

social impact report

2018/19

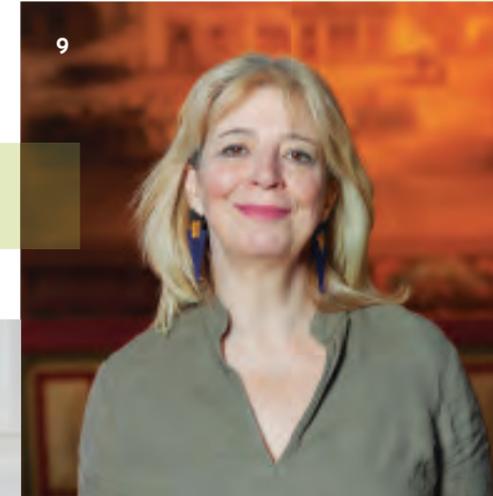
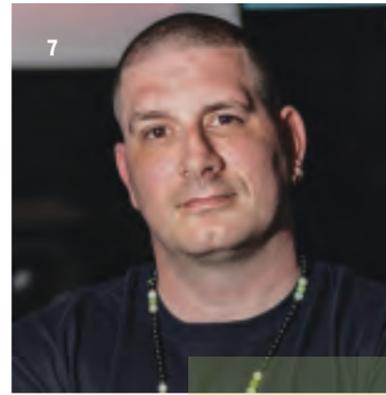
“ Everything  
about them  
is unusual,  
but in a  
good way! ”

# It's what's on the inside that counts

## Welcome to the 2019 edition of the Key Fund Social Impact Report.

This year, along with all of our usual content we've opened up even further, inviting our team to tell you about Key Fund from their point of view.

This reflects the transparent nature of how we operate and the values that underpin our work.



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What really drives us  
to make a difference?

It has never been timelier to unite. To strengthen our communities. In the face of the global challenges of climate change and economic uncertainty, we are seeing rising inequality and real poverty in communities.

Key Fund remains consistent and focused on our mission: investing the right money, at the right time, backing communities to deliver the solutions to their own challenges.

In the past year, we've made offers to clients of £4.8m, 77 organisations across the North of England, with 80% of these being in to the most deprived communities. And we've done it in a way that reflects our values. We will, as one beneficiary said of us, always listen with our hearts, as well as our ears.

This year has also seen a number of other successes for Key Fund, raising multiple funds. We've secured further support from our Funders, including Big Society Capital, Power to Change, and from Unity Trust Bank to enable us to continue our Regional Growth Fund. We've also partnered with The Mercers' Company to expand our work in Lincolnshire.

What's more, we launched the £3m Northern Cultural Regeneration Fund with the Department for Digital, Culture, Media and Sport, to invest in creative and cultural organisations that strengthen communities and improve lives.

As the stories in this year's Social Impact report show, we are proud that we consistently remove the barriers to finance for those working at the coalface of disadvantage, tackling some of the biggest and complex social issues of our time, doing remarkable, life-changing work in an always challenging economy. Increasingly we are also working with organisations attempting to address possibly the biggest challenge for us all, climate change.

Proud is the word. All of us at the Key Fund are driven ultimately by the amazing work our clients do. In uncertain times, we're certain of this.

We meet the future with optimism, and a desire to do even more to enable powerful, positive impact both on people and the planet.

Onwards!

**Hugh Rolo**

This is not about us



**Samuel Harrison, Administrator**

Sam grew up in Sheffield and left school at 16. At 17, he joined Key Fund on a year-long Business Administration Apprenticeship.

"I went to college for one day a week for half the year to get a qualification, and when I passed the apprenticeship it turned into a full time job."

When he started at Key Fund, he was 'gobsmacked' by it. "I was impressed, being at school I had no idea this sector really existed to be honest, it hadn't crossed paths with my life. Before I started here, I didn't know about social investment. Working in admin in the central office is a good place to start as my first proper job, I can work across the departments, see everything and take on as much as possible."

He feels grateful Key Fund was his entry job into the world of work. "Here you feel that sense of what you're doing is for the greater good, I'm not just an administrator, a cog in a wheel, it feels you're working together to reach a goal."

The value of respect, he said, is palpable. "Everyone here has a lot of respect for each other and the work the clients do; everyone is passionate about what our clients represent and what they do for people."

Now 19, Sam's ambition is become an Investment Manager.



