

KEY4LIFE CIO

(A Charitable Incorporated Organisation)

Annual Report and Financial Statements

For the Year Ended 31 December 2019

Charity Registered in England and Wales Number: 1152426

KEY4LIFE CIO

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For the Year Ended 31 December 2019

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KEY4LIFE CIO

Reference and Administrative Details
For the Year Ended 31 December 2019

Trustees

P Sternberg (Chair)
S Carmel
V Hoare
S Ruston
C Schroeder
D Sharpe

Principal office and Registered Office

Twelve Hides
Butleigh
Somerset
BA6 8TE

Chief Executive

E Hamilton MBE

Auditors

Albert Goodman LLP
Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Registered charity number

1152426

Bankers

TSB Bank
Market Place
Somerton
Somerset
TA11 7NB

Solicitors

Jayes Collier LLP
Ealing Studios
Ealing Green
London
WE5 5EP

The Trustees present their report and unaudited financial statements of the charity for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document and 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) (effective 1 January 2015).

The financial statements of Key4Life CIO for the year ended 31 December 2018 were not audited as it was not a statutory requirement for that period.

Public benefit

The trustees report that the charitable activities, described in the "Mission statement", "Activities" and "Achievements and performance" paragraphs, are for the public benefit. The trustees also confirm that they have complied with section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The governing document is the Association Constitution and Key4Life was registered as a charitable incorporated organisation 14th June 2013.

The Trustees serving during the year and since the year end are as follows:

- P Sternberg (Chair)
- S Carmel (appointed 18 March 2019)
- V Hoare
- S Rustom
- C Schroeder
- D Sharpe

Trustee selection methods

Trustees are appointed for their professional expertise and can serve more than one term. A term is defined as five years. Interested possible new trustees are required to attend Trustee Meetings to meet the team and become familiar with the governance requirements before being considered for any vacant positions.

Eva Hamilton MBE is the Founder and Chief Executive of Key4Life, responsible for the day-to-day running of the charity.

The Board of Trustees meet quarterly and deal with the administration of the charity encompassing the strategic vision, financial accountability and risk management. The Trustees' meetings also include the AGM.

The operational management of the organisation is undertaken by the paid staff team.

Arrangements for setting key management personnel remuneration

Key4life's remuneration policy is designed to ensure the organisation continues to be a leading charity within the rehabilitation sector, providing high quality services for young offenders and those at risk of offending. This includes ensuring remuneration levels are sufficient both to attract high calibre staff and maintain our human resource across the organisation.

Key4Life is committed to pay being aligned to performance, while ensuring that we are able to attract and retain the employees critical to delivering our strategy.

The remuneration of members of the Senior Management Team is determined by the Board of Trustees.

In addition, Key4life is committed to pay the minimum hourly rates recommended by the Living Wage Foundation.

Objectives and activities

Our charitable objectives are

- (1) to reduce criminal offending by promoting and supporting the rehabilitation of any offender and those at risk of offending or re-offending, and to assist them in finding employment;
- (2) to promote the education, care and re-settlement of offenders in order to re-integrate them as valued members of society;
- (3) to support the families of offenders and communities affected by offending;
- (4) to promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of those people who are socially excluded and assisting them to integrate into society;

And

- (5) to promote social inclusion for the public benefit amongst people who are socially excluded by providing them with an opportunity to build capacity through education and training support.

The Trustees confirm that in compiling this report they have had due regard to the guidance on public benefit issued by the Charity Commission in compliance with the duty set out in section 17(5) of the Charities Act 2011.

Key4Life delivers support to young men aged 18-30 as the group most likely to re-offend. Key4Life's purpose is to support these young men from marginalized communities, who, for whatever reason, have committed an offence or are at risk of offending, to give them the opportunities, skills and support to lead positive lives and integrate into the world of work, their communities and families. Particularly as we see greater autonomy for Prison Governors to develop education and training, our holistic approach both sides of the gate is proving to be a positive example of a cost-effective third-sector approach to rehabilitation.

Achievements and performance

In 2019 the charity has:

Increased the numbers of young men supported; with **132** new participants registered on Key4Life programmes in 2019 (compared with 125 new participants in 2018). This brings the total number of participants supported by Key4Life to **383**, including alumni receiving on-going support. In addition, Key4Life reached **2,500** children through the outreach projects delivered in schools through 2019.

Key4Life continued to grow and scale up with a new programme in HMP Feltham YOI in conjunction with Chelsea FC. It started two new programmes with HMP Brixton and HMP Wormwood Scrubs, in addition to four preventative 'At Risk' programmes in London and the South West. Key4Life has also developed a pilot programme with children as young as 10, who were caught up in knife crime in the White City estate in West London, as well as reaching out to eight schools including a residential programme for disadvantaged children from Nottingham.

Key4Life launched a second Food Cell (in memory of Jack Winter), a converted prison van designed to sell burgers at festivals and events.

