiences with peers continues to be central to providing young people with the opportunities they need to thrive, and an important part of Covid recovery. In 2021/22 we were delighted to see young people use KEY+ to instigate 266 projects and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

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

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

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

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



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

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

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

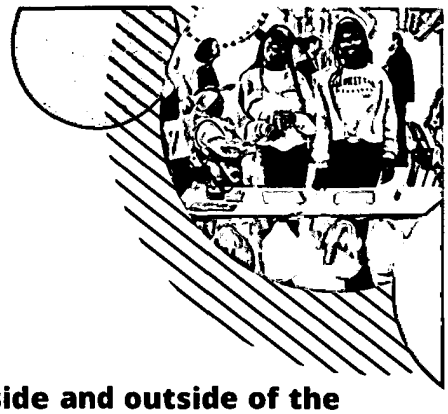
Strategic priority 3: Focus on three specific sectors adapting the KEY+ challenge to add greater value

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

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

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

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



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

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

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

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

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

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

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

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

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

Putting young people at the centre of what we do

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

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

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

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

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

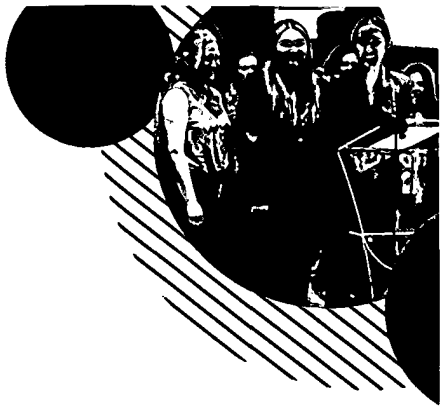
e) 'Well Done' Packs – regular visits were made throughout the year to recognise young people's achievements and encourage them to go further. This initiative also served to help all members of the team maintain contact with young people and how The Key was working out there in practice.

Our Staff and Volunteers

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

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

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



Our Staff and Volunteers (Continued)

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

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

Financial Performance

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

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

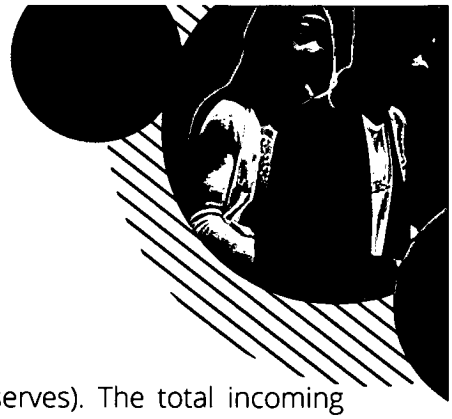
The Key's income streams are divided into:

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

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

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

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



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

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

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

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

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

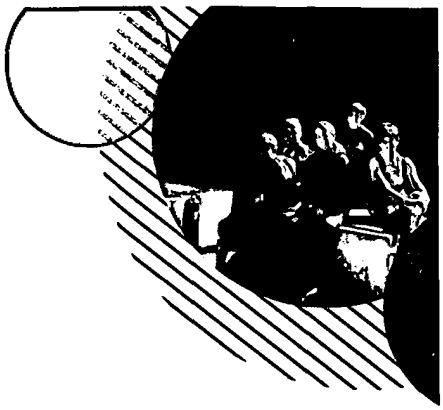
We continue to strive for diversity in our income streams and to strengthen our financial resilience and have implemented a five-year business plan in order to try and realise this aim. This business plan recognises seven distinct income streams and work has commenced against each of those.

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

Reserves policy

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

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



Our plans for the future

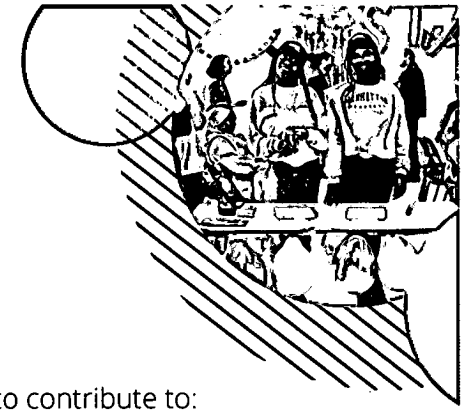
What we are planning to do in 2022-23

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

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

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

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



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

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

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

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

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

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

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

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

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

Our 'product' (Continued)

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

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

And...

