

Registered Charity No: 1061344
Registered Company No: 3317563

KEYCHANGE CHARITY
ANNUAL REPORT &
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2016

KEYCHANGE CHARITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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KEYCHANGE CHARITY

FOR THE YEAR ENDED 31 MARCH 2016

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees:	<p>The Trustees who served during the financial year and to the date the Report of the Trustees was signed were as follows:</p> <p>Rosemary Milner (Chair) Charles Douglas Margaret Douglas David Goddard (Hon. Treasurer) Geoffrey Ellis (Retired 14th July 2015) Chris Sanford (Resigned 30th October 2015) Imogen Taylor Roger Taylor Tim Cotterall Graham Stones (Appointed 21st May 2015) Joan Henshaw (Appointed 27th July 2016)</p> <p>Trustees are appointed by the Board of Trustees in a general meeting. The number nearest to one third of Trustees shall retire by rotation at each Annual General Meeting and they may offer themselves for re-election.</p>
Senior Management Team	<p>Chief Executive: Graham Waters Head of Finance: Ola Sokoya Operations Managers: Brian James and Suzanne Procter (Resigned 3rd June 2016) Business Support Manager: Peter Clark</p>
Address and Registered Office:	<p>5 St George's Mews 43 Westminster Bridge Road London SE1 7JB</p>
Auditors:	<p>haysmacintyre 26 Red Lion Square London WC1R 4AG</p>
Bankers:	<p>Barclays Bank plc 29 Borough High Street London SE1 1LY</p>
Solicitors:	<p>Wright Hassall & Co 9 Clarendon Place Leamington Spa Warwickshire CV32 5QP</p>
Solicitors (employment law advice)	<p>Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES</p>
Company No:	3317563
Charity No:	1061344
Company Secretary	Ola Sokoya

KEYCHANGE CHARITY

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

It is true to say that the year 2015-2016 has proved to be one of particular challenge and as an organisation we have returned a deficit year end for the first time in many, many years. The Trustees report to the Members of Keychange mentions in greater detail some of the factors contributing to this position; it also outlines some of the measures we have put in place and will continue to implement in order to fulfil our role as guardians and stewards of all the resources placed in our care to carry out our vision and mission to witness to Christianity through our practical care for older and vulnerable people.

We are thankful before God for His guiding and wise counsel as we have prayerfully sought to 'steer the ship' through the rips, swells and storms that have presented themselves during the year. We are also grateful for the sterling work of all our staff that has ensured continuing provision of support, care and nurture to those within our communities.

As a Board we attest the truth of the promise of the words of Psalm 46, and look with confidence to the coming year through God's grace and provision for all our needs.

'God is our might fortress, always ready to help in times of trouble

And so we won't be afraid

Though the earth tremble and the mountains tumble into the sea...

The Lord all powerful is with us... our fortress and protector'

KEYCHANGE CHARITY

REPORT OF THE TRUSTEES TO THE MEMBERS

FOR THE YEAR ENDED 31 MARCH 2016

The Trustees, being the company's directors, present their annual report on the affairs of the Group, together with the Accounts and Auditor's Report for the year ended 31st March 2016. The information included on Page 2 forms part of the Trustees' Report. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in January 2015 in preparing the annual report and financial statements of the charity. The financial statements comply with all statutory requirements and the requirements of the charity's governing document.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Keychange is a registered charity and a company registered in England by guarantee. It is governed by its memorandum and articles of association dated 23rd November 1996. Keychange Charity is affiliated to the Evangelical Alliance.

Recruitment and Appointment of Trustees

Keychange Charity is a national charity and its individual Trustees have a broad mix of the skills which are considered appropriate to achieving those objectives and activities. We have instituted an audit of Trustees' skills to ensure a continuing strong mix of skills and experience among our Trustees and to help effective working with our senior management team. Where particular skills are lost due to retirements, individuals are approached to offer themselves for election as trustee/director. Trustees are appointed by the Board of Trustees in general meeting. One third of Trustees, or the number nearest to one third, retire by rotation at each Annual General Meeting and may offer themselves for re-election.

Trustee/Director Induction and Training

Most potential Trustees are already aware of the practical work of the charity having been encouraged to visit one of the care homes for the elderly or hostels for the homeless. Potential Trustees are also encouraged to attend a Trustees' meeting as an observer.

Additionally, new Trustees are invited and encouraged to attend an induction session to familiarise themselves with the charity and the context within it operates. These are led by the Chief Executive of the charity and cover:

- The obligations of Trustees
- The main documents which set out the history, organisational and operational framework for the charity including the Memorandum and Articles
- Resourcing and the current financial position as set out in the latest published accounts and management accounts
- Future plans and objectives

An additional interview with the Chair also takes place before a formal invitation to join the Board is issued. All trustees receive an induction training session when they are appointed. We conducted this for two new trustees on 23/09/15, and have one arranged for a new trustee on 13/07/16 and 19/07/16. Copies of the programme are available if required. The new guide "The Essential Trustee" produced by the Charity Commission (explaining the role and requirements of a trustee) was highlighted at the Board meeting on 14th July 2015 and individual copies were sent to all trustees thereafter.

KEYCHANGE CHARITY

REPORT OF THE TRUSTEES TO THE MEMBERS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

Retirement of Geoffrey Ellis

In July 2015 we bade a fond farewell to Geoffrey, who has been associated with Keychange for 18 years, and prior to this with its predecessor structure. He was chair for many years. We are indebted to his wise leadership and vision over so many years.

Geoffrey moved the organisation forwards recognising the need to be more business-oriented in changed times but ensuring that the Christian message behind the work and its driving force was never lost or forgotten.

