



social impact report 2017/18

From Seahouses in the North, to Northampton in the South, to Liverpool in the West and Kings Lynn in the East - investing in people and communities.

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2017/18

Loans: £2.75m  
Grants: £650k

Awards: 60  
Average: £55k

Total: £3.4m



62 jobs  
created



12 businesses  
created



162 jobs  
safeguarded

introduction

chief executive officer

One of our five values is courage, and it's something that drives the way in which we work with our investees, backing people and ideas that can really change people's lives for the better.

It's essential that this is balanced against some of our other values though... Responsibility and Integrity particularly. We must always work in a way which supports organisations to be as strong as possible, giving them the best chance of achieving their aims, using our experience to encourage their success.

**But how do you extract the code for success that lies in enterprises that have heart, as well as business, in their DNA?**

After nearly 20 years in existence, the Key Fund has in its history and people, a wealth of knowledge and learning. Although there's no secret code for social enterprise success - it lies in those qualities we see daily in our clients' work: kindness, care, and an innate sense of mission and purpose - we can qualify what has worked and what hasn't from our years of investing.

We're now squeezing even more value from our experience, studying our historic data, to identify the key trends and indicators of what works. We aim to use this information to develop a deeper understanding of how we can support investees to succeed, in practical, realistic, proven ways - helping them to deliver even more impact.

In these pages you will read about entrepreneurs who tackle some of the most deep-rooted challenges we can face - from loneliness and mental ill-health, to being disenfranchised - while creating jobs and crunching the numbers.

**They all share a commitment; they all work hard to do amazing things.**

And so whilst we are proud that last year we invested £3.4m in community and social enterprises, it's what our clients achieve that energises us to do better as an investor.

Enjoy the read!

Matt Smith

# Seagulls Reuse

Kate Moree moved to Leeds 20 years ago with the hope of going to university. A single mum, she ended up volunteering, where she met Cat Hyde, an art graduate.

A world of colour literally opened up after they retired to Kate's kitchen to start up an enterprise. They heard there was a need for paint collection so badgered the council who agreed they could collect from one site.

"It went from there, now we've got a staff team of 12 and we work with 60 volunteers a year."

With Kate on benefits and Cat doing part-time jobs in galleries, they didn't draw a wage for four years while establishing Seagulls.

The team collects 375 tonnes a year of waste paint from the council's paint banks, removing the toxic waste destined for landfill. It's taken back to base, separated into type, mixed and re-sold in their bespoke shop.

"People love their Farrow and Balls, but can't necessarily afford it, so we blend the paint to match any colour they want."

It offers volunteering and work placements for young adults with learning difficulties, ex-prisoners, and people with mental health problems. "We call ourselves a bit of a last chance saloon," Kate laughed. "Anyone really who needs a leg up. It's quite holistic, we eat together, cook together, if someone comes in with a terrible problem there's always someone with a worse one, which can help put your life in perspective. It's about providing somewhere they can get back on an even keel."

Since forming in 2014, they've supported 552 volunteers, averaging 50 a year.

Seagulls also runs a mosaic community art workshop. "We do large scale mosaics in subways, in schools, we've just done a huge one in Leeds market, a rainbow of hope."

"We employ an artist to facilitate but it's very much community based - schools, elderly groups, mental health groups. We have a small workshop which is free for people with severe mental health problems - they'll smash a file up and create something very beautiful. We have a gentleman with paranoid schizophrenia who's been very troubled in his life, but since he's been coming here he's producing the most amazing pieces of art; his mental health has improved dramatically."

Key Fund helped them expand after securing a five-year contract with the council. Once up to spec, they plan to provide screen printing and furniture upcycling.

Seagulls support a network and social life, with camping and cinema trips, giving lost souls a place to belong.

"It is life changing. Just because they're not able to work for whatever reason doesn't mean they haven't got great value and are a part of society; we've got some fantastic young people here and I don't know what they'd do if they didn't have places like this to go."

Their ambition is to keep growing.

"As a single parent who came to Leeds who didn't know a soul and had depression for a while, the difference it's made to me! And to be able to give that back to others, as cheesy as it sounds. We're really passionate about the planet, we're really passionate about people. We see the difference it makes to our lives, and others; that drives us."

