

Registered Charity No: 1061344  
Registered Company No: 3317563

**KEYCHANGE CHARITY**  
**ANNUAL REPORT &**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2018**

**KEYCHANGE CHARITY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**KEYCHANGE CHARITY  
CHAIR'S STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2018**

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Annual Accounts and Reports are very often full of facts and figures which, although necessary and indicative of the performance of an organisation- can also be dry, dull and dare I say boring!

In this year's offering we have tried to place our greatest asset - the people who make up our communities at the centre.

I hope this will better reflect the vibrancy, innovation and person centred focus of our work and encourage and bless all who read the pages.

I am truly excited to be part of Keychange and wish to thank and record our appreciation of all who serve in whatever capacity.

The Lord has blessed us richly through the challenges and joys of the past 12 months and as we head towards our centenary year.

I am confident that our Lord remains more than able to fulfil all our needs as we walk under His guidance and leading.

Finally, I would like to thank all Trustees, The CEO and Senior Leadership, Our Community leaders and all their staff for their hard work, dedication and commitment to what has been a year of great progress for Keychange.

Rosh Milner  
Chair of the Board

**KEYCHANGE CHARITY  
REPORT OF THE TRUSTEES TO THE MEMBERS (continued)  
FOR THE YEAR ENDED 31 MARCH 2018**

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**KEYCHANGE TRUSTEES' REPORT**

The Trustees present their annual report for the year ending 31 March 2018 for Keychange Charity.

**What we do**

Our objects, as stated in our 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.

We want to be recognized for our provision of care, acceptance and Christian community for people in need. We try to follow Jesus Christ's example of giving practical love and compassion in our residential care homes for the elderly and residential supported accommodation for young adults. Presently we have 10 care homes and 2 homeless housing projects providing 279 beds.

**Activities over the last year**

We continue to welcome privately and socially funded residents, albeit that socially funded fee levels paid by local authorities remain at challengingly low levels to provide the quality of care and support needed. It has been apparent that the number of socially funded residents has reduced, reflecting the deferral of moving into care and the reduced availability of social funding. It remains an ongoing challenge to meet local needs for quality care and support for older people with lower levels of wealth and financial security.

The Care Quality Commission (CQC) has the statutory responsibility to monitor the performance of our care home communities, generally from detailed inspections during an unannounced visit. Essentially they look at the safety of our residents, the quality of our care and the leadership and skills of our staff. Our ratings have been consistently improving and broadly good, and are always reported on our website for each care home.

*"I would just like to say 'thank you' for looking after and caring for my Mum. I know she was very happy and content living here ...The patience, love and care you showed her was amazing and you are all very special people." – Walmer House, October 2017*

Occupancy levels are a major management tool, and we have averaged around 85% throughout the year. This is lower than it should be and we are working hard to improve our occupancy levels and mission reach, but it does reflect the continuous need to compete and raise our profile and publicity across our local community areas, and to ensure very good CQC inspection outcomes and ratings.

We are determined to provide excellent person-centered care, with Christian and secular activities for our residents' enjoyment and stimulation. There have been more contacts with local churches, and we encourage them to visit and lead services. We also encourage creative and interactive activities like "Ladder to the Moon". Our volunteers who come and support the communities are greatly appreciated.

In the homeless housing communities we give Christian care, love and support to homeless young men and women from age 16 upwards, to offer a safe place to live, grow, develop and restore their dignity, and to help them find an ongoing purpose for life. We acknowledge the skills and dedication of our staff called to this work.

**KEYCHANGE CHARITY**  
**REPORT OF THE TRUSTEES TO THE MEMBERS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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*“I was very happy when I was here. Thank you so much for everything ... Thank you every one. God bless you.” – Wayside, September 2017*

The above brief description of our activities reflects the public benefit given in many ways. Our website records the events and happenings at each of our communities.

All the care and activities depends on excellent staff and dedicated and strong local leadership, and we acknowledge the commitment of our staff throughout the year.

Our property portfolio is of older buildings which historically have been managed just to keep them operational. However we are now developing a better planned strategic approach to longer term management, identifying a timely repair/improvement schedule for each property.

The property of our care home community of 18 beds at Tunbridge Wells, known as Rosset Holt, was increasingly no longer fit for purpose. Although a gracious building it could not readily house a lift and its heating system was outmoded. Therefore it was agreed to close it, and the process was carried out carefully with full local consultations. All the residents moved to alternative local homes, so can keep in touch with each other. The building is being sold.