Using his years of knowledge and deep understanding of the organisation., Geoffrey wrote the book 'Many Mansions' in 2011, setting out the history of Keychange Charity from its beginnings in 1920 as Christian Alliance Women and Girls to its present form. In a typically generous act Geoffrey was happy to donate the proceeds from sales of the book towards Keychange Charity. Geoffrey will be much missed for his humour, directness and passion for the work.

We pray that God's blessing and peace will be with him as he faces declining health.

KEYCHANGE CHARITY

REPORT OF THE TRUSTEES TO THE MEMBERS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

Organisational Structure

Keychange Charity is wholly UK based with its head office in London and projects in various areas of the country. The Trustees determine the general policy of the charity. The day to day management of the charity is delegated to the Senior Management Team comprising the Chief Executive, Head of Finance, the Operations Managers, and the Business Support Manager.

There are pay scales for senior staff, taking account of London based salaries in the charity sector for similar positions.

Related Parties and Connected Charities

Plymouth and District Free Church Women's Council, The Mount Eventide Home, Plymouth: This is a subsidiary charity to Keychange Charity and under a uniting directive the financial activities of the Mount Eventide Home have been amalgamated with those of Keychange Charity in these financial statements.

Alexander House, Wimbledon: This is a subsidiary charity to Keychange Charity and under a uniting directive the financial activities of Alexander House have been amalgamated with those of Keychange Charity in these financial statements.

Cressingham House, Wallasey: This is a subsidiary charity to Keychange Charity and under a uniting directive the financial activities of Cressingham House have been amalgamated with those of Keychange Charity in these financial statements.

Erith House, Torquay: This is a subsidiary charity to Keychange Charity and under a uniting directive the financial activities of Erith House have been amalgamated with those of Keychange Charity in these financial statements.

Door of Hope, London & Plymouth: With effect from 25 April 2006 this registered charity and company limited by guarantee came under the control of Keychange Charity as the individual Trustees of Keychange Charity were appointed Trustees of Door of Hope when all but one of the existing Trustees resigned. Keychange Charity entered into a management contract with the Trustees of Door of Hope to provide administration and governance services to this social action charity working with street sex workers mostly in the London Borough of Tower Hamlets. The financial activities of the Door of Hope have therefore been incorporated in the Consolidated Statement of Financial Activities for Keychange Charity on the basis of common Trustees. With effect from 1st April 2013 the activities of the Keychange Charity outreach project in Plymouth, known as Rahab, are included within Door of Hope.

Our efforts to generate funding to support the Door of Hope were not adequate, and the trustees reluctantly decided they could not continue to subsidise it from our mainstream funds. Following discussion, the charity Beyond the Streets agreed to continue the London based outreach, and funds designated for Door of Hope were transferred to them as at 31st March 2015. Sadly, the Rahab project in Plymouth has been discontinued. The Door of Hope charity was wound up on 31 March 2016. As the company was still in existence at 31st March 2016 (proposal to strike off by companies house is active) the financial statements are prepared on a consolidated basis, however Door of Hope was not active in the year to 31st March 2016

KEYCHANGE CHARITY

REPORT OF THE TRUSTEES TO THE MEMBERS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

OBJECTIVES AND ACTIVITIES

The objects of the Group as stated in its memorandum of association are the advancement of the Christian religion and the promotion of other charitable purposes for the advancement of intellectual, social and physical welfare.

The mission of Keychange Charity continues to be to offer care, acceptance, and Christian community to people in need. We do it by trying to follow Christ's example in giving practical love and compassion to people by providing residential care for frail elderly people and residential supported accommodation for young homeless people. Keychange is a Christian Charity, with an occupational requirement for Trustees and managers to be Christians, and so are expected to provide a Christian focus to the charity's mission.

The Board met in November 2011 for a thorough review of our activities, and produced a 5 year plan for 2012-2017. We regularly review our achievements, and update some details and targets for the future. This plan has the following goals:

- Improve the quality of the existing property portfolio and infrastructure, to equip the premises and staff capability to perform at the highest level.
- Access opportunities for new social action projects and to continue to be open and responsive to operating new residential homes for the elderly where this enables, or does not run contrary to, the statement above.
- Have a coordinated financial strategy in order to minimise financial dependence on government funding and to make charges at appropriate levels in the context of the general economic conditions, prevailing local market and the levels of care provided.
- Be proactive in establishing new partnerships that will enhance the work of Keychange.
- Ensure that all projects are managed at a senior level by committed Christians so that the Christian values and ethos of the Charity can be maintained; to ensure suitable opportunities for staff, residents and those with whom the Charity comes into contact, to explore and experience Christian faith.
- To increase the number of Trustees and maintain their involvement with staff and projects throughout the country through practical interest, prayer and support.
- Have a coordinated strategy of marketing activity across our website and literature to increase awareness to local Friends groups and Church networks.
- Have created 2 new sub committees - The Finance Group and The Quality and Safety Group - comprising Trustees and members of the Senior Management Team to review and develop our financial and care performance in much greater depth.
- In 2015 have created a further subcommittee – The Faith Working Group – comprising Trustees and members of the Senior Management Team to develop how we live out our Christian values in day to day activities.

KEYCHANGE CHARITY

REPORT OF THE TRUSTEES TO THE MEMBERS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

Public Benefit

The Trustees have taken account of the Charity Commission's guidance and demonstrate that public benefit has been provided to our residents and beneficiaries through the following agreements and activities:

- accepting socially funded elderly relatives at fee levels below the commercial cost of providing good care and accommodation;
- providing a wide range of secular and spiritual activities for all our residents
- Offering some work experience opportunities for young people.
- Our Keychange Community vision recognizes that we support strong connections with the neighbourhood and encourage volunteers to support what we do locally.

Volunteers

Volunteers are used across our services including those who mentor and support young people using our hostels and volunteers who visit care homes providing a range of activities and pastoral support.

