

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



Keyfund Federation Limited
(A company limited by guarantee)

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



Keyfund Federation Limited
(A company limited by guarantee)



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For the year ended 31 March 2023

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Liz Watchorn, Chair

Richard Haigh, CEO



Directors Report
For the year ended 31 March 2023

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

Charity Number 1093569

Company Number 03339120

Registered Office
Mea House
Ellison Place
Newcastle upon Tyne
NE1 8XS

Directors

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

Key management

Company Secretary &
Chief Executive Officer
Richard Haigh

Independent Examiners

Haines Watts
17 Queens Lane
Newcastle upon Tyne
NE1 1RN

Bankers

Co-operative Bank Plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP



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

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

Our values

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

FOCUS: *Keeping sight of the goal*



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

COLLABORATION: *Working together to achieve common objectives*



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

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



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



What is KEY+ Challenge?

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

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

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

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

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

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

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

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

Our work during 2022/23

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

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

The KEY+ Challenge ensures young people are:

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



Directors Report (Continued)
For the year ended 31 March 2023

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

Reach

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

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

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

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

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

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

Impact

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

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

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



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

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

Quality

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

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

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

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

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

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

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

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

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



Directors Report (Continued)
For the year ended 31 March 2023

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

Putting young people at the centre of what we do

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

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

- a) Development of a youth voice and influence group. This group will take on 'task and finish' projects as designed by themselves or as offered by The Key.
- b) Increasing the involvement of young people as panel members themselves and at the Board level. During the year, we began to explore offering members of the youth participation group the opportunity to engage with our board, either through participating in board meetings or by producing feedback and insight into issues that are important to them.
- c) Develop new streams of work with young people in addition to KEY+ delivery. This year this has included working with Ratio to apply for funding to pilot their Voice, Choice and Action work with young people from Newcastle College.

Our Staff and Volunteers

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

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

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

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



The Key's income streams are divided into:

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

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

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

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

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

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

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



Reserves policy

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

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

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

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

Plans for the Future

What we are planning to do in 2023-24

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

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



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

Young People

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

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

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

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

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

We will also be working to specific objectives for our enabler areas which we have identified as follows:

- E1. Be a 'learning organisation
- E2. Fully embrace our digital potential
- E3. Ensure that young people have voice and influence
- E4. Actively work towards equity, equality, diversity and inclusion
- E5. Develop a strong team of staff and volunteers
- E6. Generate the income needed to achieve our strategic aims
- E7. Effective marketing to achieve our strategic aims



People

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

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

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

Partners

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

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

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

Product

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

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

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

Enablers

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

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



Directors Report (Continued)
For the year ended 31 March 2023

In summary, we'll continue our journey to excel at our four main functions:

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

Financial Targets

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

Structure, Governance and Management

Constitution

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

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

Recruitment and appointment of Directors

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

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

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

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

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

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



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

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

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

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

Related party relationships

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

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

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

Pay policy of senior staff

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

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



Risk management

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

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

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

Public benefit

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



Statement of Directors Responsibilities

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

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

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

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

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

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

Independent Examiners

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

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

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

Liz Watchorn
Chair

Keyfund Federation Limited
(A company limited by guarantee)



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

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

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

Craig Henderson ACCA
Haines Watts Newcastle

15 November 2023

Date

17 Queens Lane
Newcastle upon Tyne
NE1 1RN



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

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

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

All incoming resources and resources expended derive from continuing activities.



Balance Sheet
As at 31 March 2023

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

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

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


Chris Alete
Treasurer

Company Number: 3339120

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



Statement of Cash Flows
Year ended 31 March 2023

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



1. Accounting Policies

1.1 Basis of preparation

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

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

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

1.2 Going concern

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

1.3 Funds

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

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

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



1.4 Incoming resources

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

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

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

1.5 Expenditure and Irrecoverable VAT

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

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

1.6 Support cost allocation

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

1.7 Intangible fixed assets and amortisation

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

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

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

1.8 Tangible fixed assets

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



Notes to the financial statements (*Continued*)
for the year ended 31 March 2023

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.



Notes to the financial statements (Continued)
for the year ended 31 March 2023

2. Legal status

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

3. Statement of Financial Activities for the prior year

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



Notes to the financial statements *(Continued)*
for the year ended 31 March 2023

4. Income from donations

	2023	2022
	£	£
Donations	4,626	13,081
	<u>4,626</u>	<u>13,081</u>

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

5. Income from charitable activities

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

6. Investment Income

	2023	2022
	£	£
Interest receivable	899	-
	<u>899</u>	<u>-</u>



Notes to the financial statements (Continued)
for the year ended 31 March 2023

7. Analysis of expenditure on charitable activities

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

8. Analysis of support costs

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

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



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

Staff costs were as follows:

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

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

	2023 Number	2023 FTE	2022 Number	2022 FTE
Charitable activities	<u>5</u>	<u>5</u>	<u>10</u>	<u>10</u>

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

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

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

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



Notes to the financial statements (Continued)
for the year ended 31 March 2023

10. Intangible fixed assets

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

11. Tangible fixed assets

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



Notes to the financial statements (*Continued*)
for the year ended 31 March 2023

12. Debtors

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

13. Creditors: amounts falling due within one year

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



Notes to the financial statements (Continued)
for the year ended 31 March 2023

14. Fund reconciliation

Year ended 31 March 2023

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

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

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



Notes to the financial statements (Continued)
for the year ended 31 March 2023

14. Fund reconciliation (Continued)

Year ended 31 March 2022

	Brought Forward £	Income £	Expenditure £	Transfers £	Carried Forward £
Unrestricted funds					
General funds	142,018	160,958	(155,427)	-	147,549
Designated funds					
Project funds	188,321	90,500	(182,286)	-	96,535
Keyfunds	19,750	-	(175)	-	19,575
Total unrestricted funds	<u>350,089</u>	<u>251,458</u>	<u>(337,888)</u>	<u>-</u>	<u>263,659</u>
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	<u>170,831</u>	<u>175,532</u>	<u>(216,044)</u>	<u>-</u>	<u>130,319</u>
Total funds	<u>520,920</u>	<u>426,990</u>	<u>(553,932)</u>	<u>-</u>	<u>393,978</u>

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

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

Key funds

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

Project funds (previously Core funds)

Represents funds received to support delivery of The Key Framework to young people.

KIT IT Implementation

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



Notes to the financial statements *(Continued)*
for the year ended 31 March 2023

15. Pension

Defined contribution pension

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

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

16. Related party transactions

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

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

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