Team Talk

**Rachel Veitch-Straw, Investment Manager Midlands**

Studying languages, Rachel worked in the engineering sector before feeling there was something more she could offer.

She became a learning mentor, moved into community development work, and Key Fund turned the wheels of fate.

"It was 2007 when I first came across Key Fund. I had a job in the trading arm of a local development trust and my position was funded by Key Fund."

Rachel saw the Investment Manager role advertised: it felt destined.

"Not only do we invest money, but time and support, and that makes the difference. We're there to have the conversation, we're there at the end of the phone, we're there to have

the relationship, and to help clients understand what social investment is." She says she loves the fact the team are 'all facing the same direction'.

"What I really like is we work through our values. Courage - to have open and honest conversations to get clients the support that they need. Integrity - which runs through Key Fund, something really important to me. Purpose - working towards the common purpose. Respect - of others and being genuine in the way we operate. Responsibility - to speak up on others' behalf, and to believe in what we do and act upon that."



# Financial Results

This is a summary of our activity for the last year;  
we are really proud to continue to deliver our mission  
- investing money at the right time in the right way!

**77**  
Offers made

**£63k**  
Average loan size

**Total  
Value of  
Offers  
£4.8m**



**£4,382,000**

Loans

**£432,438**

Grants

**Projected  
Impact  
£32m**



Levered in additional funds  
of £2.8 million

Impact of £4.8 million  
plus £2.8 million is £32 million

(based on £1 invested  
equalling £4.25 of impact)



170 jobs created



19 businesses created



293 jobs safeguarded



58 businesses sustained

# What this really means...

## Investment by Sector (%)

Employment, Education and Training	21%
Community Services	31%
Health, Care and Social Care	9%
Personal Services	1%
Leisure Tourism and Sport	8%
Housing and Accommodation	4%
Arts, Creative and Digital Services	13%
Childcare	7%
Advisory Services	3%
Agriculture, Horticulture & Environmental Management	1%
Physical Health	1%
Environmental and Recycling	1%

## Investment by Region (£)

Cheshire	£10,000
County Durham	£555,800
Cumbria	£240,000
East Riding of Yorkshire	£160,000
Greater Manchester	£332,350
Herefordshire	£150,000
Lancashire	£180,000
Leicestershire	£110,160
Lincolnshire	£320,000
Merseyside	£90,000
Norfolk	£120,000
North Yorkshire	£648,900
Northamptonshire	£50,000
Northumberland	£10,000
Nottinghamshire	£140,000
South Yorkshire	£150,360
Tyne and Wear	£183,500
West Midlands	£405,000
West Yorkshire	£968,652

HQ Recording Studio, Leicester

Total invested £50,000

# On the Record

From drug addiction to sharing a stage with Prince Charles and Ant and Dec; Yasin El Ashrafi's story is extraordinary.

"When I was younger, I was not a bad person, but I fell in with the wrong crowd. Education didn't work for me; I was intelligent but didn't respond well to authority and I was expelled when I was 15. I started doing weed, E's and then ended up getting into heroin and crack. From the ages of 16 to 24 my main mission in life was to get high."

Yasin grew up on an inner city council estate. His Egyptian father, who he has never met, was deported before he was born. His single mother brought up six kids.

"My mum always loved us and we always had food on the table, but I was looking up to the wrong kind of people who had money - criminals."

When his girlfriend got pregnant it was a turning point. "Not having a dad it was always important that if I had kids I'm going to be the best dad I can be."

He deleted all the numbers of his old drug-crowd, and in 2006, his son was born with severe cerebral palsy. Struggling with the fall out, Yasin lost his job in a warehouse. He became a delivery driver for the flexibility to care for his son and turned to his old friends, from before the drugs, who he had taken a music course with aged 14.

Many had gone on to be DJs or producers, but were struggling to make a living. He gathered them together and pitched an idea to the local council to run a project teaching music skills. The council said they'd back him for £5k if he took a teaching qualification, which he completed.

Over the last eight years, Yasin has offered free studio space to unemployed young people to explore their talents, mentoring up to 100 young people for the Big Lottery funded Talent Match project. He went on to share a stage with royalty - winning The Prince's Trust Mentor of the Year, 2018.

A Key Fund investment of £50k helped Yasin set up an additional recording studio to double capacity for his commercial clients, charitable funded projects, and record label HQ Familia. It also secured the recruitment of a full-time general manager, Zak.