ACHIEVEMENTS AND PERFORMANCE

Care for older people within a Christian ethos

We continue to welcome residents from all backgrounds, provided we can meet their care needs, both socially or privately funded. At 31st March 2016 we had 254 residential beds, of which currently 32% of residents are socially funded.

Too often care homes hit the news headlines for all the wrong reasons and tarnish the whole industry. We remain determined to provide excellent Christian person-centred care to all our residents in safe and happy surroundings. We try to provide a wide range of secular and Christian activities for their interest and stimulation. The recent "Ladder to the Moon" activities have been greatly enjoyed.

The Government's policy of providing care within your own home for as long as possible is reflected in increasing care needs as new residents join us. We acknowledge the wonderful support given by our care home managers and their staff, even though much of their time is taken by detailed record keeping.

For Residential care two key measures are the results of inspections by our Regulator, the Care Quality Commission (CQC) and occupancy levels.

CQC Inspections: The majority of our care homes have been rated by the Care Quality Commission as good. Due to management change some homes have been rated as requiring improvement and/or inadequate. We are working with the relevant Local Authority and local CQC Inspector to improve services. Leadership is key.

All managers regularly assess the views of people using our services and respond to comments encouraging developments based on the feedback. Community meetings are held regularly in all services.

Occupancy Levels: We are seeing some residents coming into our homes for short time respite care, so there tends to be more volatility in our occupancy levels. We set our budgeted average occupancy level at 90%, and on average we achieved 85.9% occupancy for the year. In reality some homes consistently enjoy high occupancy, but we have had some that have struggled with poor occupancy through the year.

KEYCHANGE CHARITY

REPORT OF THE TRUSTEES TO THE MEMBERS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

Christian Accommodation for Homeless Young People

Our hostels at Exeter and Reigate continue to give Christian love and support to young people. As reported last year, our contract at Exeter has been modified, and we now provide support to young men from age 16 and young women. The level of support and funding has been reduced, so there have been consequential reductions in staffing, but some recruitment of male staff. The transition led to a drop in occupancy, but it recovered by the end of the year. Reigate has enjoyed excellent occupancy throughout the year.

We continue to offer these homeless young people a room of their own in a secure place free from drugs, alcohol or abuse; a safe haven to help them restore their dignity and self-worth. Our staff are dedicated to help them find employment, training or education.

Fairhavens: closure of the nursing unit

At our care home Fairhavens at Southampton, we have closed the nursing care unit and switched it to residential care, because the unit was no longer financially viable. Sadly, 3 nursing staff were made redundant. The home now enjoys good occupancy providing residential care.

Our Christian Ethos

Over the year we have used Outlook Trust – a Christian charity working with senior citizens – to provide services and activities in some of our care homes. We plan to expand these activities. We also maintain good relations with churches local to our care homes. We have also established a trustee/SMT faith working group who have written and consulted on the Christian Ethos Statement and Pastoral Support Guidelines.

FINANCIAL REVIEW

Our financial results for our elderly care projects have been disappointing. A major reason has been the cost of agency staff needed to support inadequate staffing numbers in some of our projects

At our hostels, the income received from Supporting People payments and Housing Benefit does cover basic costs, both hostels continue to generate moderate income.

Across Keychange income year on year is down 0.6% at £7.7m (if you adjust for the exceptional £822,500 received from the sale of reversionary clauses in 2015/16). Expenditure on the other hand fell by 1.4% from £8.1m to £8.0m

The Trustees are very grateful for donation and legacies totalling £103,197 received during the year.

The net result is a decrease in our funds of some £273,355.

Reserves Policy

In view of the nature of the charitable activities, all of which require a significant investment in fixed assets, the Trustees have determined that the following reserves policy should be applied:

The level of free reserves, after adjusting for long term liabilities, should be sufficient to leave the Charitable Group with working capital equivalent to at least one month's operating expenditure, after deducting any designated funds. The long term liabilities should however be within a level that the Trustees consider comfortable in respect of the ability of the Charitable Group to service these liabilities as they fall due from its operating income.

KEYCHANGE CHARITY

REPORT OF THE TRUSTEES TO THE MEMBERS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

Total funds as at year end totalled £8,841,699 made up of Endowments of £305,215, Restricted Funds of £2,012,964 and Unrestricted Funds of £6,523,519. The adjusted level of free reserves amounts to £1,246,249, which equates to sixteen weeks' operating expenditure. However, after adjusting for restricted operations in deficit the figure is reduced to £637,584 this is equivalent to eight weeks operating expenditure, which exceeds the working capital requirement of one month. The restricted funds in deficit are Cressingham house (£204,533) and Erith House (£404,132), these have arisen due to low occupancy in the former and lower fees in the latter. We have implemented an occupancy drive at Cressingham and have raised fees at Erith.

The reserves policy of the Charitable Group is reviewed on an annual basis by the Trustees.

Risk Management

The Board has conducted regular risk reviews and identified the major risks to which the Charity is exposed, particularly those related to its operations and finances, and the Trustees are satisfied that systems are in place to mitigate the charity's exposure to the major risks. An update of the risk review was undertaken for 2016/17 and ratified at the Board Meeting on 27th April 2016. Our major risks are listed below, and become increasingly painful if they occur together.

- The loss of key staff.
- A sustained level of staff shortages
- Inadequate fund raising for our Homeless and Outreach projects.

The organisation holds a Register of Risks which is reviewed annually and approved by the Board most recently on 27/04/16. Against this framework, current risks to the organisation are formally assessed by the Senior Management Team on a monthly basis and immediate operational risks are considered each week at the SMT catch up meeting with relevant strategies put in place. Documents (minutes etc.) are available as required.