## Testimonial

"To have a fund that will specifically support organisations like ours is fantastic, it enables us to grow and provide more resources in the community. Key Fund get it."



Cat Hyde and Kate Moree



Ruksar Ajaml

spotlight on

## Ruksar Ajaml, 38

Ruksar came to Seagulls 12 years ago from prison and is one of their 'most loyal and brilliant' employees.

"I was involved with the wrong people from the age of 15. I went to prison, got six years; I went in at 21 and out at 27." His relationship broke down with his baby son and partner.

While in an open prison, he signed up to a course at Leeds College and qualified in painting and decorating. He sent 50 or 60 letters applying for work, but doors remained firmly shut. "It makes no difference what you've been in for, it's the whole prison thing." He started volunteering at Seagulls.

"They helped me along the road, and it got me into the world of work." With "the right energy, determination and focus." He's now a shop floor supervisor. He says he's progressed in so many ways.

"We work with prisoners, so with my insight, my experience - everyone's story is unique but the underlying core of it is always the same."

Which is?

"Which is how do I get back on track, who can help me, where can I get experience, where can I get training, where can I volunteer - this place ticks all those boxes."

If it wasn't for Seagulls, Ruksar believes he'd be back in prison, not just because he wouldn't have a wage.

"It's more than the money for me. If you don't feel strongly about what you do, if there's no passion, what is the point? It sounds cheesy but it's true. It's given me perspective, how I live my life, how I treat others. When I come into contact with others I'm a very chatty sociable person and Seagulls has bought that out."

He's now close to his family and his son is now a grown man. He feels he's now in a position to mentor others, "I can use my bad experiences for good."

# CAST

Michael Leivers was walking his dog in Newstead Abbey Park when he came across four youngsters and spotted a fishing line, and a fair bit of litter.

"I said I'd set them up a little fishing club, but they've got to learn from me about looking after the environment; 16 kids turned up to the first meeting - that's how CAST started."

Michael secured the fishing rights to the lakes in the park on the basis the young people would work with The Abbey staff with the aim of reducing anti-social behaviour. It worked. After featuring on BBC Countryfile, schools across Nottinghamshire got in touch. "It all grew from there."

Michael's first job was in a coalmine before becoming a landscape designer. Alongside a passion for fishing, CAST's portfolio of activities grew; students complete BTECs in Land-Based studies. Living in a former colliery village, Michael says he was always a 'community activist' and he worked with the village parish to draw up a 10-year plan after the pit closure.

"I was aware of all the social problems in the village, I was also aware that fishing has always been a source of community cohesion for young men in colliery villages, so I was trying to bring a bit of that back."

Research shows fishing is an effective way of working with people with autism, dyslexia and ADHD, and works well for 'particularly hard to reach young men.'

CAST delivers landscape work in the village, from running community projects restoring woodlands to designing a vegetable garden for a special needs school, ensuring the community benefits as well as the young people.

CAST now works across Nottingham and Derbyshire, and helps children who don't engage with schools.

"There's usually a reason they can't cope with classes. They tend to be outdoor people who end up working in a practical environment, that's what our consultations show; so they need skills that will be useful to them. We focus on how to work in a group, how to engage with other people, building self-esteem, but we're also providing qualifications so they're fit for the workplace."

Established in 2003, CAST became an independent enterprise in 2016: Key Fund helped that transition. With a team of 12: key staff (including one Director) were disengaged young people who came to CAST as children. This year, Key Fund helped them purchase the building they operate in from the local council.

Currently, 84 are on their schools course; a further 200 engage in their after-school projects. Referrals are from local authorities and partner agencies including youth justice departments and social services.

Their work builds self-belief, confidence and appropriate life-skills for young people whose futures are at risk.

## Testimonial

"The local council were going to sell the building; if we hadn't been able to buy it we'd have been baseless. Key Fund support meant we were able to continue - so it's been absolutely essential. Now we're sustainable, our surplus last year was just over £50k so we've got a good business model working." - Michael Leivers

Starr Saunders



spotlight on

## Starr Saunders, 17

Starr became CAST's first apprentice in Sept 2017, and now works full-time for them in admin. Her school considered her one of the most problematic students they'd ever had.