The burger venture was created to help the men that are currently on the programme to gain experience and paid work in customer service, communication and to gain valuable business skills, along with hospitality and book-keeping.

Up to 80 mentors were trained in 2019 to mentor young men. All staff and volunteer mentors complete mandatory enhanced DBS checks before interacting with programme participants and throughout the year we implemented a training programme for staff on how to maintain boundaries with participants, identifying participants' support needs and working pro-actively rather than re-actively. In addition, all staff attended safeguarding training.

In 2019 Key4Life delivered a total of 9 programmes to 132 young men. This total includes the prison, preventative and 18s work.

A list of programmes is below:

- London At Risk September 2019 (*22 participants*)
- Bristol At Risk 2019 (*12 participants*)
- West London At Risk April 2019 (*18 participants*)
- Bristol At Risk October 2019 (*10 participants*)
- HMP Wormwood Scrubs 2019 (*25 participants*)
- HMP/YOI Feltham (*7 participants*)
- White City January 2019 (*10 participants*)
- White City Summer Programme 2019 (*11 participants*)
- Nottingham residential (*17 participants*)

In June 2019 Key4Life held its annual Gala dinner where Nile Rodgers, famous music artist, launched the YOUNITED flag. This will be awarded to companies in 2020 who employ offenders.

Research

Robust, independent research continues to underpin Key4Life's work, and our results have strengthened with the average reoffending rate amongst Key4Life participants at 14% after one year and over 60% securing work and meaningful occupation.

Partnerships

Key4Life has both strengthened existing and developed new relationships with key stakeholders; including the Police, Councils, Prisons, businesses, mentors and trusts and foundations. 6 leading companies have signed up to be national partners of the Charity. These partnerships provide a strong foundation on which to further scale the charity's programs in 2020.

Developments for 2020

For the forthcoming year, our focus is to continue to expand our work with the prisons and Young Offenders Institutions along with running our At Risk Programs in London and the South West. We also plan to rollout workshops working with schools and Youth Clubs to help combat knife crime and encourage young people onto a more positive path. We aim to encourage more companies to provide work placements and job opportunities and in October 2020 we plan to award the first of the YOUNITED Flags to the companies who employ offenders.

With the beneficiaries at the heart of Key4Life's mission, we are growing the accredited Key Mentor scheme for those young men, who on completion of the programme, wish to undertake further training to help support future participants.

Financial review

Unrestricted income in the year totalled £466,370 (2018: £444,703), with restricted income totalling £1,082,113 (2018: £545,451). Of the £951,062 total expenditure (2018: £933,378), £869,669 (91%) was for charitable purposes (2018: £841,945 - 90%). The remainder was for raising funds.

Reserves stood at £882,709 at the year end, in which £211,882 is unrestricted and £615,827 is restricted. Of restricted funds, multi year grants have been accrued for at the year end, in which £348,655 is receiveable within one year and £109,093 is receiveable over one year.

The charity does not hold any investments but has increased its total income by 12% due to an increase in our income from trust funds.

Potential risks the charity faces depends very much on the size, nature and complexity of restricted funds granted which impact the activities we undertake.

There is no significant pension liability arising.

Reserves policy

Reserves are provided to ensure the financial stability of the charity and the ability for it to meet its charitable objectives for the foreseeable future. The movement in reserves is shown in the notes to the accounts.

Key4Life will maintain reserves at a level that is at least equivalent to two months operational expenditure, currently calculated at £150,000. At the year end free reserves stood at £171,345 (unrestricted reserves minus unrestricted fixed assets) which falls within the reserves policy.

The Trustees review the amount of reserves that are required to ensure they are adequate to fulfill the charity's continuing obligations at their board meetings.

Plans for future periods

The Trustees have continued to regularly review and update their governance arrangements in light of new legislation and the growth in staff numbers.

We are in the process of refreshing the organisations strategic aims and developing a business plan to consolidate our current position, whilst also exploring new opportunities. The organisation is in a good position to continue its development and is well placed to make the most of the opportunities available to reduce criminal offending and benefit society.

Fundraising

Key4Life predominantly seek grant funding from charitable trusts and government agencies. To this end we employ a fund raiser and a consultant who is directly managed by the Chief Executive. The consultant is a grant bid writer and work is signed off by the operations director.

Fund raising from the public is not a core strategy of the charity. We do not engage in large scale public fundraising campaigns or from street, door-to-door and private site fundraising. The charity does undertake an annual ball which makes up the majority of the fundraising income, in which the income is primarily raised via ticket sales and auction proceeds.

Key4Life do not work with any commercial participators or third party professional fundraisers for any public facing fundraising campaigns.

Risk Management

The Trustees have conducted a review of the major risks to which the charity is exposed, and systems have been established to mitigate those risks including the implementation of procedures for authorisation of all transactions and projects and for ensuring the consistent quality of the delivery of all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the charity.