Uncertainties

Looking after some 250 residents in 13 care homes and hostels will always generate unexpected situations, but we are confident that our staff are trained and resilient to deal with them competently as they arise.

The funding of care for residents relying on state support remains at inadequate levels, reflecting both the national and local councils limited financial resources. The funding levels vary between different councils, and some are willing to engage in individual negotiation for new residents. Given the demographic realities of increasing numbers of elderly people, who are tending to delay their entry into care so their needs become greater, these funding issues will increase.

In this uncertain world, we do acknowledge God's continuing goodness to us.

Investment Powers, Policy and Performance

The Trustees have adopted a prudent approach and all investments are held on deposit, or in either Government Stocks or Charities Funds. Investments have performed roughly in line with the relevant indices.

Key Management Remuneration Policy

The Management remuneration policy is that we will review this annually in line with all staff remuneration and contractual commitments to do so. However, due to the recruitment exercise conducted for the Head of Finance role in spring 2015, it became clear that salary levels of the SMT needed to be reviewed in isolation to keep them proportionate with one another and relevant to the current employment market rates.

KEYCHANGE CHARITY

REPORT OF THE TRUSTEES TO THE MEMBERS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

Key Management Remuneration Policy

The revised salary levels were identified using the ACEVO salary survey 2014/15 which provides comparative information for senior staff across different areas of the voluntary sector. This survey document was made available to the Chair and the Chair of the Finance Working Group (who is the Honorary Treasurer). The Working Group then made recommendations to the Board and increases were approved at the Board meeting of 21/05/15. Local comparators were also identified, where recruitment to senior level posts in similar size and type of organisations had taken place within the previous 12 months or so, for reference.

PLANS FOR FUTURE PERIODS

Undoubtedly the biggest challenges facing Keychange Charity arise from the ongoing limitations on national and local government finances. We have set a balanced budget for 2016/17 across all our projects. For **residential care homes** the finances are dependent on the mix of socially and privately funded residents, and some of our care homes are of a modest size, and could not survive independently without some cross subsidies from our larger homes and other sources.

As in previous years we continue to seek a mix of socially and privately funded residents in our homes, to meet the balanced budget and to provide public benefit. The postponement of moving into residential care, referred to above, is giving us an opportunity to provide peripatetic domiciliary care.

For our outreach to **the homeless**, we look forward to a good relationship with our external fund raisers, and developing this area of operation to be more sustainable in the longer term.

Our strategic plan commits us to consider opportunities for new social action projects, and also to be responsive to operating new residential homes if they would add value to the Charity. We will address all the goals in our strategic plan as opportunities arise.

KEYCHANGE CHARITY

REPORT OF THE TRUSTEES TO THE MEMBERS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees, as directors of the charitable company, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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


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

- there is no relevant audit information of which the company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

haysmacintyre have expressed their willingness to continue as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

The Trustees' Report was approved by the Trustees and signed on 27th July 2016 on their behalf by



David Goddard, Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF KEYCHANGE CHARITY

We have audited the financial statements of Keychange Charity for the year ended 31 March 2016 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the Trustees of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the charity's and the parent charitable company's net movement in funds, including the charity's and the parent income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company and group have not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the consolidated charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Kathryn Burton (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

26 Red Lion Square
London
WC1R 4AG

..... 27th July 2016

haysmacintyre is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

KEYCHANGE CHARITY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Income Funds		Endowment Funds	Total 2016	Total 2015
		Unrestricted	Restricted	Funds	£	£
		£	£	£		
INCOME & ENDOWMENTS FROM:						
Charitable activities	4	3,890,974	3,678,839		7,569,813	7,596,052
Donations and legacies	2	93,593	9,605	-	103,198	123,670
Investments	5	38,088	669	-	38,757	37,968
Net Proceeds on disposal of property	3	-	-	-	-	822,500
Total Income & endowments		4,022,655	3,689,113	-	7,711,767	8,580,190
EXPENDITURE ON:						
Charitable activities	6	3,894,788	4,065,567	11,240	7,971,595	8,074,823
Raising funds	6	8,858	9,500	-	18,358	29,740
Total Expenditure		3,903,646	4,075,067	11,240	7,989,953	8,104,563
Net income/(expenditure) before (losses)/gains on investments		119,009	(385,955)	(11,240)	(278,186)	475,627
Gain/(loss) on investments	12	4,831	-	-	4,831	(1,606)
Net Income/(expenditure)		123,840	(385,955)	(11,240)	(273,355)	474,021
Total funds brought forward		6,399,680	2,398,919	316,455	9,115,054	8,641,033
Total funds carried forward		6,523,520	2,012,964	305,215	8,841,699	9,115,054

All gains and losses recognised in the year are included in the Statement of Financial Activities and all amounts are derived from continuing activities.

There is no difference between the Net income/(expenditure) stated above and its historical cost equivalent.

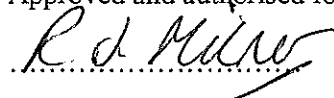
The notes on Pages 17 to 27 form part of these Financial Statements.