Starr couldn't handle being in large classrooms, and struggled with anxiety in big groups.

"My temper is really short; one minute someone can be having a laugh with me but I take it the wrong way and kick off."

She's been with CAST for four years, after being referred in Year 8.

"I went through a stage where I smacked my Head of Year, I was a very angry and unsettled person back then. I got excluded for a couple of weeks."

CAST helped her get a proper diagnosis of ADHD and Autism, and the right medication. "They supported me with my anger issues basically, and taught me to control and deal with everything. They've shown me the bright side of having autism, not the dark side of it."

Alongside working full-time at CAST, she's studying Business Administration at college.

"Being here is a totally different feeling to school. In school the teacher writes stuff on the board, but here when it comes to paperwork, they do activities around it so you understand it better. Their view compared to teachers is a lot wider; if you do something wrong they don't hold it against you for god knows how long, you get punished that day and don't speak about it again. They deal with it and drop it."

"We have kids come from all different areas, rough places, and they come here to see that we're working with them; it helps improve the way they behave."

Without CAST she says she'd be 'nowhere': "Basically, locked up, because I was a really troubled kid."

And the future? "I think I'm going to get somewhere in life now because of it. I'm going to get my Team Leader qualification and go on to teaching kids like me that struggle. I know where they're coming from because I was in their exact position."



Michael Leivers



# ArtWorks

How important is the opportunity to dream? Kayleigh Cruickshank wanted to see a shift from the usual factory-based jobs to empower disabled people with learning disabilities to work in the creative industries.

"I went through all the government statistics; adults and young people with learning difficulties are least likely to access art."

Working as a film and TV location manager for a decade, Kayleigh had travelled the length and breadth of the country.

"I got to see lots of different sides of life, it's one of the reasons why I know that what we're doing here is quite special; I've not come across it anywhere else."

After finishing filming a TV show, she had an urge to change direction.

"I went to volunteer at a charity supporting adults with learning difficulties and I was only there a week and the chap who ran it offered me a job. I loved it. I just really enjoyed the caring aspect of the role."

Kayleigh met her now business partner Liz, who was a care centre manager with a background as a special needs teacher, at the charity.

They began ArtWorks in 2015, and offer placements in projects such as the Sheffield Documentary Film Festival and the Wildlife Trust, with workshops in art, dance and drama and community activities run by professional artists. They're working with galleries to help renovate the cultural quarter in Sheffield and make it more disabled friendly and accessible.

Social services refer two or three young adults a month to them. They currently service 35 volunteers, 30 disabled adults and up to 10 children with learning disabilities.

Art supplies are funded by auctioning service-user's artwork. "We've got about five artists that we're currently developing."

They also run programmes on everything from computer skills supported by Sheffield University to home safety and healthy living, with gym memberships and swimming lessons.

"It's all holistically wrapped up with community living and life skills. We have a service user who recently learnt to swim, that was such a great day for me, he was quite emotional about it."

In their second year of business, they were asked by the council to expand to Rotherham and acquired a community centre in Thorpe Hesley with a 25-year lease. Key Fund gave a £21k grant/loan mix for renovation costs.

"There are a lot of day services that are in the process of shutting. Six months ago there was a need, now they really, really need new services like us to exist."

The new centre will service the whole community, such as working with the elderly and offering volunteering. "I've already one person to volunteer who has a long term illness - she sits in the house all the time, and we're very happy to support her to work with us. Its vulnerable groups we hope to access - people who need a bit of support, that's what we're here for."

"We plan to expand to Doncaster, Barnsley, Huddersfield... we have got big plans about where we want to go and what we want to do."

## Testimonial

"We spoke to the bank they weren't able to help us. Without the support of Key Fund we wouldn't have been in this position to get this amazing community building which service users can access, the community can access, volunteers can access. Everyone wants it to be a success."