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

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

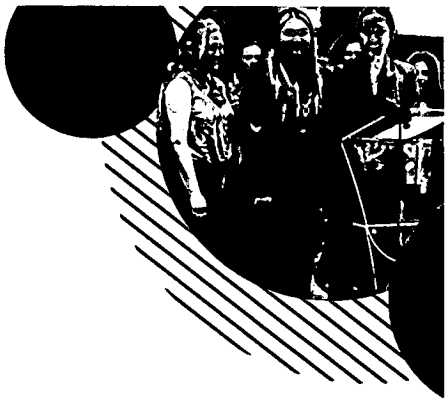
We'll make progress to build new types of partnerships, and to keep exploring where and how to use KEY+ to try and promote social mobility in the places where it is needed most. We'll work to position The Key will as a brilliant way to support different organisations in varied sectors to provide an accessible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

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

Financial Targets

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

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



Structure, Governance and Management

Constitution

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

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

Recruitment and appointment of Directors

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

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

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

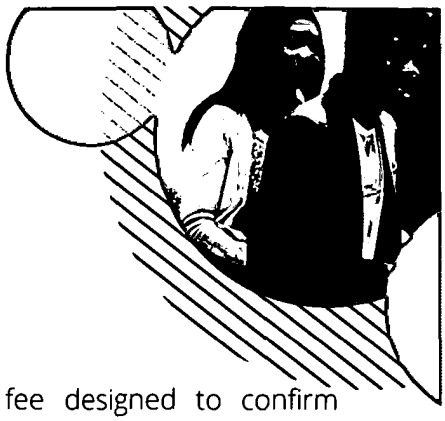
The Board met on six occasions during 2021-22. A Finance and Risk Sub-Group have also met on six occasions during 2021-22. Currently the Board is well balanced and includes expertise from the private, public and third sectors.

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

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

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

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



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

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

Related party relationships

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

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

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

Pay policy of senior staff

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

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

Risk management

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

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

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

Public benefit

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

Statement of Directors Responsibilities

The Directors (who are also trustees of The Keyfund Federation Limited for the purposes of charity law) are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Auditors

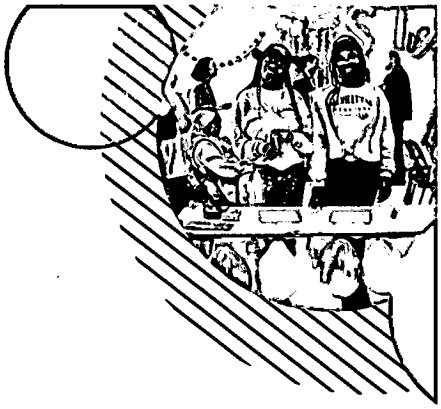
A resolution proposing that Haines Watts be reappointed as auditors of the charitable company will be put to the Annual General Meeting.

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

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

.....

Andrew Silver, Chair



Keyfund Federation Limited
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Keyfund Federation Limited (the 'charitable company') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

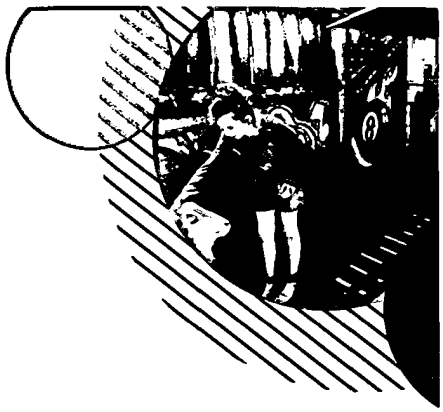
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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



Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

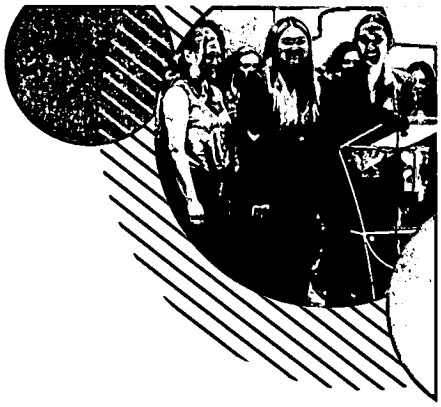
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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



Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

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

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

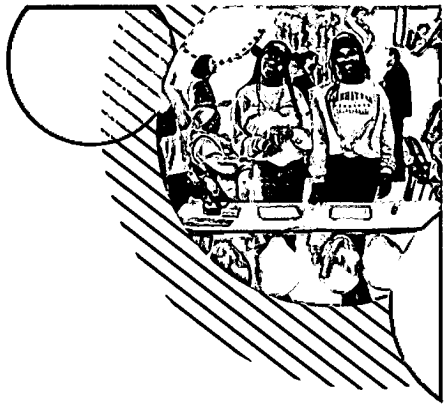
23 September 2022

Statutory Auditors

17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Keyfund Federation Limited
(A company limited by guarantee)

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



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

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

All incoming resources and resources expended derive from continuing activities.

Keyfund Federation Limited
(A company limited by guarantee)

Balance Sheet
For the year ended 31 March 2022

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

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

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

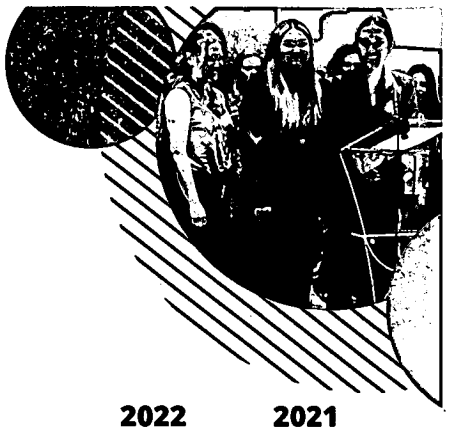
Chris Alete
Treasurer

Company Number: 3339120

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

Keyfund Federation Limited
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 March 2022



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

1. Accounting Policies

1.1 Basis of preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

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

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

1.2 Going concern

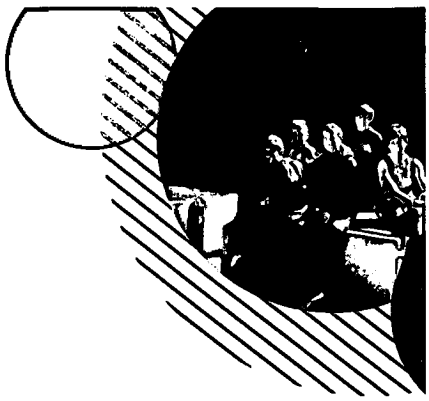
The financial statements have been prepared on a going concern basis as the Directors believe that no material uncertainties exist. The Directors have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted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

1.3 Funds

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

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

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



1.4 Incoming resources

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

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

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

1.5 Expenditure and irrecoverable VAT

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

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

1.6 Support cost allocation

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

1.7 Intangible fixed assets and amortisation

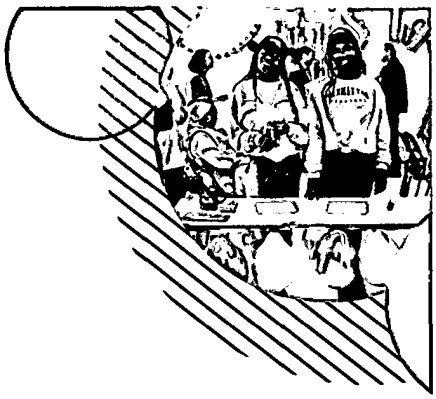
Intangible assets represent the operating system used by the company and an online manual for licences.

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

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

1.8 Tangible fixed assets

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



1.8 Tangible fixed assets (Continued)

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

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

All assets costing more than £500 are capitalised.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement after allowing for any trade discounts due.