Covid-19

On 23rd March 2020, the UK government announced lockdown restrictions as a result of Covid-19. The Trustees have considered the impact that the shutdown will have on the Charity's activities.

As prisons are on lock down, no new programmes will commence although we continue to plan and discuss post lockdown activity with various prisons.

On going support of recently released prisoners is more important than ever and the staff and mentors have put enormous effort into connecting with the young men, who have responded positively. As a result the Charity is incredibly busy and has not furloughed any employees.

At Risk & school programmes will recommence when life returns to normal in the Autumn.

Our financial supporters have indicated that they will continue to support the charity in the immediate future and indeed have shown flexibility with respect to restricted funds.

The Trustees considered the impact of the Covid-19 pandemic on the assessment of the going concern basis for the preparation of these financial statements. The Trustees consider that the current cash levels, continued financial support from trusts and the careful management of costs and expenses will allow Key4Life to withstand the potential impacts from Covid-19 through the next 12 months.

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed/constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the board on 13 July 2020 and signed on their behalf by:

P Sternberg (Chair)

KEY4LIFE CIO

Independent Auditor's Report to the Trustees For the Year Ended 31 December 2019

Opinion

We have audited the financial statements of Key4Life CIO (the 'charity') for the year ended 31 December 2019, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, 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 Generally Accepted Accounting Practice, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). The financial statements for the prior period were not audited.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2019 and of its incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

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

Other matter

The financial statements of Key4Life CIO for the year ended 31 December 2018 were not audited as it was not a statutory requirement for that period.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

KEY4LIFE CIO

Independent Auditor's Report to the Trustees For the Year Ended 31 December 2019

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

KEY4LIFE CIO

Independent Auditor's Report to the Trustees
For the Year Ended 31 December 2019

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Albert Goodman LLP
Statutory Auditor

Goodwood House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 16 July 2020

Albert Goodman LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

KEY4LIFE CIO
Statement of Financial Activities
For the Year Ended 31 December 2019

	Note	Unre- stricted Funds £	Rest-ri- cted Funds £	2019 Total £	Unre- stricted Funds £	Rest- ri-cted Funds £	2018 Total £
Income from:							
Donations and general grants	2	318,959	-	318,959	45,709	29,473	75,182
Charitable activities	3	-	1,082,113	1,082,113	299,783	515,978	815,761
Other trading activities	4	144,425	-	144,425	98,837	-	98,837
Investment income	5	2,986	-	2,986	374	-	374
Total income		466,370	1,082,113	1,548,483	444,703	545,451	990,154
Expenditure on:							
Raising funds	6	81,393	-	81,393	86,106	5,327	91,433
Charitable expenditure	7	328,290	541,379	869,669	366,931	475,014	841,945
Total expenditure		409,683	541,379	951,062	453,037	480,341	933,378
Net income/(expenditure) before transfers		56,687	540,734	597,421	(8,334)	65,110	56,776
Transfer between funds	15	-	-	-	-	-	-
Net movement in funds		56,687	540,734	597,421	(8,334)	65,110	56,776
Reconciliation of funds							
Fund balances at 1 January 2019		155,195	75,093	230,288	163,529	9,983	173,512
Fund balances at 31 December 2019	15	211,882	615,827	827,709	155,195	75,093	230,288

The results for the year derive from continuing activities and there are no gains or losses other than those shown above.

KEY4LIFE CIO
Balance Sheet
As at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	10	40,537	7,278
Non current assets			
Debtors	11	109,093	-
Current assets			
Debtors	11	385,374	58,665
Cash at bank and in hand	12	340,989	218,333
		<u>726,363</u>	<u>276,998</u>
Creditors			
Amounts falling due within one year	13	<u>(48,284)</u>	<u>(53,988)</u>
Net current assets		<u>678,079</u>	<u>223,010</u>
Net assets		<u>827,709</u>	<u>230,288</u>
Funds			
Unrestricted funds			
General funds	15	<u>211,882</u>	<u>155,195</u>
		211,882	155,195
Restricted funds	15	<u>615,827</u>	<u>75,093</u>
Net assets		<u>827,709</u>	<u>230,288</u>

Approved by the Board of Trustees for issue on 13 July 2020 and signed on their behalf by:

P Sternberg
(Chair)