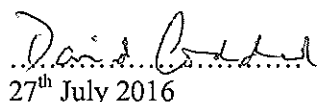
CONSOLIDATED AND COMPANY BALANCE SHEETS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Consolidated 2016 £	Company 2016 £	Consolidated 2015 £	Company 2015 £
FIXED ASSETS					
Tangible assets	10	10,472,025	10,472,025	10,585,050	10,585,050
Investments	11	22,550	22,550	30,750	30,750
		10,494,575	10,494,575	10,615,800	10,615,800
CURRENT ASSETS					
Investments	12	13,587	13,587	14,366	14,366
Stocks		5,500	5,500	5,500	5,500
Debtors and prepayments	13	552,152	552,152	553,330	553,330
Bank and cash		730,955	730,955	589,541	570,469
		1,302,194	1,302,194	1,162,737	1,143,665
CREDITORS: Amounts falling due within one year	14	(1,232,491)	(1,232,491)	(1,068,190)	(1,049,118)
NET CURRENT LIABILITIES		69,703	69,703	94,547	94,547
TOTAL ASSETS LESS CURRENT LIABILITIES		10,564,278	10,564,278	10,710,347	10,710,347
CREDITORS: Amounts falling due after more than one year	15	(1,722,579)	(1,722,579)	(1,595,293)	(1,595,293)
		8,841,699	8,841,699	9,115,054	9,115,054
REPRESENTED BY:					
Capital funds					
- Endowments	16	305,215	305,215	316,455	316,455
Income funds					
- Restricted	17	2,012,964	2,012,964	2,398,919	2,398,919
- Unrestricted		6,523,519	6,523,519	6,399,680	6,399,680
	18	8,841,699	8,841,699	9,115,054	9,115,054

Approved and authorised for issue by the Trustees and signed on their behalf by:

 Rosemary Milner

 David Goddard
27th July 2016

The notes on Pages 17 to 27 form part of these Financial Statements.

KEYCHANGE CHARITY

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2016

	Note	2016 Group	2015 Group
Net cash provided by (used in) operating activities	A	250,271	(9,678)
Cash flows from investing activities			
Interest income		38,757	37,968
Interest paid		(32,746)	(38,246)
Purchase of tangible fixed assets		(263,275)	(300,462)
Proceeds from the sale of fixed assets		2,494	822,500
Proceeds from the sale of investments		5,610	-
Cash provided by (used in) investing activities		(249,160)	521,760
Cash flows from financing activities:			
Repayments of borrowings		(209,697)	(219,927)
Cash inflows from new borrowings		350,000	-
Increase (decrease) in cash and cash equivalents in the year		141,414	292,155
Cash and cash equivalents at the beginning of the year		589,541	297,386
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		730,955	589,541

A: RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure) for the reporting period	(273,355)	474,021
Adjustments for:		
Investment income	(38,757)	(37,968)
Interest paid	32,746	38,246
Depreciation charge	373,806	363,358
Movement of interest rate cap	8,200	8,200
(Gains)/losses on investments	(4,831)	1,606
(Increase)/decrease in debtors	1,178	(246,537)
Increase/(decrease) in creditors	151,284	211,896
Surplus on sale of property	-	(822,500)
Net cash provided by (used in) operating activities	250,271	(9,678)

KEYCHANGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Keychange Charity meets 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). These accounts are the first set of accounts prepared under FRS 102. The most recent set of accounts prepared under previous UK GAAP were to 31 March 2015. The transition date is 1 April 2014. In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatement has been required in making the transition to FRS 102 and the Charities SORP FRS 102.

- a) **Basis:** These financial statements of the company are the accounts of Keychange Charity amalgamating a number of charities where uniting directions have been obtained from the Charity Commission.

The charity financial statements incorporate the financial statements of the above and Keychange's subsidiary undertakings. The acquisition method of accounting has been adopted except as stated below. Under this method, the results of the subsidiaries are included in the Consolidated Statement of Financial Activities from the dates of acquisition, which have been deemed to be the dates the subsidiary undertakings came under the charity's control

- b) All income is accounted for gross when the charity has entitlement to income, it is probable the income will be received and the income can be measured reliably. Interest receivable is included in the Statement of Financial Activities on an accruals basis.
- c) Resources expended are accounted for on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Central costs which cannot be directly allocated are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.
- d) Depreciation is provided on freehold and leasehold property excluding land, at 2% per annum straight line. Land is not depreciated. Depreciation of other fixed assets is calculated to write down the historical cost over the expected useful lives of the assets at either 12½% or 25% per annum on a straight line basis.
- e) Investments are valued at their market value on the balance sheet date. Investment income is accounted for as it accrues. Realised and unrealised gains and losses are included in the Statement of Financial Activities.
- f) Stocks are valued at the lower of cost or net realisable value.

KEYCHANGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

- g) Restricted funds comprise funds where the monies may only be used in accordance with the wishes of the donor, or the terms of a Charity Commission Scheme. See note 16 for a description of individual funds.
- h) Unrestricted funds are funds that can be used in accordance within the charitable objects at the discretion of the Trustees.
- i) Endowment funds are funds where there is no power to convert the capital into income. See note 15.
- j) Pension costs: The company operates pension schemes for the benefit of its employees. The funds of the schemes are administered by Trustees and are separate from the company. The schemes are defined contribution schemes and the contributions are charged to the Statement of Financial Activities when incurred.
- k) Governance Costs include the costs of governance arrangements which relate to the general running of the charity, including independent examination fees, any legal advice for the Trustees, and all costs of complying with constitutional and statutory requirements.
- l) Support cost allocation: Support costs have been allocated to cost of generating funds on the basis of head office staff time spent, and to charitable expenditure in proportion to each charitable activity's incoming resources for charitable activities.
- m) Residential care fees are included in the Statement of Financial Activities on an accruals basis. These are fees charged for residential and nursing care.
- n) Amounts payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.
- o) The trustees consider there are no material uncertainties about the Charity's ability to continue as a going concern. The review of our financial position, reserves levels and future plans gives Trustees confidence the charity remains a going concern for the foreseeable future.
- p) Financial instruments: The charity has a Financial Derivative which was purchased in January 2009, further details of which are provided in note 11 to the financial statements. The financial derivative is held at fair value.
Other than the financial derivative the charitable company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.
- q) Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.
- r) Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

KEYCHANGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

2. DONATIONS AND LEGACIES				Group 2016 £	Group 2015 £
General donations				<u>103,197</u>	<u>123,670</u>
3. NET PROCEEDS FROM DISPOSAL OF PROPERTY				Group 2016 £	Group 2015 £
Sale of reversionary clauses in 2015				<u>-</u>	<u>822,500</u>
4. INCOME FROM CHARITABLE ACTIVITIES				Group 2016 £	Group 2015 £
Fees for care of the Elderly				6,875,957	6,984,306
Income for support of the Homeless				693,856	611,746
				<u>7,569,813</u>	<u>7,596,052</u>
5. INVESTMENT INCOME				Group 2016 £	Group 2015 £
Dividends on listed Stock Exchange investments				592	484
Bank deposit interest				1,898	1,155
Rent receivable				36,267	36,329
				<u>38,757</u>	<u>37,968</u>
6. EXPENDITURE	Direct Costs £	Support costs Other £	Governance £	Total 2016 £	Total 2015 £
Raising funds					
Fundraising for voluntary income	8	18,250	100	18,358	29,740
Charitable expenditure					
Care for the elderly	6,715,847	677,770	48,165	7,441,782	7,337,606
Support for the homeless	500,045	26,339	3,429	529,813	651,594
Non-residential outreach	-	-	-	-	85,623
	<u>7,215,900</u>	<u>722,359</u>	<u>51,694</u>	<u>7,989,953</u>	<u>8,104,563</u>

KEYCHANGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

6. EXPENDITURE (continued)	Head office Staff costs £	Head office Overheads £	Corporate Costs £	Total 2016 £	Total 2015 £
Analysis of support costs					
Raising funds					
Fundraising for voluntary Income	11,700	6,314	236	18,250	19,825
Charitable expenditure					
Care for the elderly	434,517	234,471	8,782	677,770	620,337
Support for the homeless	16,886	9,112	341	26,339	27,126
Non-residential outreach	-	-	-	-	5,067
Governance	33,141	17,883	670	51,694	51,208
	<u>496,244</u>	<u>267,780</u>	<u>10,029</u>	<u>774,053</u>	<u>672,355</u>

Support costs have been allocated to cost of generating funds on the basis of head office staff time spent, and to charitable expenditure in proportion to each charitable activity's incoming resources for charitable activities.

Head office costs represent the cost of running the charity's head office, and corporate costs are costs expended centrally on behalf of the charity as a whole, such as senior management travel costs to projects, staff life assurance, IT costs, bank charges, DBS check costs, job advertising, annual conference costs and professional fees.

7. EMPLOYEES	Group 2016 No.	Group 2015 No.
Employee earning £60,000 to £70,000pa.	1	-
The average number of employees, analysed by function, was:		
Charitable activity	397	413
Administration	13	13
	<u>410</u>	<u>426</u>
	£	£
Staff costs		
Salaries and wages	5,045,145	5,213,174
Social security	279,842	324,901
Pension costs	58,383	61,670
Redundancy & Termination payments	80,995	45,024
	<u>5,464,365</u>	<u>5,644,770</u>
Agency costs	342,619	273,820
Other staff expenses	176,481	176,364
	<u>5,983,465</u>	<u>6,094,953</u>

The total remuneration, benefits and pensions paid to the key management personnel in the year was £275,055 (£249,036 - 2015).

KEYCHANGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

8. COMMITMENTS UNDER OPERATING LEASES	Group 2016 £	Group 2015 £	
Within one year	38,683	49,414	
In one to two years	27,062	37,442	
In two to five years	15,649	50,714	
Over five years	-	-	
	<u>81,394</u>	<u>137,570</u>	
9. NET INCOMING/(OUTGOING) RESOURCES	Group 2016 £	Group 2015 £	
The net incoming resources are stated after charging:			
Operating leases	50,172	57,100	
Depreciation	373,806	363,358	
Auditors' remuneration - parent charity	23,520	25,800	
Auditors' remuneration - other	-	-	
Bank loan and overdraft interest paid	32,726	38,246	
	<u>480,224</u>	<u>784,504</u>	
10. TANGIBLE FIXED ASSETS	Freehold and leasehold property and improvements £	Furniture fittings and equipment £	Total £
Company			
Cost or valuation			
At 1 April 2015	12,041,212	1,243,400	13,284,612
Additions	75,249	188,026	263,275
Disposals	-	(6,414)	(6,414)
	<u>12,116,461</u>	<u>1,425,012</u>	<u>13,541,473</u>
At 31 March 2016	12,116,461	1,425,012	13,541,473
Depreciation			
At 1 April 2015	1,980,635	718,927	2,699,562
Provisions for the year	200,723	173,083	373,806
Disposals	-	(3,920)	(3,920)
	<u>2,181,358</u>	<u>888,090</u>	<u>3,069,448</u>
At 31 March 2016	2,181,358	888,090	3,069,448
Net Book Value			
At 31 March 2016	<u>9,935,103</u>	<u>536,922</u>	<u>10,472,025</u>
At 31 March 2015	<u>10,060,577</u>	<u>524,473</u>	<u>10,585,050</u>

Professional valuations for freehold and leasehold property and improvements were undertaken as at 31 March 1997. These valuations will not be updated.

KEYCHANGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

10. TANGIBLE FIXED ASSETS (continued)

The net book value at 31 March 2016 represents fixed assets used for:

	Land and Building £	Furniture fittings and equipment £	Total £
Direct Charitable Purposes			
Homes for the elderly	7,736,875	491,643	8,228,518
Social action for the young	1,673,785	30,713	1,704,498
	<u>9,410,660</u>	<u>522,356</u>	<u>9,933,016</u>
Other Purposes:			
Head Office and Support	135,877	12,078	147,955
Investment	388,566	2,488	391,054
	<u>9,935,103</u>	<u>536,922</u>	<u>10,472,025</u>

Professional valuations for freehold and leasehold property and improvements were undertaken as at 31 March 1997. These valuations will not be updated.