1.12 Financial instruments

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

1.13 Pensions

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

1.14 Tax

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

2. Legal status

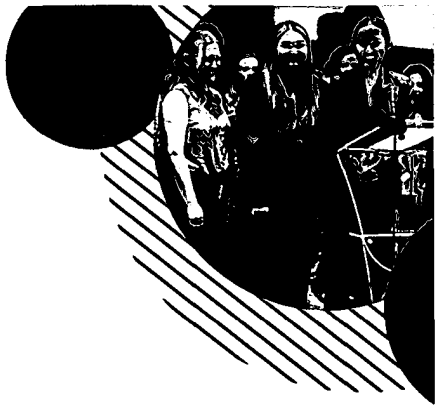
Keyfund Federation Limited is a company limited by guarantee, registered in England and Wales, (number 03339120) and not having a share capital. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3. Statement of Financial Activities for the prior year

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

4. Income from donations

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



5. Income from charitable activities

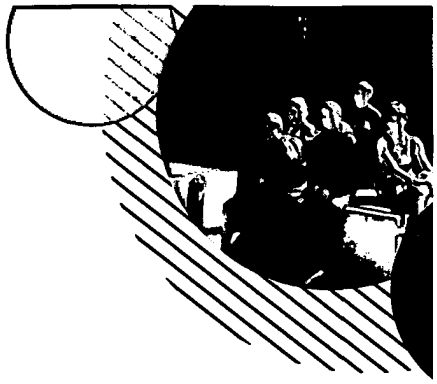
	2022	2021
	£	£
Grants receivable	386,417	484,987
Membership income	27,492	6,924
Other income	-	124
	413,909	492,035

6. Income from charitable activities

	2022	2021
	£	£
Interest receivable	-	806

7. Analysis of expenditure on charitable activities

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



8. Analysis of support costs

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

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

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

Staff costs were as follows:

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

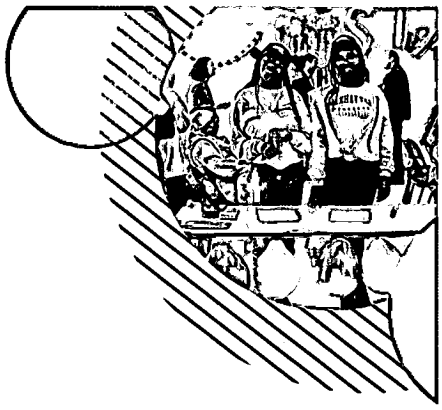
The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

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

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

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

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



10. Intangible fixed assets

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

11. Tangible fixed assets

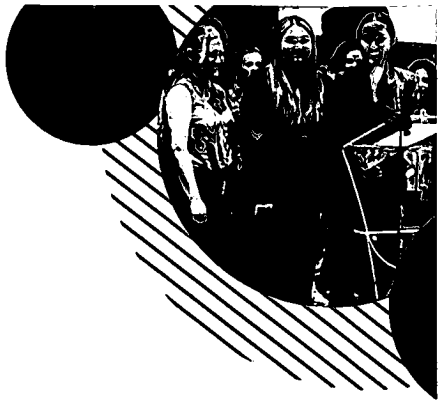
	Furniture Fittings & Equipment £
Cost	
At 1 April 2021	22,294
Additions	2,327
At 31 March 2022	24,621
Depreciation	
At 1 April 2021 and 31 March 2022	19,783
Charge for the year	1,561
At 31 March 2022	21,344
Net book value	
At 31 March 2022	3,277
At 31 March 2021	2,511

12. Debtors

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

13. Creditors: amounts falling due within one year

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



14. Fund reconciliation

Year ended 31 March 2022

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

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

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

14. Fund reconciliation (Continued)

Year ended 31 March 2021

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

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

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

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

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

15. Pension

Defined contribution pension

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

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

16. Related party transactions

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

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

	2022	2021
	£	£
Net (expenditure)/income for the year	(126,942)	112,198
Investment income	-	(806)
Depreciation of tangible fixed assets	1,561	407
(Increase)/decrease in debtors	(9,977)	63,363
Increase/(decrease) in creditors	6,660	(38,380)
Net cash flow from operating activities	(128,698)	136,782)