Our systems and processes have been revised to meet the requirements of GDPR.

*“We would like to thank all the wonderful caring staff at **Rose Lawn** for the amazing care they gave to our Mother. We feel her stay with you made the last 16 months of her life happier, safer and more enjoyable than we could have ever imagined.” – January 2018*

We were pleased to welcome Phil Martin as CEO in June 2017 and look forward to his continuing leadership. We have also said goodbye and thank you to 3 trustees, but Rev Graham Stones has agreed to continue an involvement as our Spiritual Advisor. Charles and Margaret Douglas have served for many years; Charles legal expertise was invaluable and Margaret served as vice chair. They were local to Alexander House, our care community in Wimbledon, and as frequent visitors they experienced the successes and challenges in residential care. We welcome 3 new trustees and look forward to the experience and skills they bring.

The Trustees have completed a skills audit to determine their future training needs, as well as to inform the targeted recruitment of future trustees to ensure they have the right skills and experience to continue to govern and lead Keychange along with the CEO. In addition the Trustees now complete an evaluation at the end of each meeting to review their own performance. These evaluations are collated and reviewed regularly to ensure continuous improvement of governance functions and performance.

A particular area of focus for the new CEO has been developing our Keychange Christian values, ethos and behaviours and applying and implementing them throughout the organisation in terms of policies, role descriptions, performance management and leadership development and training.

Furthermore the new CEO built on the existing agreed Keychange strategy themes and implemented them into a three year Strategic Action plan from 2018 – 2020. The Board have adopted this strategy plan and monitor its progress, implementation and effectiveness through regular reporting.

We acknowledge God's goodness to us in a year where we have grown in performance and financial strength.

**KEYCHANGE CHARITY**  
**REPORT OF THE TRUSTEES TO THE MEMBERS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**Keychange Fundraising approach and activities**

Keychange as a corporate organisation undertakes very little targeted fundraising. Our twice yearly newsletters include the opportunity for supporters to send in a donation if they feel so inclined.

We provide leaflets and information for residents and their families to consider providing a legacy to Keychange in their will, but these are not targeted to individuals and are simply available upon enquiry or in a leaflet stand at each of our communities.

At a local Keychange care or housing community some fundraising takes place on an informal basis for small local events or activities. This may be through raffles, sponsorship and fetes for example.

These activities are co-ordinated by the Manager and their staff team and seek to develop our mission of Creating Caring Communities in line with our values.

Keychange does not work with any external Fundraising support company or consultancy.

These fundraising activities to our supporters via direct mail, legacy leaflets or community based activity or event fundraising is in line with the Fundraising Code of Practice set by Fundraising Regulator.

Our fundraising promise is:

*When anyone supports Keychange they you can be sure of the following:*

- *We will never sell your contact details to anyone*
- *We will only contact you if you have expressed an interest in our work*
- *If we phone you, we will always check you are happy to take the call*
- *If you ask us to change how we communicate with you, or stop, we will respect that*
- *We do not engage in cold-calling, door to door or street fundraising*
- *We try hard to ensure no one ever feels pressurised to support our work*
- *All our activities are open, fair, honest and legal.*

**KEYCHANGE CHARITY**  
**REPORT OF THE TRUSTEES TO THE MEMBERS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**FINANCIAL REVIEW**

Our financial results for the year have been good. Despite the overall surplus (including legacy income) falling from £411.4k to £202.2k, operationally the year end surplus increased from £131k to £139k which is a 6% rise. The operational result excludes any in year exceptional items.

Operational Income rose from £7.9m to £8.3m while expenditure rose from £7.8m to £8.2m Overall income across Keychange rose from £8.2m to £8.4m, while expenditure increased to £8.2m from £7.8m. The result incorporates all the costs associated with the closure of Rosset Holt of circa £60k.

We acknowledge with gratitude all donations and specific legacies of £123k, which includes a further £50k from a legacy last year being more valuable than expected once a private shareholding was encashed.

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 Charity with working capital equivalent to at least two 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 Charity to service these liabilities as they fall due from its operating income.