KEY4LIFE CIO
Statement of Cashflows
For the Year Ended 31 December 2019

		Total 2019 £	Total 2018 £
	Notes		
Cash flows from operating activities			
Net movements in funds for the year		597,421	56,776
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	10	2,249	2,525
Finance income	5	(2,986)	(375)
		<u>596,684</u>	<u>58,926</u>
Working capital adjustments			
(Increase)/Decrease in debtors	11	(435,802)	(37,335)
(Decrease)/Increase in creditors	13	(5,704)	12,865
		<u>155,178</u>	<u>34,455</u>
Cash flows from investing activities			
Interest received	5	2,986	375
Acquisitions of tangible assets	10	(35,508)	(5,848)
		<u>(32,522)</u>	<u>(5,473)</u>
Net increase in cash and cash equivalents		122,656	28,982
Cash and cash equivalents at the beginning of the reporting period		218,333	189,351
Cash and cash equivalents at the end of the reporting period		340,989	218,333
Reconciliation of net debt:			
Cash at bank:			
At the start of the year		218,333	189,351
Cashflows		122,656	28,982
		<u>340,989</u>	<u>218,333</u>
At the end of the year			

1 Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statements 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) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Key4Life CIO fulfils the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

1.2 Judgements and key sources of estimation uncertainty

As described in the Trustees Report, the Trustees have made the assessment that the charity is a going concern and these financial statements are prepared on that basis. This assessment took into consideration the expected impact of Covid-19 on funding sources, known and anticipated expenditure. The charity has been able to operate, and Trustees have taken due care and attention in obtaining indications from funders that on-going grant agreements will continue. The charity has also been successful in obtaining one-off funding to assist with continuing operations during the pandemic.

1.3 Income

Receipts are included in the Statement of Financial Activities (SOFA) when; the charity becomes entitled to the resources; the trustees are virtually certain they will receive the resources; and monetary value can be measured with sufficient reliability.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

1.4 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.5 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Raising funds is expenditure incurred in generating funds from fundraising activities carried out by the charity.
- Expenditure on charitable activities includes the direct cost of work with service users and other activities undertaken to further the purposes of the charity and their associated support costs.

1.7 Tangible Fixed assets

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives at the following rate:

Furniture	10-20% reducing balance or 20% straight line
Office equipment	33% reducing balance
Motor vehicles	20% straight line

Fixed assets are valued at cost less depreciation. Fixed assets are reviewed annually for impairment.

1.8 Operating leases

The charity classifies the lease of properties and vehicles as operating leases where title and the risks and rewards of ownership remain with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

1.9 Non current assets: Debtors

Accrued income comprises amounts due over one year from funders and is recognised when the charity is entitled to the grant, receipt is probable and the amount can be measured reliably.

1.10 Current assets: Debtors

Accrued income comprises amounts due from funders and is recognised when the charity is entitled to the grant, receipt is probable and the amount can be measured reliably. Prepayments arise from the payments for services prior to benefit from those services. Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

1.11 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.

1.12 Creditors

Creditors 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. Trade creditors are recognised at their settlement amount after allowing for any trade discounts due. Accruals are recognised where the charity has a present obligation resulting from a past event and will be invoiced post year end. Deferred income is recognised where the charity has received funds in which the charity is not entitled to at the year end.

1.13 Taxation

As a registered charity, the charity is not liable to corporation tax or capital gains tax to the extent that its income and gains are applicable to charitable purposes only.

The charity is not VAT registered and therefore any VAT is added to the relevant cost and charged as an expense in the Statement of Financial Activities.

1.14 Pension contributions

The charity operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. Contributions are recognised in the Statement of Financial Activities in the period in which they become payable in accordance with the rules of the scheme.

1.15 Financial instruments

The charity only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the charity and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2 Donations

	Unre- stricted funds	Rest-ri-cted funds	Total 2019	Unre- stricted funds	Rest- ri-cted funds	Total 2018
	£	£	£	£	£	£
Donations						
Other	318,959	-	318,959	45,709	29,473	75,182
	<u>318,959</u>	<u>-</u>	<u>318,959</u>	<u>45,709</u>	<u>29,473</u>	<u>75,182</u>

KEY4LIFE CIO

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Incoming resources from charitable activities