"We will now grow HQ into one of the biggest creative music educational hubs in Leicester, supporting NEETs, long-term unemployed adults, ex-offenders, and those struggling with mental health issues. From the commercial side, our ambition is to be the number one recording studio in the Midlands, we want to go to the top."



Yasin El Ashrafi  
Director



## Testimonial

"I felt this is the time to take the risk to enable me to capitalise on all the opportunities arising. A bank wouldn't have touched us, so to be able to access finance with a part of it as a grant took a lot of the sting out of it. Key Fund moved quickly and were really supportive. This investment is amazing because it doubles my capacity and doubles our earning capacity as we now have two studios for hire instead of one."

Yasin El Ashrafi



**“100% music  
is my passion,  
that's my focus.”**

**Haralambos Georgiou (Harri)**  
Music Producer



### Spotlight on

**Just over five years ago and having just finished university, Harri was in the job centre, anchorless: “I just felt so lost.”**

“I just remember leaving uni realising the degree didn't mean much at all. I sent tonnes of CVs to a load of places with no reply whatsoever, then I had to sign on, which I just found really depressing.”

The Job Centre assigned him to compulsory work experience. “I asked what kind of work it would be. They said it might be a factory or a charity shop, I was up for whatever - I just wanted to start working. I got to the meeting and there's a poster for HQ recording studio on the wall, and I'm thinking, no way!”

Yasin was offering work experience and for the first time Harri's CV resonated, as music sang through.

“I did the work experience course, it went really well and then I went self-employed at HQ, and the rest is history. Going self-employed as a producer is also a mind-set and Yasin instilled that into me quite early on when he took me on.”

Harri is also an artist, performing rap, reggae and dance music. His ambition is to become an international artist and producer. “100% music is my passion, that's my focus, it's all I do, all I think about, I think that's what saved me. I can't imagine not having that focus in my life, I don't know where I'd be without it.”

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# Lights, Camera, Action!

Ann Harding has a knack for electrifying the rural market town of Settle. She has brought lights, camera and action to Settle Victoria Hall, transforming it into a thriving arts and community centre.



## Testimonial

“Our councils haven’t any money, so what can we do to make us self-sustaining? People say why don’t the council give Victoria Hall money to keep going? I’d give it to children’s services, or people who deal with domestic abuse, or improving housing. That’s where putting together a package with Key Fund comes into play. The Key Fund is important, because there is an alternative way.”

Ann Harding



Ann Harding  
CEO

“Bands say have you heard of this secret place in the country packed at night time! It makes us laugh. We get lists of gigs, and it says ‘Friday night the Royal Albert Hall, Saturday night Settle Victoria Hall’. That’s taken three years of work.”

It sounds like an uplifting Hollywood movie.

Key Fund supported Ann to purchase cinema equipment and front of house PA system. With no grant support for its core business, Ann has overseen an increase from £110k three years ago to a turnover of £220k (2017/8), and an expected increase to £260k this year. Box office sales were up from £108k to £156k in the past year, a boost she puts down to the new cinema equipment.

She forged an innovative partnership with National Theatre Live, and hosts dementia friendly and relaxed cinema screenings, as well as major events such as the Kendal Mountain Film Festival.

“We’ve just signed the contract with the Royal Opera House to bring opera and ballet as well, which people have been asking for. It’s also enabled us to enhance our music offering, we’ve now got this reputation for fantastic equipment so the people coming are getting better and better. Acts like Jason Donovan and Paul Young.”

NT Live offers high quality theatre on screen to audiences ‘stuck in the sticks’.

Over 50% of audiences travel from over 20 miles, all bringing visitor spend into the rural economy. It supports 150 volunteers and 30 community groups.

“I actually don’t like the words ‘the arts’ because really, it’s community. It’s well documented that loneliness and craving human company is not good for mental health. The more we can keep people coming to see the arts and being involved in volunteering, the less likely they are to need the intervention from the NHS; I genuinely believe that.”



**“You need a variety of ages to keep communities alive.”**

**Josie Gothrie**  
Arts Administrator



**Spotlight on**

## **Growing up near Settle, Josie graduated from St Andrew’s University in Medieval Studies.**

She applied for lots of jobs, in different places but struggled. A lot of her friends stayed in academia because it’s ‘just so overwhelming’ when you have no work experience. “I started doing a bit of volunteering at Victoria Hall. I went straight from school to university so I didn’t have much life experience.”