Total funds as at year end totalled £9,455,179 made up of Endowments of £283,405, Restricted Funds of Nil and Unrestricted Funds of £9,171,744. The adjusted level of free reserves amounts to £1,666,626 which equates to sixteen weeks' operating expenditure. However, after adjusting for restricted operations in deficit and designated funded of £75,000 each for the Estates Renewal Fund & the Capital Maintenance Fund the figure is reduced to £866,868 this is equivalent to eight weeks operating expenditure, which is slightly below the working capital requirement of two months. The restricted funds in deficit are Cressingham house (£278,241) and Erith House (£371,517), 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 Charity 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. Against this framework, current risks to the organisation are formally assessed by the Senior Leadership Team (SLT) on a monthly basis and immediate operational risks are considered at the SLT meeting with relevant strategies put in place. Documents (minutes etc.) are available as required. 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 2017/18 and will be ratified at the Board Meeting on 25<sup>th</sup> July 2018. 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.



**KEYCHANGE CHARITY**  
**REPORT OF THE TRUSTEES TO THE MEMBERS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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Uncertainties

Looking after some 279 residents in 12 caring communities 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, and this is a major current political issue.

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.

**PLANS FOR FUTURE PERIODS**

We will produce a longer term plan for the maintenance requirements of our property portfolio, for urgent, medium and long term issues, each with a realistic costing.

Once the sale of Rosset Holt is completed and the above plan is produced, we will earmark our total cash amount between working capital, designated funds for property maintenance, and the balance for possible strategic new developments and ventures.

We maintain and regularly review a risk register, and will continue to be alert to new risks arising.

We will play a pro-active role in the ongoing discussion about the future provision and costing of social and elderly care.

We will continue to work with local churches and other Christian agencies to provide support to our residents, and for them to explore and experience the Christian faith.

We are planning our 100 year birthday and anniversary of the work of Keychange in 2020. We will be celebrating God's faithfulness for our work as well as raising our profile and ensuring all our communities are actively involved in these celebrations.

We will continue to look for new partnerships to increase and enhance what we can do.

**KEYCHANGE CHARITY  
FOR THE YEAR ENDED 31 MARCH 2018  
REFERENCE AND ADMINISTRATIVE DETAILS**

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**Structure, Governance and Management**

Governing Documents

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

Plymouth and District Free Church Women's Council, the Mount Eventide Home, Plymouth; Alexander House, Wimbledon; Cressingham House, Wallasey; and Erith House, Torquay are all subsidiary charities to Keychange Charity and under uniting directives their financial activities have been amalgamated with those of Keychange Charity in these financial statements.

Trustees

Trustees are appointed by the Board of Trustees in general meeting. One third of Trustees retire by rotation at each Annual General Meeting and may offer themselves for re-election.

Our individual Trustees share a broad mix of skills appropriate to the objectives and activities of Keychange. We have a regular audit of these skills to ensure ongoing effective working with the Senior Management Team.

Potential new Trustees are invited to attend a Trustees' meeting as an observer, visit one of our communities, and be interviewed by the Chair. On acceptance of a formal invitation there is an induction program led by the CEO, and if relevant referral to the Charity Commission's relevant guidance.

Organisational Structure

The Trustees determine the general policy of the charity and get more involved in specific areas by being part of a Working Group. These Groups (shown below) review progress against existing plans and formulate potential new recommendations to the Board, which meet 5 times per year.

Estates – to monitor and report state of property

Faith – to develop how we demonstrate our Christian beliefs

Finance – to monitor and review financial performance and risks

Operational Performance – to maintain best practice and develop our future

**KEYCHANGE CHARITY  
FOR THE YEAR ENDED 31 MARCH 2018  
REFERENCE AND ADMINISTRATIVE DETAILS**

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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)  Tim Cotterall  Charles Douglas (Resigned 25 July 2018)  David Goddard (Hon. Treasurer)  Imogen Taylor  Roger Taylor  Ayub Khan (Appointed 28 February 2018)  Selina Lau (Appointed 25 July 2018)  Tim Roberts (Appointed 28 February 2018)  Rev Graham Stones (Resigned 28 February 2018)  Joan Henshaw  Margaret Douglas (Resigned 19<sup>th</sup> May 2017)</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 Leadership Team	Chief Executive:	Graham Waters (Resigned 30 <sup>th</sup> April 2017) Phil Martin (Appointed 19 <sup>th</sup> June 2017)
	Head of Finance:	Ola Sokoya
	Operations Manager	Brian James
	Facilities Business Manager:	Peter Clark
Address and Registered Office:	5 St George's Mews 43 Westminster Bridge Road London SE1 7JB	
Auditors:	haysmacintyre 10 Queen Street Place London EC4R 1AG	
Bankers:	Barclays Bank plc 29 Borough High Street London SE1 1LY	
Solicitors:	Wright Hassall & Co 9 Clarendon Place Leamington Spa Warwickshire CV32 5QP	
Solicitors (employment law advice)	Anthony Collins Solicitors LLP 134 Edmund Street, Birmingham, B3 2ES	