Kayleigh Cruickshank

Liz Carrington



Alistair Clayton



spotlight on

## Alistair Clayton, 21

**Aged 15, Alistair was diagnosed on the Autism spectrum.**

"Two years ago, I was really struggling at college and socially not having a good time with anxiety and not feeling like I fitted in. I ended up dropping out and I didn't really have anywhere to go. I was doing an art course and really loved my drawing and painting, but I was feeling really low and couldn't feel I could express myself, I couldn't paint or draw anymore."

That's when he was then recommended to contact ArtWorks.

"Art is important to me. Everyone has a voice at the end of the day and it's the best ways to express that creative voice."

Alistair specialises in acrylic and tries to be 'as close to fine art' as he can, but has tried everything from sculpture to woodworking at ArtWorks.

"They've put me in touch with all sorts of people I'd never been able to get in contact with, or I'd been pretty terrified to do myself, and given me a lot of opportunities and contacts and some really great experiences."

His work has been displayed in the Millennium Gallery; he's sold several pieces.

"The dream is financially to support myself through my art, that's the big dream, and these guys are getting me towards that point."

Where would he be without ArtWorks?

"I don't want to think about it, to be honest, as I have no clue really because there was a period between dropping out of college and joining here where I was just doing nothing and feeling quite rubbish about myself. I felt very lost and now I feel I'm working towards something."

This year we have delivered over £1.6m of combined funding through the Northern Impact Fund, supported by the Access Foundation, from their Growth Fund, which blends grant funds from the Big Lottery Fund and investment capital from Big Society Capital.

Education,  
Employment  
& Training  
£572,250  
invested  
13,903 people  
supported

Access to  
Services & Support  
£549,950  
invested  
13,800 people  
supported

Improved  
Health  
£499,727  
invested  
6,677 people  
supported

Our mission is to deliver 'the right money at the right time' to our investees, and so we have always believed that social investment is about more than just loans and in particular that grant has a very important role to play in helping small community and social enterprises to develop and grow. That is why we are delighted that we can continue to provide a blended grant and loan fund to our clients.

Access is The Foundation for Social Investment. They work to make charities and social enterprises in England more financially resilient and self-reliant, so that they can sustain or increase their impact. They do this through supporting the development of enterprise activity to grow and diversify income, and improving access to the social investment which can help stimulate that enterprise activity.

So what are our clients doing with the money invested...



# Level Up Academy

“Once people realise there are loads of people just like them, they’re suddenly not outsiders anymore,” Jim Key said.

Jim started martial arts when he was just six before getting into Parkour. “I fell in love with it and it helped me a lot in my young life – the achievement and community is a great thing for a young person. It’s non-competitive, it’s about personal and self-improvement.”

“Kids uninterested in sport or feel rubbish at it come here and get into physical fitness and have this outlook change: to improve yourself. The opportunity of a lifetime was to teach, and give others the experience I had when I was younger.”

After coaching Parkour for six years Jim realised there was a lack of teachers as a new sport. Coaching was crucial – as for any sport. After becoming accredited with the national governing body, he recognised other marginalised sports also deserved the right equipment and facilities; sports often looked down on by the mainstream.

Formed in 2014, Level Up Academy delivers Parkour, Cheerleading, Circus Skills and Martial Arts.

Key Fund helped Jim set up with a £24k investment – which leveraged a Lottery £10k grant. With his business partner, Martin, they designed and built bespoke equipment including a full-size sprung floor – one of just a few in the country for Parkour.

But problems with the building plagued every step, resulting in an additional 12k bill from the landlord. Key Fund stepped in with an additional £12k loan. “It’s looking very promising now, we’re getting more people in all the time and great feedback. We’re into our third year now, which is an achievement.”

Today, they have 1,800 people on the register, with on average 2-300 a week taking part, alongside a growing monthly membership scheme.

Jim is more passionate than ever about the enterprise. Level Up has recently started awarding Parkour black bands, the highest level award. “We set the standard high and never wavered on it – it’s something that’s a real achievement.” Students in turn help mentor the younger classes.

“Both of my current assistant coaches started in my classes. For them to be role models for the younger kids, it generates respect and ambition.”

“We appeal a lot to those not engaged with other sport. Parents say how much their child has changed since training – one boy was very nervous and shy, now he’s the life and soul, and everybody is friends with him – that’s just one example of a hundred.”