After a year volunteering, the old administrator left leaving the position open. Josie applied, and got it. The Dales is suffering from a youth exodus, but Victoria Hall offered a vibrant job in the Arts. “You need a variety of ages to keep these communities alive, not just the people who can afford the houses, which tends to be the older age group.”

Now, she has taken on more responsibilities, including finance and marketing.

Josie enjoys the supportive environment it offers to the community.

“It makes a difference to people, gives them a reason to come out, and gives them a reason to interact. People are at risk of isolation in rural areas.”



Where we invest is really important to us, supporting the development of a fairer and more equal society. We use the IMD (Index of Multiple Deprivation), to ensure that our investment is going in to the communities that need it most.

The IMD measures a locations levels in the following categories;

- Low income
- Poor health
- Poor access to education and training
- Poor quality housing and living environment
- Low employment
- High disability
- Poor access to service
- High levels of crime

36% of awards are in the 10% most deprived areas

44% of awards are in the 11-30% most deprived areas

18% of awards are in the 31-50% most deprived areas

80% of awards are in the 30% most deprived areas

### Adrian Bean, Lead Investment Manager

After spending 38 (“and a half!”) years working with a high street bank, Adrian recently found himself facing an old client.

“They approached the bank and said look, you can have a charge over the property, would you lend us £300,000 and the bank declined them. At the Key Fund, we lent to them on an unsecured basis. It was a hospice, so it’s a great example of some really deserving case that the bank wouldn’t lend to but we did. I just thought that was wonderful and says everything there is to say about Key Fund.”

Key Fund lured him out of retirement.

The work itself isn’t dissimilar to his role in the bank, managing a team, lending money, networking, meeting clients. Now though, he’s using his amassed skills to ‘put something back’.

Respect and integrity he says, aren’t just a ‘nice sell’ but values the “Key Fund live and breathe.” After being ‘micro-managed’ in the bank, now he is invested with total autonomy to do the right thing for clients.

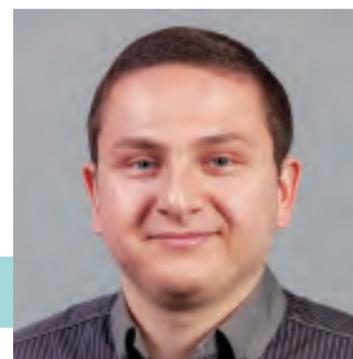
“The team brings such diversity and different qualities, they’re a diverse range of individuals who all bounce and learn off each other - there’s always plenty of support, even the CEO, Matt, is constantly saying do you need any help or support - that’s quite refreshing really.”



Team Talk

### Magomed Magomedaliev, Monitoring and Finance Support

Magomed’s family emigrated from Russia when he was 13. In 2016, he graduated from Sheffield Hallam University with a degree in Finance and Economics.



“I was open minded when I finished university to be honest, I wasn’t sure where I wanted to work.”

He took up volunteering with the local Citizens Advice Bureau, and his path became clearer.

“When I worked with Citizens Advice, I saw people trying to make things more equal, helping people in difficult situations, and I found that job quite satisfying. It’s one of the things that appealed to me about working for the Key Fund, working in the social sector. It inspired me into joining Key Fund.”

Magomed works as a finance and monitoring support officer after joining Key Fund in November 2018. Prior to that, he worked in retail in distribution. Money wasn’t the key motivator for his career.

“It’s more about the culture of the business and people that I work with. I absolutely enjoy working at the Key

Fund, the team are fantastic and we get to exchange ideas and help solve any problems and issues; so I feel there’s a sense of togetherness.”

That culture has boosted his self-confidence, and he has ambitions to continue to improve his skill-set and understand more about the social enterprise sector. “There are too many clients to mention that have inspired me. So many are working in areas that are important sectors in our economy - health, education, culture.”

The not-for-profit model is important to him and the values he shares with the team. “People understand the mission of the company. It gives a bigger sense of purpose.”

# Home is where the Heart is

When Stuart Haden joined Investing in Children (iC) he initiated a revolutionary approach to children's care homes.



Stuart was brought up in the care system from the age of three; his mum an addict, his father abroad. "I got moved from care home to care home, to foster placements, getting beat up - all the horrible stories you hear happened to me in some shape or form."

Stuart joined the Armed Forces then went on to work up the ranks in business, running a major Plc with 2000 employees, setting up his own successful businesses.