	Unre- stricted funds £	Rest-ri- cted funds £	Total 2019 £	Unre- stricted funds £	Rest- ri-cted funds £	Total 2018 £
Anton Jurgens	-	4,000	4,000	-	-	-
BFSS	-	16,734	16,734	-	-	-
Big Lottery Fund*	-	151,708	151,708	-	163,897	163,897
City Bridge Trust	-	111,000	111,000	-	-	-
ESDF	-	20,400	20,400	-	-	-
ESDF Home Office	-	8,545	8,545	-	-	-
GWR	-	20,000	20,000	-	20,000	20,000
Hammersmith United Charities	-	8,000	8,000	-	-	-
HCD Memorial Fund	-	25,000	25,000	-	-	-
Heathrow Community Trust	-	19,150	19,150	-	-	-
HMP Brixton*	-	30,000	30,000	-	-	-
Home Office*	-	5,000	5,000	-	20,387	20,387
IICF	-	9,420	9,420	-	10,390	10,390
John James	-	19,200	19,200	-	-	-
John Lyons	-	480	480	-	22,420	22,420
Landsec	-	7,195	7,195	-	-	-
Leathersellers	-	60,000	60,000	-	20,000	20,000
Linklaters	-	10,440	10,440	-	-	-
Lloyds Bank	-	89,995	89,995	-	24,398	24,398
Mercers	-	47,969	47,969	-	-	-
MOPAC*	-	1,000	1,000	-	31,688	31,688
Nisbets	-	30,000	30,000	-	-	-
Paul Hamlyn	-	60,000	60,000	-	-	-
Rayne Foundation	-	20,000	20,000	-	-	-
Sir John Cass Foundation	-	30,000	30,000	-	-	-
Summer Sports Fund	-	7,880	7,880	-	-	-
Swire	-	40,000	40,000	-	-	-
Tom's Trust	-	4,950	4,950	-	-	-
Troubled Families Fund*	-	49,000	49,000	-	-	-
Whirlwind Charitable Trust	-	6,972	6,972	-	-	-
William Waites	-	45,000	45,000	-	-	-
Wormwood Scrubs*	-	20,000	20,000	-	-	-
Young Londoner's Fund	-	71,943	71,943	-	-	-
VRU Seed Fund	-	16,988	16,988	-	-	-
Hoares Bank	-	-	-	100,000	-	100,000
Kleinwort Hambros	-	-	-	50,000	-	50,000
BRIT Trust	-	-	-	30,000	-	30,000
Lovington Foundation	-	-	-	29,000	-	29,000
Mendip Renewables	-	-	-	-	25,000	25,000
Garfield Weston	-	-	-	25,000	-	25,000
HM Prison & Probation*	-	-	-	-	20,000	20,000
NatWest	-	-	-	-	34,930	34,930
Carried forward	-	1,067,969	1,067,969	234,000	393,110	627,110

KEY4LIFE CIO

Notes to the Financial Statements

For the Year Ended 31 December 2019

3 Incoming resources from charitable activities (continued)

	Unre- stricted funds £	Rest-ri-cted funds £	Total 2019 £	Unre- stricted funds £	Rest- ri-cted funds £	Total 2018 £
Brought forward	-	1,067,969	1,067,969	234,000	393,110	627,110
KPMG	-	-	-	-	15,000	15,000
Harold and Daphne Trust	-	-	-	15,000	-	15,000
Mayor's Office - Greater London*	-	-	-	-	15,000	15,000
Drapers Charitable Fund	-	-	-	-	14,500	14,500
Peter Stebbings Memorial	-	-	-	10,000	-	10,000
JJ Wicks	-	-	-	-	10,000	10,000
Willmott Dixon	-	-	-	10,000	-	10,000
Fishmongers	-	-	-	-	10,000	10,000
Charities Trust	-	-	-	-	8,000	8,000
Burger Venture	-	-	-	7,333	-	7,333
The Whirlwind	-	-	-	-	6,148	6,148
Hedley	-	-	-	-	6,000	6,000
Individually under £5k	-	14,144	14,144	23,450	38,220	61,670
	-	1,082,113	1,082,113	299,783	515,978	815,761

Where grants are received in advance, for a specified period, these funds are deferred and recognised in the period to which they relate.

* denotes amounts received from government. See note 19 for more information

4 Income from other trading activities

	Unre- stricted funds £	Rest-ri-cted funds £	Total 2019 £	Unre- stricted funds £	Rest- ri-cted funds £	Total 2018 £
Summer Ball	135,233	-	135,233	96,377	-	96,377
Wincanton Race Event	-	-	-	2,460	-	2,460
Burger Venture	9,192	-	9,192	-	-	-
	144,425	-	144,425	98,837	-	98,837

5 Investment income

	Unre- stricted funds £	Rest-ri- cted funds £	Total 2019 £	Unre- stricted funds £	Rest- ri-cted funds £	Total 2018 £
Bank interest	2,986	-	2,986	374	-	374

6 Raising funds expenditure

	Unre- stricted funds £	Rest-ri- cted funds £	Total 2019 £	Unre- stricted funds £	Rest- ri-cted funds £	Total 2018 £
Summer ball	68,791	-	68,791	38,216	5,227	43,443
Wincanton Race Event	-	-	-	480	-	480
Other fundraising costs	12,602	-	12,602	47,410	100	47,510
	81,393	-	81,393	86,106	5,327	91,433

KEY4LIFE CIO

Notes to the Financial Statements

For the Year Ended 31 December 2019

7 Charitable expenditure

	Unres- tricted £	Res-tricted £	2019 Total £	Unres- tricted £	Res- tricted £	2018 Total £
Program Delivery						
Staff costs	70,817	213,259	284,076	109,304	143,317	252,621
Project costs	76,256	124,693	200,949	131,584	158,017	289,601
Support costs						
Staff costs	59,821	180,141	239,962	98,168	128,715	226,883
Administration and consultancy	81,295	13,064	94,359	13,789	14,696	28,485
Premises	29,690	10,222	39,912	7,396	30,269	37,665
Depreciation	2,249	-	2,249	2,525	-	2,525
Governance Costs						
Auditor's remuneration	6,600	-	6,600	-	-	-
Accounts and Independent Examiner's fee	1,562	-	1,562	4,165	-	4,165
	328,290	541,379	869,669	366,931	475,014	841,945