11. FIXED ASSET INVESTMENTS

	2016		2015	
	£	£	£	£
Homes for the elderly	<u>22,550</u>	<u>22,550</u>	<u>30,750</u>	<u>30,750</u>

The Financial Derivative was purchased in January 2009 for £82,000 from Barclays Capital as a condition of the loan facility made available by Barclays Bank to fund the refurbishment at Alexander House, Wimbledon. The purpose of the financial derivative is to limit Keychange Charity's exposure to future upward movements in bank base rate. The financial derivative is an interest cap at 4% on base rate, over the first ten years of the loan facility. The cost of the financial derivative is being amortised over its life of ten years.

12. CURRENT ASSET INVESTMENTS

	2016		2015	
	Group £	Company £	Group £	Company £
Quoted Investments				
At 1 April	14,366	14,366	15,972	15,972
Disposals	(5,610)	(5,610)	-	-
Net unrealised investment (losses)/ gains	<u>4,831</u>	<u>4,831</u>	<u>(1,606)</u>	<u>(1,606)</u>
Market value at 31 March	<u>13,587</u>	<u>13,587</u>	<u>14,366</u>	<u>14,366</u>
Historical cost of quoted investments at 31 March	<u>5,404</u>	<u>5,404</u>	<u>7,504</u>	<u>7,504</u>

KEYCHANGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

13. DEBTORS: due within one year	2016		2015	
	Group £	Company £	Group £	Company £
Trade debtors	477,910	477,910	525,586	525,586
Other debtors and prepayments (Adjusted for Creditors within debtors)	74,242	74,242	27,744	27,744
	<u>552,152</u>	<u>552,152</u>	<u>553,330</u>	<u>553,330</u>
14. CREDITORS: amounts falling due within one year	2016		2015	
	Group £	Company £	Group £	Company £
Bank loans	232,944	232,944	219,927	219,927
Trade creditors	178,158	178,158	214,896	214,896
Other creditors and accruals	753,784	753,784	529,123	562,401
Owed to the Door of Hope	-	-	-	10,650
Tax and social security costs	67,605	67,605	41,243	41,243
	<u>1,232,491</u>	<u>1,232,491</u>	<u>1,068,190</u>	<u>1,049,118</u>
15. CREDITORS: amounts falling due after more than one year	2016		2015	
	Group £	Company £	Group £	Company £
Bank loans:				
Repayable in 1 - 2 years	480,055	480,055	448,565	448,565
Repayable in 2 - 5 years	566,336	566,336	520,831	520,831
Repayable after 5 years	676,188	676,188	625,897	625,897
	<u>1,722,579</u>	<u>1,722,579</u>	<u>1,595,293</u>	<u>1,595,293</u>

The total company and group bank loans of £1,955,523 (2015: £1,815,220) include the following bank loans, all of which are also secured by debentures on the assets of Christian Alliance Trust Corporation and Keychange Charity, with interest being charged at the bank's lending rate:

- £105,869 secured on the freehold properties at Exeter & Tunbridge Wells, repayable in 2018/9.
- £392,858 secured on the freehold properties at Sidmouth & Tunbridge Wells, repayable in 2022/3
- £1,110,739 secured on the freehold property at Wimbledon, repayable in 2031/32.
- £345,057 for refinancing long term loan facility
- Other loans are £1,000 (2014: £1,000).

KEYCHANGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

16. ENDOWMENT FUNDS	Opening Balance	Movements In year	Closing balance
Company and Group	£	£	£
Permanent endowment:			
Reigate	122,324	(4,514)	117,810
Wimbledon Capital Fund	16,103	(812)	15,291
Erith House	178,028	(5,914)	172,114
	<u>316,455</u>	<u>(11,240)</u>	<u>305,215</u>

Endowment fund balances are mainly held in tangible fixed assets.

Reigate Fund

This fund represents the value of the Reigate building donated to the charity.

Wimbledon Capital Fund

This fund represents the value of the original endowment of Alexander House, Wimbledon.

Erith House

This fund represents the value of the original endowment of Erith House, Torquay.

17. RESTRICTED INCOME FUNDS	Opening Balance	Movements In year	Closing balance
Company and Group	£	£	£
Permanent endowment:			
Reigate (ex Worthing)	101,287	(3,775)	97,512
Jubilee Cottage Trust	227,238	10,097	237,335
Exeter	31,738	(1,475)	30,263
Plymouth: general	574,487	(163,895)	410,592
Wimbledon General Fund	123,572	60,974	184,546
Cromer	5,429	(109)	5,320
Cressingham House	(136,980)	(67,553)	(204,533)
Erith House	(342,292)	(61,840)	(404,132)
West Sussex Housing Society (WSHS)	1,814,440	(158,379)	1,656,061
Company	<u>2,398,919</u>	<u>(385,955)</u>	<u>2,012,964</u>

Reigate (ex Worthing) Fund

Per a Charity Commission Scheme dated 13 August 1997, the capital and income of this fund is to be used for the upkeep and general management of the hostel for vulnerable young women in Reigate. This money was spent on an extension to the hostel at Reigate and will be expended in line with the depreciation of the extension.

Jubilee Cottage Trust

This fund represents the net assets of the Jubilee Cottage Trust, which was established to provide elderly people with independent accommodation serviced by a resident warden.

Exeter

This fund mainly represents donations spent on the improvement of the Exeter hostel and will be expended in line with the depreciation of the building. Also included within this fund are grants received for and expended on the staff and running costs of the hostel during the year.

KEYCHANGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

17. RESTRICTED INCOME FUNDS (continued)

Plymouth: general

This fund represents the net assets of the Plymouth & District Free Church Women's The Mount Eventide Home. The assets were amalgamated with those of Keychange Charity from July 2008 under a uniting directive. Per the Charity Commission Scheme dated 28th May 2002, the capital and income of this fund is to be used for the upkeep and general management of The Mount Eventide Home.

Wimbledon General Fund

This fund represents the net assets of the Free Church Federal Council's Alexander House. The capital and income of this fund is to be used for the upkeep and general management of Alexander House. During 2012/13 funds of £305,000 were distributed from Cromer (see below) to enable a surplus to be brought forward at 1st April 2013.

Cromer

This fund represents the net assets of the Upton House Eventide Home. The assets were amalgamated with those of Keychange Charity from July 2008 under a uniting directive. Upton House was closed in May 2007 and the sale of the property completed in June 2010. During 2012/13, The Charity Commission issued their ruling about the future use of these restricted funds, and the majority of these funds (£455,000) were transferred to other subsidiary charities of which Keychange is the corporate trustee, namely Alexander House, Cressingham House and Erith House. During 2013/14, £25,000 of the remaining funds were distributed to two Christian care homes for the elderly in Norfolk, and a further £25,000 transferred to Cressingham House and Erith House.

Cressingham House

This fund represents the net liabilities of Cressingham House, Wallasey which was acquired by Keychange Charity on 27th November 2006. The assets were amalgamated with those of Keychange Charity from that date under a uniting directive. The capital and income of this fund is to be used for the upkeep and general management of Cressingham House.

Erith House

This fund represents the net liabilities of Erith House, Torquay which was acquired by Keychange Charity on 24th July 2009. The assets were amalgamated with those of Keychange Charity from that date under a uniting directive. The capital and income of this fund is to be used for the upkeep and general management of Erith House.

Door of Hope Ltd

This fund represents the net assets of the Door of Hope, London, which came under the control of Keychange Charity on 25 April 2006. On this date the individual Trustees of Keychange Charity were appointed Trustees when all but one of the existing Trustees resigned. The capital and income of this fund is to be used for the work of Door of Hope, a social action charity working with street sex workers mostly in the London Borough of Tower Hamlets. This project has now been transferred to the charity – Beyond the Streets

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Income funds		Endowment Fund	Total Funds
	Unrestricted	Restricted		
	£	£	£	£
Fund balances at 31 March 2016 are represented by:				
Tangible fixed assets	5,277,271	4,815,012	379,742	10,472,025
Fixed Asset Investment	-	22,550	-	22,550
Net current assets/ (liabilities)	1,254,969	(1,110,739)	(74,527)	69,703
Long term liabilities	(8,720)	(1,713,859)	-	(1,722,579)
TOTAL NET ASSETS	6,523,520	2,012,964	305,215	8,841,699

KEYCHANGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

19. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No trustee or connected person received any remuneration either directly or indirectly. During the year 4 Trustees received in total £5,094 (2015: £5,908) for travelling and subsistence costs. The charity also purchased Trustees indemnity insurance for a premium of £989 (2015: £989)

20. ANALYSIS OF CHANGES IN GROUP NET DEBT	At 31 March 2015 £	Cash Flow £	At 31 March 2016 £
Cash at bank	589,541	141,414	730,955
Debt due within 1 year	(219,927)	(13,017)	(232,944)
Debt due after 1 year	(1,595,293)	(127,286)	(1,722,579)
	<u>(1,225,679)</u>	<u>1,112</u>	<u>(1,224,568)</u>

21. THE CHRISTIAN ALLIANCE TRUST CORPORATION LIMITED

Christian Alliance Trust Corporation Limited (CATC), which is a company limited by guarantee, is the custodian trustee for all properties owned by Keychange. It also secures through the Trustees of Keychange that the work of Keychange shall be carried on in strict compliance with the objects and aims of the constitution (see page 4).

22. CONTINGENT ASSET

In 1989, following the sale of the freehold property at St Leonard's branch, £122,835 was transferred to Christian Alliance Housing Association Ltd (CAHA) to be used to purchase a property for its work in St Leonards. In a letter dated 26 May 2005, CAHA, Christian Alliance Trust Corporation (CATC) and Keychange Charity agreed to treat this advance as a conditional grant repayable to CATC should certain specified eventualities occur.

KEYCHANGE CHARITY

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 2016

23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Income Funds		Endowment	Total
		Unrestricted £	Restricted £	Funds £	2015 £
INCOMING RESOURCES					
Incoming resources from charitable activities	3	3,968,604	3,627,448	-	7,596,052
Incoming resources from generated funds					
- Donations and legacies	2a	71,495	52,175	-	123,670
- Investment income	4	37,292	676	-	37,968
Other Incoming Resources					
Net proceeds on disposal of property	2b	822,500	-	-	822,500
Total Incoming Resources		4,899,891	3,680,299	-	8,580,190
RESOURCES EXPENDED					
Charitable activities	5	4,055,052	3,957,843	10,720	8,023,615
Cost of generating funds	5	19,740	10,000	-	29,740
Governance costs	5	40,458	10,000	750	51,208
Total Resources Expended		4,115,250	3,977,843	11,470	8,104,563
Net incoming/(outgoing) resources		784,641	(297,544)	(11,470)	475,627
Gross Transfers Between Funds		(45,795)	45,795	-	-
Net Incoming/(Outgoing) Resources		738,846	(251,749)	(11,470)	475,627
Other recognised gains and losses					
- Unrealised loss of investments	11	(1,606)	-	-	(1,606)
Net movement in funds		737,240	(251,749)	(11,470)	474,021
Total funds brought forward		5,662,440	2,650,668	327,925	8,641,033
Total funds carried forward		6,399,680	2,398,919	316,455	9,115,054