His business savvy chimed with Liam Cairn's mission to make iC less reliant on grants. A social worker by trade, Liam became the first director of iC in the mid-90s.

"Young people weren't doing well, so we decided to take a new approach," Liam said. "To see children as citizens with rights; quite a radical idea for '97." It became a Community Interest Company in 2012 in the wake of government austerity measures.

"There's a huge representation of kids with care experience in the prison and the homelessness populations, so we know about the universal poor outcomes for children who grow up in the care system," Liam said. "If we can create stability for young people, you create

the possibility of them going on to be successful adults and citizens."

Key Fund invested £125k loan and £25k grant and introduced Unity Trust Bank to provide a mortgage, allowing them to purchase a 10-bed property in Sunderland. The home will care for up to 8 children at a time, putting children's rights at the heart of its operation. It has generated 12 new full-time jobs and five part-time.

Stuart said: "Effectively our point of difference is, what would mum and dad do? Unlike local authorities, we will give these young people a base when they're going to university, helping out with driving lessons, the key milestones in their life up until the age of 25 and after."

Once the model is proven, the pair believe it will be scale-able.

"The children's home is saying to the kids, you can make a positive contribution to society," Liam said. "Rather than being identified as a problem or a challenge, we're going to say you have skills and abilities and experiences that will make a difference to other people's lives. That's going to be a really powerful driver, a way that is of benefit to the children and the community; it will have a huge impact."



Stuart Haden  
Co-Director

## Testimonial

"I was surprised how difficult it was to get funding because we'd pulled together a business plan, it all stacked up, the numbers made sense but the traditional commercial funders weren't interested, there were lots of barriers in place that made it unviable. I got introduced to Key Fund, who came out, liked what they saw, believed in it and made it so simple from then on. The Key Fund have held our hand all the way through it, they're absolutely fantastic and we could not have done it without them."

Stuart Haden





**Jade**  
Director

**“If you change policy, then you can impact on every young person in care.”**



**Spotlight on**

**Jade was born addicted to heroin. After leaving the hospital’s methadone programme for babies, she was taken away from her mother and went to live with her grandma.**

After her grandma got seriously ill, she went back to live with her mum who by then, had more kids. “Four years later I was taken into care because of physical, emotional abuse and neglect.”

Aged 11, she went into the care system.

“I’ve always had a relationship with my dad but he was in and out of prison my entire life. Social services got in touch with him and in the middle of an assessment to have me live with him, he was killed. He was stabbed. I was 12.”

A youth worker then got her involved with Investing in Children.

Jade did a six month placement, and now volunteers, but was also appointed a Director to advise on the set up of the new children’s home. Thanks to Jade, the new children’s home will have a policy of no police intervention.

“All it takes is genuine care, and they care. If I have something wrong in my life I sit and talk to the team and you can talk and have a cry. I went through something horrible last year, and if it wasn’t for them I don’t know where I’d be now. Most people who go through what I went through take drugs or drink to escape. I didn’t. I stayed on the right track and now, a year later, I’m going to university in September.”

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# We need to Talk

When Naomi Watkins switched careers as a Deputy Manager in a Nursery to become a Counsellor, she knew straight away she had made the right choice.



Naomi Watkins  
Director and Counsellor

## Testimonial

“Key fund were so passionate about what we do, so supportive about what we’ve achieved and could see our vision and listen to our ideas. We wouldn’t be here without Key Fund, allowing us to expand to meet the needs of people in Lincolnshire and beyond - but also enabling us to employ people and create and sustain jobs, is massive.”

Naomi Watkins

“My passion was working in domestic abuse, because of my personal experience of being in an abusive relationship,” she said. She is now one of the UK’s leading Domestic Abuse consultants.

“We knew what it was like to walk in the shoes of a client; what they need to feel and what environment we wanted.”

With this in mind, in April 2017, Naomi set up NW Counselling Hub with Alex Parkin, frustrated at the long waiting lists, and seeing mental health ‘at a crisis point’. In the ten years she’s worked in the field, Naomi has witnessed an increase in demand with a decrease in funding for local services and the NHS crisis team.

Setting up the company with a personal loan, they rapidly grew to a 20-strong team with over 300 referrals in 2018 and were at saturation point. Two Key Fund investments helped secure another building and recruit a full-time hub co-ordinator.

Today, they have nine counselling rooms and over 800 referrals.