8 Employees and employment costs

	2019 £	2018 £
Wages and salaries	338,477	243,531
Employer's NI	33,083	23,396
Pension contributions	5,615	2,383
Self employment costs	146,863	228,617
	<u>524,038</u>	<u>497,927</u>

The number of employees whose annual emoluments were £60,000 or more were:

	2019 number	2018 number
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>1</u>

This employee is a member of the defined contribution pension scheme, into which contributions of £1,182 (2018: £701) were made.

No remuneration was paid to any Trustees during the year (2018: none). No expenses were reimbursed to the Trustees by the charity during the year (2018: none).

The key management personnel of the charity is considered to be the Chief Executive. The total costs to the charity of employee benefits (includes gross pay, employer national insurance and employer pension) for the key management personnel were £97,520 (2018: £87,448).

In addition to the remuneration disclosed above, reimbursements have been made to key management personnel and related parties amounting to £35,082 (2018: £56,145), for provision of services, office costs, travel and subsistence.

The average monthly head count of employed staff was 10 staff (2018: 8 staff).

Pension costs

The charity operates a defined contribution pension scheme.

The charge to the Statement of Financial Activities for the year is shown above.

Contributions totalling £Nil (2018 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

9 Net incoming resources before transfers

	2019 £	2018 £
Is stated after charging:		
Depreciation	2,249	2,525
Operating leases - property	22,895	26,910
Operating leases - other	10,564	10,468
Auditor's remuneration	6,600	-
Independent Examiner Fee	-	1,000
Accountancy fees	1,200	3,165
	<u> </u>	<u> </u>

10 Tangible fixed assets

	Furniture £	Office Equipment £	Motor Vehicles £	Total £
Cost				
As at 01 January 2019	914	8,131	5,040	14,085
Additions	29,630	1,978	3,900	35,508
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2019	30,544	10,109	8,940	49,593
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
As at 01 January 2019	574	5,225	1,008	6,807
Charge for year	1,108	816	325	2,249
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2019	1,682	6,041	1,333	9,056
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value				
As at 31 December 2019	28,862	4,068	7,607	40,537
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2018	340	2,906	4,032	7,278
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

11 Non current assets: Debtors

	2019 £	2018 £
Accrued income	109,093	-
	<u>109,093</u>	<u>-</u>

Accrued income included within non current assets relates to multi year grants due over one year.

Current assets: Debtors

	2019 £	2018 £
Trade debtors	31,119	-
Other debtors	1,880	1,880
Prepayments and accrued income	352,375	56,785
	<u>385,374</u>	<u>58,665</u>

12 Cash at bank and in hand

	2019 £	2018 £
Cash in bank and in hand	340,989	218,333
	<u>340,989</u>	<u>218,333</u>

13 Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	19,639	4,872
Other creditors	1,845	1,124
Accruals & deferred income	13,025	38,990
PAYE and social security	13,775	9,002
	<u>48,284</u>	<u>53,988</u>

Deferred income

	2019	2018
	£	£
Deferred income at 01 January 2019	30,099	28,476
Released from previous years	(30,099)	(28,476)
Resources deferred in the year	-	30,099
	<u>-</u>	<u>30,099</u>
Deferred income at 31 December 2019	<u>-</u>	<u>30,099</u>

14 Financial instruments

Categorisation of financial instruments

	2019	2018
	£	£
Financial assets that are debt instruments measured at amortised cost	<u>372,108</u>	<u>218,333</u>
Financial liabilities measured at amortised cost	<u>34,509</u>	<u>44,987</u>

The total interest income for financial assets not measured at fair value through profit or loss is £nil (2018 - £nil). The total interest expense for financial liabilities not measured at fair value through profit or loss is £nil (2018 - £nil).