The academy brings friendships across different schools and across society, nurturing respect. It operates in one of the most deprived areas of Leeds. Costs are low, and no kit or expensive equipment is required.

“The community we’ve built around this is going from strength to strength:

## Testimonial

“Without the Key Fund we wouldn’t be! We’d of probably shut our doors after the security problem because we wouldn’t have been able to pay the rent. And in terms of leveraging the National Lottery grant, that was only given to us based on the match funding, so we wouldn’t have got that without the Key Fund. They’re very understanding of what we do.”



Jim Key



Louie Eskowitz

spotlight on

## Louie Eskowitz, 11

Louie was diagnosed with high functioning Autism when he was two and a half; he’s been attending Parkour classes for four years.

What got him into it? “I don’t know it’s just like, Ninja Warrior, and not many people do it. Most people do football but I wanted to do something different. I wanted to do something that stands out.”

“I mean for me it’s not just the sport, it’s got me more confidence to answer questions in school, it’s got me more confident about myself.”

The Parkour makes him feel stronger.

“I feel better in my body. When I started Parkour I was very quiet – and now I don’t shut up.”

But his mum loves that! “No,” he laughed. If he didn’t have it in his life? “I wouldn’t feel as confident as what I am now, or as cheeky.”

He goes to classes two to three times a week and has a crash mat and vaulting box at home. “I play with that on my drive, and it’s really cool because people just come over and play with me, and it’s awesome!”

Mum Tracy said he ‘eats, lives breathes’ it. He takes a sedative at night to control his Autism; she says he’s like the energiser bunny – Parkour helps wear him out. Without it his mum says he’s like a ‘caged lion’.

Louie says his mentor is teacher Jim Key. “When you need help he’ll come over, he’s not bossy, he knows it inside out and can show us the technique, that’s what matters, he can show it you properly.”

Louie hopes to one day be a pro, and to teach. “I’ve started teaching some people in my school. I inspired them to do it.”

“If you ever want to do it, just go out and try it,” Louie said. “If you ever want to do anything and people say no, don’t listen to them. Don’t be put off even if you can’t do it the first time.”

“It’s not just movement, its grace and beauty. It’s not just physical, if you’re the best in the world and you don’t have a good attitude, then you’re not really the best in the world.”

# The Bridge

Keith Lawson-West literally took to heart Christian teachings about poverty and social justice 'to feed the hungry and help the poor' when 20 years ago he volunteered in a soup kitchen with the Salvation Army.

Over the years, Salvation Army divisions closed and the volunteers moved to different locations to continue to service the huge need.

"At that time Leicester had the highest homelessness count in the country after London, there was a massive problem."

"We needed to have a permanent base to run a hub because they were trusting in us. We weren't part of the system and were sympathetic to their needs."

Last May they found premises on the St Matthews estate, in the bottom 10% of poverty, near the city centre.

"It meant that we got somewhere cheap in terms of rent."

"We're revolutionary in many ways," Keith said. They support 150 people at any one time.

Law students come in with a lecturer to give legal advice. The Job Centre runs a job club. "This is the first time that they've done it in the country, because our clients wouldn't go to them."

"We've started a fitness group because if you're feeling better about yourself you can engage more. We've got funding to start art and therapy groups, we're going to start a gardening group - things designed to build hope."

The Bridge - Homelessness to Hope has highly specialised trustees, such as the Head of Mental Health Services in East Midlands and the Dean of Medicine at the University of Leicester to bring in expertise, connections and knowledge.

"30 medics come in who see on average 50 homeless people and refer them on to various services and diagnose their problems - I don't know of another organisation that does that."

Every Sunday lunch they feed up to 100 homeless people and also engage them in art, yoga, drama and music. "Now they're knocking on the door saying, when are you going to start these as courses?!"

"We can see the vision we had is going to work."

Although successful at bidding for new projects, funding core costs is impossible. They approached the Key Fund to set up a mobile coffee van.

"This is the reason we wanted to set up a social enterprise to cover our core costs."

They've since converted an ice-cream trailer to a second coffee wagon.