“It’s been a massive leap,” Naomi said. “We’ve taken on lots of different counsellors with different specialisms, and more child focused counsellors as about 50% of referrals are children.”

Noticing a rise in the number of people with suicidal intent at the hub, Naomi has been awarded a Winston Churchill Memorial Trust Fellowship to undertake research in Australia on suicide prevention – knowledge she plans to bring back, and implement.

Alex graduated from Lincoln University, a body that sits on their panel advising on the training aspect of the enterprise; they provide qualified training to new and existing counsellors. The training arm invests its profits into the counselling service, ensuring clients under the income threshold receive funding support for typically 12 sessions.

“It’s grandiose to say we’re saving lives, but we actually are. We’re very proud of what we do and we’re certainly not taking our foot off the gas anytime soon,” Naomi said.

Ambitions for the future include satellite hubs across the county, and a counselling bus to travel to isolated rural areas, as well as setting up a charity arm. “I plan to replicate the model across the country, that’s the plan.”





**“I’ve grown  
with the  
business.”**

**Charlie Blackwell**

Business Development Manger,  
Acting Director and Counsellor



**Spotlight on**

**“My dad died when I was nine, which made me more emotionally aware from quite a young age.**

I’ve had counselling throughout my life. As I got to the end of school, my brothers and sisters wanted me to get a trade, but that wasn’t what I wanted to do.”

After completing his qualifications, he approached NWCH after it opened to ask for a placement and was invited for interview. Charlie quickly rose to Business Development Manager, and just recently, was promoted as Acting Director.

“It’s one of the benefits working in a small business. I’ve grown with the business. My progress in the company has been able to build relationships with local services, seeing how we can work together.”

He cites examples of working with Addaction to reach people who self-medicate with drugs and alcohol, who are often ‘looked down on’ in society; the hub provides a safe, welcoming environment to encourage support. He’s keen to break down barriers and support the hard to reach, particularly young men where suicide rates are high.

“As a young counsellor I’m able to pull from the knowledge and experience around me which is fantastic and has helped me develop as a counsellor and as a young man, I think that shows in the work I do.”

Therapy has always been part of his life. “It’s given me an understanding of pain and empathy, which is quite crucial for anyone in our job role.”

# Feeding the Soul

When Josephine Hercberg was diagnosed with cancer at the age of 30, it led to 'a lot of soul searching'.

After university, she'd spent the first ten years of her career working up the ladder of the online travel industry. "My heart was never truly in it," she said.

It was a chance reading of an article about the Real Junk Food Project in Leeds that planted the seed.

"I had a look to see if there was something similar in Sheffield."

Set up in 2013 by Adam Smith, the Real Junk Food Project spawned a movement. Jo got in touch and they shared learning, leading to Jo setting up a pay-as-you-feel café in 2015.

Jo approached the Key Fund in 2016 after her house had been over-run as a food storage facility. They needed a warehouse.

Today, they have two community cafes, a catering service, an educational programme working with 19 primary schools in Sheffield, alongside a warehouse and pay-as-you-feel market (with £1 service charge).

The cafes serve 60 people a day, each ran by a chef working alongside volunteers. Both chefs, now employees, began as volunteers. 200 volunteers are signed up, with 50-100 new volunteer requests a week.

The mission ultimately is environmental: to stop food waste. But the social impact is evident, supplying foodbanks with fresh veg, fruit and bread, running Holiday Hunger schemes with the council to provide free healthy meals in activity centres to children over the summer break, and empowering volunteers into work.

"Emily in one of our cafes had never worked, she left school at 15, had six children and didn't have any confidence in herself on being able to work. She began as a volunteer in our warehouse and started taking food home and cooking with it and bringing it back. We were like, 'this is amazing'. We encouraged her to volunteer in the café. From there she's come on leaps and bounds and has been working for about a year running one of the cafes. She's smashing, she turned the fortunes around of that café and created a really lovely community atmosphere."

Each week they save five to six tonnes of food. Nothing goes to landfill, with a tiny bin left for aerobic digestion, and food unfit for humans sent to the local city farm or pig sanctuary.

Turnover this year is forecast at £200,000. Jo employs eight people, with a management team of five, two café managers and a weekend duty manager for the warehouse.