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Notes to the Financial Statements

For the Year Ended 31 December 2019

15 Statement of funds

	Balance 01.01.19 £	Income £	Expenditure £	Transfers £	Balance 31.12.19 £
General unrestricted funds	155,195	466,370	(409,683)	-	211,882
Total unrestricted funds	155,195	466,370	(409,683)	-	211,882
Restricted funds					
Anton Jurgens	-	4,000	(4,000)	-	-
Avon & Somerset Police	-	3,000	(3,000)	-	-
BFSS	-	16,734	(15,086)	-	1,648
Big Lottery Fund	3,000	151,708	(107,137)	-	47,571
City Bridge Trust	-	111,000	(37,639)	-	73,361
ESDF	-	20,400	(8,265)	-	12,135
ESDF Home Office	-	8,545	(5,258)	-	3,287
Food Cell	-	1,700	(1,700)	-	-
GWR	-	20,000	(20,000)	-	-
Hammersmith United Charities	-	8,000	(8,000)	-	-
HCD Memorial Fund	-	25,000	(18,750)	-	6,250
Heathrow Community Trust	-	19,150	(1,800)	-	17,350
HMP Brixton	-	30,000	(30,000)	-	-
Home Office	5,000	5,000	(5,000)	-	5,000
IICF	9,420	9,420	(9,420)	-	9,420
John James	-	19,200	(18,434)	-	766
John Lyons	-	480	(480)	-	-
Landsec	-	7,195	(694)	-	6,501
Leathersellers	-	60,000	-	-	60,000
Linklaters	-	10,440	-	-	10,440
Lloyds Bank	3,200	89,995	(3,487)	-	89,708
Medlock	-	2,000	(2,000)	-	-
Mercers	-	47,969	(22,805)	-	25,164
MOPAC	1,000	1,000	(1,000)	-	1,000
Nisbets	-	30,000	(9,087)	-	20,913
Nottingham	-	3,416	(3,416)	-	-
Paul Hamlyn	-	60,000	(15,802)	-	44,198
People's Postcode Trust	-	-	(1,500)	-	(1,500)
Rayne Foundation	-	20,000	(9,440)	-	10,560
Sir John Cass Foundation	-	30,000	(3,565)	-	26,435
Souter	-	3,000	(3,000)	-	-
Summer Sports Fund	-	7,880	(7,880)	-	-
Swire	-	40,000	(20,000)	-	20,000
Tom's Trust	-	4,950	(4,950)	-	-
Carried forward	21,620	871,182	(402,595)	-	490,207

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Notes to the Financial Statements

For the Year Ended 31 December 2019

	Balance 01.01.19 £	Income £	Expenditure £	Transfers £	Balance 31.12.19 £
Restricted funds (continued)					
Brought forward	21,620	871,182	(402,595)	-	490,207
Troubled Families	-	49,028	(28)	-	49,000
Wates Family Trust	-	1,000	(1,000)	-	-
Whirlwind Charitable Trust	-	6,972	(6,972)	-	-
William Waites	-	45,000	(14,163)	-	30,837
Wormwood Scrubs	-	20,000	(10,294)	-	9,706
Young Londoner's Fund	-	71,943	(52,854)	-	19,089
VRU Seed Fund	-	16,988	-	-	16,988
Drapers Charitable Fund	3,000	-	(3,000)	-	-
Leigh Trust	3,000	-	(3,000)	-	-
Rollits	3,000	-	(3,000)	-	-
John Cavanagh	5,000	-	(5,000)	-	-
JJ Wicks	10,000	-	(10,000)	-	-
Jacks Fund- Donations	29,473	-	(29,473)	-	-
Total restricted funds	75,093	1,082,113	(541,379)	-	615,827
Total funds	230,288	1,548,483	(951,062)	-	827,709

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Notes to the Financial Statements

For the Year Ended 31 December 2019

Statement of funds- 2018

	Balance 01.01.18 £	Income £	Expenditure £	Transfers £	Balance 31.12.18 £
General unrestricted funds	163,529	444,703	(453,037)	-	155,195
Total unrestricted funds	163,529	444,703	(453,037)	-	155,195
Restricted funds					
Big Lottery Fund, Reaching Communities	34	163,897	(160,931)	-	3,000
Jacks Fund- Donations	-	29,473	-	-	29,473
Lloyds Bank Foundation	3,511	24,398	(24,709)	-	3,200
John Lyon's Charity	3,395	22,420	(25,815)	-	-
Somerset Community Found.	3,000	-	(3,000)	-	-
Mendip District Council	44	-	(44)	-	-
MOPAC	-	31,688	(30,688)	-	1,000
Mendip Renewables	-	25,000	(25,000)	-	-
Home Office - White flag grant	-	20,387	(15,387)	-	5,000
HM Prison & Probation	-	20,000	(20,000)	-	-
Leathersellers	-	20,000	(20,000)	-	-
GWR	-	20,000	(20,000)	-	-
NatWest	-	34,930	(34,930)	-	-
Mayor's Office - Greater London	-	15,000	(15,000)	-	-
KMPG	-	15,000	(15,000)	-	-
Drapers Charitable Fund	-	14,500	(11,500)	-	3,000
IICF	-	10,390	(970)	-	9,420
JJ Wicks	-	10,000	-	-	10,000
Fishmongers	-	10,000	(10,000)	-	-
Charities Trust	-	8,000	(8,000)	-	-
The Whirlwind	-	6,148	(6,148)	-	-
Hedley	-	6,000	(6,000)	-	-
29th May Trust	-	5,000	(5,000)	-	-
John Cavanagh	-	5,000	-	-	5,000
Ironmongers	-	4,950	(4,950)	-	-
Field Family Trust	-	4,320	(4,320)	-	-
Crimebeat	-	4,200	(4,200)	-	-
City Bridge Trust	-	4,000	(4,000)	-	-
Leigh Trust	-	3,000	-	-	3,000
Rollits	-	3,000	-	-	3,000
Rank Foundation	-	2,250	(2,250)	-	-
Reliable Contractors	-	2,000	(2,000)	-	-
Hendhurst	-	500	(500)	-	-
Total restricted funds	9,984	545,451	(480,342)	-	75,093
Total funds	173,513	990,154	(933,379)	-	230,288

