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We are grateful to the following funders for their support:



**Social Impact Statement**  
2019/2020



**Years of Growing Enterprise in Communities**

## Introduction

### How do we Recover and Rise?

**This year's Social Impact Report isn't in our usual format.**

**We are, of course, not in usual times. The impact of COVID-19 is still unfolding. As we move under the cloud of a global pandemic, the way ahead is still something of an unknown for our sector, and society at large.**

**This report offers a glimpse of the silver linings around this omniscient cloud.**

There can be few people during social isolation who haven't taken stock. Of what we value in our lives, and also, what we lack.

Coronavirus has exposed inequality. If you are poor, or non-white, you are more likely to die from the virus. The odds are stacked against you simply because of the colour of your skin or where you were born.

It is a difficult truth we have known for a long time. The goal of a fairer society is what personally drives me to work in this sector. It's why my colleagues work at Key Fund - why most people who work in our sector choose to.

As well as exposing the inequalities of our society, the virus has also shown us the best we can be. Communities have stepped up for the most vulnerable - demonstrated perhaps most visibly with the weekly Clap for Carers at the start of the pandemic.

**At Key Fund, we've been metaphorically clapping social enterprise for 20 years.**

Over the last two decades 80% of our investments have been in businesses that operate in the top 30% most deprived areas on the indices of multiple deprivation.

The social enterprise model supports local people working at the coalface of their communities to offer very real solutions to endemic problems: homelessness, addiction, disability, loneliness, poverty, mental ill-health, food waste.

Over the years, it has played a crucial role, not only in reigniting communities from an economic point of view, but from a human one.

During the pandemic, the volume of this positive impact was turned up high. Those social enterprises who were able threw their arms around the vulnerable in their communities, acting as rapid response hubs, delivering food and medicine to the elderly and at-risk.



**I'm proud that this year's Responsible Finance Awards saw four of our clients as finalists, recognised amongst the most exceptional social entrepreneurs in the UK.**

These included a Paralympian wheelchair racer with cerebral palsy who runs a sports coaching enterprise for people with complex needs; a man who fell into drugs and was expelled from school at 15 who went on to set up a recording studio mentoring hundreds of young people; and a young man diagnosed with muscular dystrophy, who set up a global travel company to open up the world for disabled travellers.

However, there is no doubt they and we face uncertain times. News headlines predict the worst recession in living memory. We don't know the answers because the questions for what it means for our sector, and society at large, are not yet clear.

One thing we are clear of is our approach. As ever, we are true to our values: responsibility, respect, courage, integrity and purpose. Our commitment to our mission has never been stronger: to give the right money at the right time and into the right hands - to re-ignite our poorest neighbourhoods.

I have worked at Key Fund for 18 years. I thought I'd seen it all. I thought I had a plan for the next few years and the work that we would be doing. That's all changed. But one thing we have always been at Key Fund is flexible - working with people to find the best solutions for them. We have always listened with our hearts as well as our minds.

I'm proud too that 2020's Responsible Finance Awards saw Key Fund shortlisted in the Impact and Resilience categories. Impact and Resilience are things we need more than ever.

Just 6% of the UK public want a return to our pre-pandemic economy, according to a recent poll. There is a momentum for a fairer, greener economy. It matters how we treat people and the planet. The virus has shown that there's more to business than just profit.

Social enterprise will be needed like never before.

## SHAID

### Investment Overview

**Location:** Durham

**Sector:** Health, Care and Social Care

**Finance Model:** Loan & Grant Blend

**Amount:** £150,000

**Repayment Period:** 5 years

**Main Purpose of Loan:** 15 self-contained flats and 1 four-bedroomed family unit

**Established in 1993, Single Homeless Action Initiative in Durham (SHAID) is a Company Limited by Guarantee and charity. It offers pre-tenancy support for young homeless and at-risk veterans with supported accommodation. Their aim is to increase independent living skills, employment opportunities and access to training and improve health and wellbeing.**

#### Challenge:

Tony Hammond served three years in Northern Ireland before leaving the army due to injury in '87. With no job and no home, he ended up sleeping on his sister's sofa.

Single veterans he said, weren't considered a 'priority'. Tony's job was to physically train soldiers - despite being just 28, running 10-miles with packs on his back took its toll - he had no transferable skills while waiting for a knee operation.

Tony retrained, working in housing and youth work. Determined that other veterans didn't face the same challenges, he successfully set up and managed St Peter's Court in 2011, which has helped 2,000 veterans into independent living.

"Clients sleep in sheds, in cars, in the woods," Tony said. "We get them at their lowest ebb when everything is chaotic. We try and make them feel comfortable, get external agencies on board and help house them."

St Peter's Court was rented by the charity and funding was increasingly harder to come by. Tony recommended the charitable trust purchase housing to become more sustainable and they purchased the Hollyacre Centre, a building of 15 self-contained flats and one four-bed family unit.