Last year, in one of the worst winters, five of their guests died on the streets.

"It seems to me very much like Dickensian times seeing people increasingly rough sleeping on the streets; I never thought this would be the 21st century."

## Testimonial

"Without the Key Fund we wouldn't have been able to start, it's as basic as that. It's enabled us to start the business."



Keith Lawson-West



Patrick Harris

spotlight on

## Patrick Harris, 52

Patrick had a tough childhood, going in children's homes and foster families. Later, when his marriage split, he ended on the streets for four years.

"It was an emotional ride. I was devastated, she'd gone, I didn't have my young kids, I went on a spree where I was drinking a lot and got myself into a mess."

He became a volunteer and has been at The Bridge - Homelessness to Hope for ten years, now in a paid position.

"I'm here to show that if I can do it, there's no reason why you can't."

"The Bridge is part of my life. I'm here six days per week, I know how much it's needed. I get up at 4am, ride my bike into town - say come down, get them something to eat, a shower, a change of clothes, ask them questions - do you have a doctor, are you on benefits? When they're in the building we can slowly work with them."

Patrick sees system-wide failure, from the benefits system to the lack of specialist support for issues like Spice.

"Homelessness is not the issue; the problem we're facing is mental health. That's what we're fighting - depression, mental health, alcohol. I've got a guy now, just out of jail, he's been given a place with a bed and that's it. He came to me and said all my friends are out on the streets, he said, what's the purpose? He didn't have any on-going support on his premises."

His ambition is to have a residential and rehab centre.

"It's about love. These guys are missing the love. Someone to sit down and talk to them and say how's your day, how do you feel - it's just that love."

This year Dr Patrick Harris was awarded an honorary degree from the University of Leicester for his work with the homeless.





the ripple effect

Investments are made, repaid and then re-invested, meaning that every ripple touches another, and another, and another creating a wave of impact and change in communities.



Arrows reflect the flow and recycling of funds  
\*According to Responsible Finance impact calculator

One thing that remains unchanged is the Key Fund's commitment to our mission: investing the right money at the right time, in the right people in the right way.

There's an organisation that we have funded this year, Create UK their story resonates with me, Greg Walker, ran an enterprise with a £3m turnover that supported 600 long-term unemployed adults into work. The same year he received an OBE in recognition of this success, it was all swept away from under his feet. Market forces, political shifts, and the funding environment all having an impact.

With decades of experience in business, he used his nous and passion and he bounced back from this. With Key Fund support, he's back in business and still creating opportunities for those who have struggled with long-term unemployment.

The social enterprise sector as a whole has experienced the challenges of market forces, political change and the funding environment. Of late, there has been a major shift as more people look positively to the social enterprise model, as grant funding becomes ever harder to win and the public sector has less purchasing power.

Greg's spirit is one we share. It's a reminder of our purpose and our founding mission which still informs our future aspirations - to keep adapting to the challenges - and to invest modest sums of funding in small enterprises that have big impact.

Sailing in choppy waters and learning over the years more creative ways to navigate this means we are confident we are sailing in the right direction. Challenges come and go, it will remain ever so, with the B-word (yes, there's no escaping Brexit), and widening inequality. But one thing that remains unchanged is the Key Fund's commitment to our mission: investing the right money at the right time, in the right people in the right way.

We're working with our partners and our funders, increasingly including individuals and corporates to develop new approaches, products and services reacting meaningfully, to support the difficult jobs social entrepreneurs do. This next year we hope to deliver even more and so we are looking for new partners and have expanded the team to meet the challenge.

Onwards!

Hugh Rolo

## responsibility

We passionately believe in what we do and are committed to the highest standards at all times

## respect

Actively compassionate, kind and considerate - we are genuine in the support, empathy and care that we give to you

Jane Austin



Gemma Griffin



Dave Thornett



Karen Hobson



Sam Harrison



## courage

To challenge and push boundaries to unlock opportunities and shape the future

## integrity

Demonstrate honesty, fairness and credibility to make mutual trust possible

## purpose

Committed to achieving our goals in order to bring about positive social impact

Rachel Veitch-Straw



Chris Colwell



Matt Smith