KEY4LIFE CIO

Notes to the Financial Statements

For the Year Ended 31 December 2019

Purpose of restricted funds for amounts over £25k:

Lloyds Bank Foundation - To go towards Bristol Office Admin and HMP Guys Marsh costs.

Big Lottery Fund, Reaching Communities - To go towards London At Risk, London Key Mentors, and London Alumni costs.

Jacks Fund – Donations - To go towards Jack's fund (London burger van).

MOPAC - To go towards London At Risk costs.

Mendip Renewables - To go towards Somerset At Risk costs.

Leathersellers - To go towards Brixton programme costs.

NatWest - To go towards the entrepreneurial programme costs - young men setting up their own businesses.

City Bridge Trust – To go towards supporting young men through a pre-release programme at HMP Brixton and providing post release support.

HCD Memorial Fund - To go towards Dave Gardner's salary to deliver emotional resilience session for the Bristol At Risk programme and HMP Brixton cohort and 5 Key Mentors.

HMP Brixton – To go towards supporting 25 young men through a pre-release programme and providing post release support.

Mercers – To fund support for 180 young people through the At Risk programme with workshops.

Nisbets - To go towards the Bristol At Risk programme.

Paul Hamlyn - To go towards a senior Operations role to support the charity to increase its impact.

Sir John Cass Foundation – To go towards supporting participants at HMP Wormwood Scrubs through a pre-release programme and providing post release support.

Swire – To go towards supporting 2 Bristol At Risk programmes supporting 18 young people in total and train 18 mentors.

Troubled Families – To go towards Errol O'Flaherty's salary as a support staff for referred Under 18th from Hammersmith and Fulham council for emotional resilience for them and their families, and to train 7 key mentors.

William Waites – To go towards Corey Andersons caseworker salary towards supporting the At Risk programme and providing mentoring support.

Young Londoner's Fund - To go towards activities for school intervention workshops, London At Risk programme and to train 10 Key Mentors.

People's Postcode Trust – To go towards Bristol At Risk programme to support 15 young men. This fund is overdrawn due to expenditure being incurred prior to confirmation of funds. The funds have been received post year end to clear out this deficit.

16 Analysis of net assets between funds

	Unre- stricted funds £	Rest-ri-cted funds £	2019 Total £	Unre- stricted funds £	Rest- ri-cted funds £	2018 Total £
Tangible assets	40,537	-	40,537	7,278	-	7,278
Non current assets	-	109,093	109,093	-	-	-
Current assets	219,629	506,734	726,363	171,807	105,191	276,998
Current liabilities	(48,284)	-	(48,284)	(23,890)	(30,098)	(53,988)
	<u>211,882</u>	<u>615,827</u>	<u>827,709</u>	<u>155,195</u>	<u>75,093</u>	<u>230,288</u>

17 Financial commitments

At 31 December 2019 the charity was committed to making the following payments under non-cancellable operating leases:

	2019		2018	
	Land and buildings £	Other £	Land and buildings £	Other £
Less than 1 year	752	4,343	720	6,435
2 – 5 years	-	1,519	-	6,165
	<u>752</u>	<u>5,862</u>	<u>720</u>	<u>12,600</u>

18 Related parties

There have been no related party transactions in addition to that already disclosed in Note 8 (2018: none).

19 Government grants

Income from government grants comprise grants made by government departments, agencies and public bodies to fund the principal activities and objectives of the charity via funding for specific projects. No performance related grants recognised in income have had any unfulfilled conditions or any other contingencies attached to them. See note 3 for more information regarding the funders. Government grants received during the year amount to £256,735 (2018 - £250,972).

20 Non-adjusting events after the financial period

The Trustees have identified Covid-19 as a non-adjusting post balance sheet event as the position is not indicative of any conditions that were in existence at the year end. The charity continues to be able to operate and the Trustees have entered into discussion with major grant funders, the majority of which have been supportive and allowed for restrictions on funding (including time specifications) to be amended as required. The Trustees have concluded that there are no indicators of impairment of the assets in the balance sheet at the year end as a result of the Covid-19 pandemic.