**"The project wouldn't have completed without Key Fund; we wouldn't have been able to finish the Hollyacre Centre. They were very flexible."**

Tony Hammond, Project Manager

Image required

#### Solution:

Key Fund gave a £25k grant and £125k loan over five years to pay outstanding contractor bills and finish the refurbishment. Tony explained, "When Key Fund came on it was brilliant as we had all the funds there to pay all the contractors to finish the job, and it took a lot of stress off."

Hollyacre Centre runs alongside St Peter's Court. The charity has won the Bronze and Silver Awards from the Armed Forces Convent, and been recommended for Gold. "We've done okay for a small charity!"

#### Impact:

Hollyacre only opened its doors at the beginning of 2020 but predicts to help 150 people per year. To date its helped four families, with children, move into independent living and it currently accommodates seven veterans. The main issues are mental health and addiction, and they work with Combat Stress, and other agencies to provide support and services.

Tony said: "Small charities like ours are always competing with the big organisations, but we provide a better service because we are community based in a small mining village. The object is to integrate veterans into the community."

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**Financial Statistics**

2019/2020

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*£4 million*  
**Loans**

*00k*  
**Average turn**

*£1.8 million*  
**Grants**

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134  
**New Jobs Created**

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11  
**Businesses Created**

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175  
**Jobs Safeguarded**

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65  
**Businesses Sustained**

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*£5.8m*

**Total value of awards**

*55k*  
**Average loan amount**

## Social Impact Data

### How many people will benefit?

We invest in organisations that are creating social impact, improving the lives of the people in their communities.

The focus is in three main areas;

#### Health

- Accessing physical activity
- Improved mental health
- Help to stop smoking
- Learning mindfulness techniques
- Eating nutritious meals

#### Access

- Improved living conditions
- Securing a home
- Healthier relationships
- Childcare services
- Support for young families and children

#### Education, Training and Employment (ETE)

- Participation in learning
- Improved access to training
- Securing employment
- Increased skills

Projected beneficiaries when funding was awarded;

#### Health

44,701

#### Access

96,317

#### ETE

1,392

Total number of people that beneficiaries as a result of investment in financial year 19/20

= 142,410

#### IMD data

We hard to invest in disadvantaged areas, helping to support the creation of a fairer and more equal society. We use IMD data to ensure that the money is going to the communities most in need.

73% of awards in the 30% most deprived areas

[http://dclgapps.communities.gov.uk/imd/iod\\_index.html](http://dclgapps.communities.gov.uk/imd/iod_index.html)

## Forget Me Not Children's Hospice

### Investment Overview

**Location:** Huddersfield

**Sector:** Health, Care and Social Care

**Finance Model:** Loan

**Amount:** £300,000

**Repayment Period:** 5 years

**Main Purpose of Loan:** Organisational restructure aiding the launch of 14 new charity shops

Image required

Forget Me Not Children's Hospice is a Company Limited by Guarantee and a registered charity, established in 2005. It is a ground-breaking children's hospice created to meet a growing need in its community - providing bespoke support to families with children who have life limiting conditions.

It works to deliver pioneering care through pregnancy, childhood and loss, whenever families need their support - whatever their future holds.

#### Challenge:

With only 3% government funding, and due to the nature of its income streams (community fundraising, bids, trusts, charity shops) the hospice found itself facing a challenging income position.

Knowing that developing sustainable income streams was the long term answer, the hospice put significant investment into increasing its chain of charity shops. This still left an 18 month period where the income wasn't there.

"The reality is, the quality of care we provide is paid for by how successful we are at selling bric-a-brac in our shops and how many buckets we shake, and that's our everyday reality."

#### Solution:

Key Fund stepped in with £300k investment over 60 months in 2018.

"This was a very attractive proposition because it allows to borrow money without having assets, and at a very low rate of interest," Luen said. "The other thing was the quick decision-making process which was very helpful, and the money came through very quickly after that. It gave us the time to restructure our organisation to the point that where we are now - living within our means."

Key Fund 'understand' all the risk elements Luen said. The investment helped bridge the period for the new shops to bed-in.

#### Impact:

In the past 12 months, the hospice provided 27,000 hours of care, and have grown by over 50% year-on-year in terms of the numbers of families supported; to date supporting over 600 children.

The perinatal service, which supports around 100 families a year, provides vital specialist care and support around the devastating loss of a baby.

Luen said: "We are taking the strain off the NHS, as well as providing a lifeline to families. Beyond the physical trauma, baby loss is nothing short of an existential and sometimes spiritual crisis."

"Key Fund understand the type of organisation that you are, and they understand normal lines of finance might not be open to you for a whole variety of reasons."

Luen Thompson, CEO