"Because we were running a pay-as-you feel model it was difficult to prove to a normal bank that this could work, you'd just be laughed out of the office. We knew there was a real need for us to be doing this, so Key Fund were really important to us. Our service is for everyone, which doesn't always work with grant funding. With Key Fund we could just do what we were doing, which we know has huge environmental and social impact. They were brilliant."

Josephine Hercberg



# FW

# F





**“I get on with anyone, and everyone deserves a chance.”**

**Emily Rutta**  
Café Manager



**Spotlight on**

**Emily left school at 13 and ended up in bad relationships after a difficult childhood.**

“I suffer PTSD, I’ve been on medication all my life,” Emily said. “It’s the fallout from childhood abuse, and my brother was killed when he was 11; there was a lot going on.”

Single with six children, she suffered from depression and anxiety. Emily first went to the pay-as-you-feel market after her benefits were stopped.

“I started as a volunteer because I got a free shop in return. I was always cooking, I had to with my kids, and I like to cook all sorts, so they asked me to volunteer in the café, and I’ve been a paid manager there for two years now. I couldn’t see myself running a café, but they just supported me and I love it. I never had a job until this one, they just encouraged me and said you are good enough.”

Emily turned the café’s fortunes around. She puts the secret of its success down to being ‘like a family.’ Everyone is welcome.

“I get on with anyone, and everyone deserves a chance.” She knows all her customers by name. Some she says are struggling with autism, gambling, loneliness, and even domestic abuse. The cafe is a community and it’s been a lifeline for Emily.

“It’s changed my life and my kids’ lives. It’s made a difference to them as they see me doing positive work so they know they have to. My 15-year old wants to be a chef now too.”

I’ve learnt a lot from the volunteers who are all from different backgrounds, and we have a laugh. I work with doctors, people from good jobs, and no one judges me.”

# Untapped potential, real opportunity, genuine need.

## How do you nurture social entrepreneurship?

Give them support, access to knowledge and skills to help them not only run but grow their Social Enterprises. So they can continue to do amazing things in disadvantaged communities. We recognise this, demonstrated by both the incubators from this last year.

**£400k**

Key Fund investments to organisations in Newcastle

**£500k**

Key Fund investments to organisations in Grimsby

↑↑  
Increased confidence and improved practice

### Two Incubators featured:

- **Entrepreneurs**  
(chomping at the bit)
- **Market opportunities**  
(and local know-how)
- **Quality, 1:1 business support**  
(with access to specialist finance, legal and marketing expertise)
- **Relationship building**  
(to grow a peer group of like-minds with energy and vision)



## Social Incubator Fund invested £50k from October 2017 to December 2018.

- 10 organisations receiving 1:2:1 support
- Specialist legal and accountancy support
- Bespoke training from CERT Ltd and Key Fund
- Participants address issues such as domestic violence, food poverty and library closure

Neil King, director of **CERT Ltd** was a training provider for the Grimsby Incubator. Incubators, Neil said, “fill a gap. They help existing organisations up-skill and expand, offering practical help around the technicalities of applying for investment and hand-holding enterprises through the process, often when they’re too busy just delivering services.”

## Working with Key Fund on the Incubator was ‘unusual’ Neil said.

“Everything about them is unusual, but in a good way! The sort of risk they’re prepared to take is very different to the standard lender. They’re prepared to put an awful lot of work in the organisations they’re going to invest in. Rather than a banker’s view, they take a more social view – they’re as interested in the social gains as they are the money.”

“The mixture of grant and loan is also very useful for organisations first going for investment. It eases them in, as the element of grant is something they’re used to. It softens the blow a bit. Having borrowed money from the Key Fund, the process is rigorous but they’re very understanding in their approach, they’re prepared to listen to an idea, and that’s unusual.”

The people within the incubator process will be in a position to self-sustain from here onwards, Neil believes, with most armed with a strong plan for the future.

## Estuary Homes

A new enterprise established by CERT Ltd, Foresight, and Preston Road Women’s Centre, Estuary Homes will provide housing for people with multiple disadvantages. Its focus is on women and children fleeing domestic violence, and people with physical or learning difficulties.

“The idea is to purchase a portfolio of houses that offer not only a safe place to live in but a variety of wrap-around services to support residents,” Neil explained.

It aims to build a portfolio of up to 100 houses. Key Fund invested £300k into Estuary Homes as a result of the Incubator.

“Financially, the association with the Key Fund opened quite a few doors for us.” Mercers’ Company gave a £100k grant.

The social need, Neil said, is vital.

One woman in four experiences domestic violence in her lifetime. Two women are killed each week by a current or former partner. Poor housing results in a cycle of returning to the original domestic setting. For the disabled, a large cohort are living with elderly parents, destined to end up relying on the state system, with nowhere to live.

## The Social Incubator Fund and Virgin Money Foundation invested £140k from November 2018 to March 2019.

- 9 organisations receiving 1:2:1 support
- Specialist financial modelling support
- Bespoke training from GLT Partners Ltd and Key Fund
- 7 Masterclasses (open to any social enterprise/charity)
- 120 attendees for Measuring Social Impact Masterclass (with a waiting list)
- 266 participants from 137 different organisations (99 charities, 38 social enterprises and 4 described as both)
- 7 Post-Masterclass planning sessions (incubators only)
- Participants addressing issues around housing addiction and employment for young people

**GLT Partners Ltd** were the training providers for the Newcastle incubator. Director Lyn Cole was an enabler, facilitator and supporter for three organisations in the incubator including one she's worked closely with, Recovery Connections.

"The North East has been particularly hit by public sector cuts," Lyn said. "Social and charity enterprises are struggling to cope in a period of increased demand for their services, with the rise in inequality. So the incubators are hugely important."

### Part of their impact was being rooted in a focused locality.

"There are programmes out there that are UK-wide but the local networking has been hugely valuable. It's not a one size fits all. Almost all the organisations have been on other programmes, with fancy strategies and business plans sitting on the shelf gathering dust. We've talked about what they need and made sure they have to tools to implement those needs, now and for the future. It's the luxury of someone being prepared to invest in them and work with them to give them the skills and confidence."

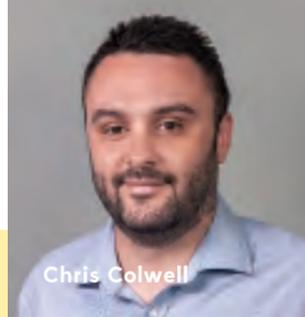
### Recovery Connections

Recovery Connections supports addicts in recovery to reintegrate into society. It is led by people in recovery, staffed mostly by volunteers and funded mainly from local authority contracts.

Despite enormous challenges, they were marked Outstanding by the Care Quality Commission. Lyn has helped their ambition to create a florists in the city centre.

"They are dependent on grants and contracts and they wanted to diversify that. The floristry also offers a safe environment for clients to develop new skills in the workplace where they're not judged. There's a lot of stigma in our society around addiction, which leads to a downward spiral around getting a job. Recovery Connections never give up on anybody, their clients will relapse as it's not a straight line in recovery, so they support people to get back to be fully functioning members of society. That reduces the drain on the public purse and helps people to really be the best they can be."

### Conclusion



Chris Colwell

# We put people at the heart of everything that we do.



Karen Hobson

**At Key Fund, we stand not in front or behind, but alongside each other.**

Diverse individuals yes, but with a collective strength, built on shared values and a clear mission. Working together to use our skills and experience to achieve more.

What drives us as a team is our desire to make a real difference in the communities in which we work, helping to make society a fairer, more equal place.

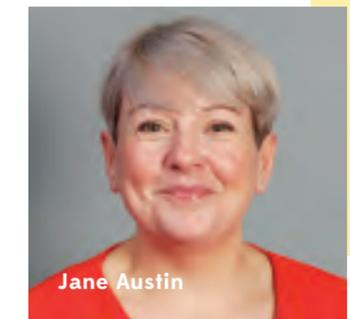
A fundamental belief in fairness runs through Key Fund like letters in Blackpool rock. There is just a 4.9 ratio between the lowest and highest paid members of our team, which is well below those ratios we see in other sectors. We also have no disparity in pay between people in the same role, and the average female is actually paid marginally more than the average male at Key Fund.

But we want to go further, and so one of our key objectives moving forward from this year has been in ensuring that the people we invest in are realistically represented in our organisation, diversifying our staff team, our Board of Directors, and the members of our investment panel.

We also want to continue to develop a structure where everyone is a leader - everyone takes responsibility, everyone contributes to our overall aims, with our clients as the focus. That's why this closing page doesn't focus on the words of Key Fund's CEO.



Donna Needham



Jane Austin



## Are you a potential client or investor?

Get in touch with us now and request a free information pack. It will contain all the relevant information you need to take the next step.

**Remember that without you, there is no us!**

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