**KEYCHANGE CHARITY**  
**FOR THE YEAR ENDED 31 MARCH 2018**  
**REFERENCE AND ADMINISTRATIVE DETAILS (Continued)**

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Company No:	3317563
Charity No:	1061344
Company Secretary	Ola Sokoya

**KEYCHANGE CHARITY**  
**REPORT OF THE TRUSTEES TO THE MEMBERS (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**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 directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 directors 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 directors 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 directors 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 directors 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.

Both the Trustees Report and the Strategic Report were approved by the Trustees and signed on 25<sup>th</sup> July 2018 on their behalf by

  
.....  
David Goddard, Trustee

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

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### Opinion

We have audited the financial statements of Keychange Charity for the year ended 31 March 2018 which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2018 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees (who are also the directors 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Conclusions relating to going concern

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

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

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

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### Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

### Use of our report

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.



Kathryn Burton (Senior statutory auditor)

for and on behalf of haysmacintyre, Statutory Auditor, 10 Queen Street Place, London, EC4R 1AG

.....25th July..... 2018

**KEYCHANGE CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(including Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

		Income Funds		Endowment	Total	Total
	Notes	Unrestricted	Restricted	Funds	2018	2017
		£	£	£	£	£
<b>INCOME &amp; ENDOWMENTS FROM:</b>						
Charitable activities	3	5,680,717	2,536,095	-	<b>8,216,812</b>	7,795,951
Donations and legacies	2	153,508	7,943	-	<b>161,451</b>	346,792
Investments	4	54,791	956	-	<b>55,747</b>	45,648
Total income & endowments		5,889,016	2,544,994	-	<b>8,434,010</b>	8,188,391
<b>EXPENDITURE ON:</b>						
Charitable activities	5	5,166,324	3,036,478	10,795	<b>8,213,597</b>	7,758,002
Raising Funds	5	13,091	5,500	-	<b>18,591</b>	18,273
Total expenditure		5,179,415	3,041,978	10,795	<b>8,232,188</b>	7,776,275
Net income/ (expenditure) before gains / (losses) on investments and transfers		709,601	(496,984)	(10,795)	<b>201,822</b>	412,116
Transfers between funds	16	(87,949)	87,949	-	-	-
Net income / (expenditure) before gains/(losses) on investments		621,652	(409,035)	(10,795)	<b>201,822</b>	412,116
Gains /(losses) on investments	11	359	-	-	<b>359</b>	(817)
Net movement in funds		622,011	(409,035)	(10,795)	<b>202,181</b>	411,299
Total funds brought forward		8,549,763	409,035	294,200	<b>9,252,998</b>	8,841,699
<b>Total funds carried forward</b>		<b>9,171,774</b>	-	<b>283,405</b>	<b>9,455,179</b>	<b>9,252,998</b>

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 stated above and its historical cost equivalent.  
The notes on Pages 18 to 30 form part of these Financial Statements.

Full comparatives for the year to 31<sup>st</sup> March 2017 are shown in note 23.

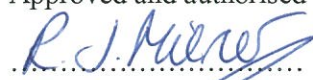


**KEYCHANGE CHARITY**  
**BALANCE SHEET**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**Company No: 3317563**

	Notes	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible assets	9	10,104,665	10,598,049
Investments	10	6,150	14,350
		<u>10,110,815</u>	<u>10,612,399</u>
<b>CURRENT ASSETS</b>			
Assets held for resale		421,259	-
Investments	11	13,129	12,770
Stocks		5,500	5,500
Debtors and prepayments	12	488,568	401,336
Bank and cash		775,685	768,891
		<u>1,704,141</u>	<u>1,188,497</u>
<b>CREDITORS:</b> Amounts falling due within one year	13	(1,082,386)	(1,127,610)
<b>NET CURRENT LIABILITIES</b>		<u>621,755</u>	<u>60,887</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,732,570</u>	<u>10,673,286</u>
<b>CREDITORS:</b> Amounts falling due after more than one year	14	(1,277,391)	(1,420,288)
		<u>9,455,179</u>	<u>9,252,998</u>
<b>REPRESENTED BY:</b>			
Capital funds			
- Endowments	15	283,405	294,200
Income funds			
- Restricted	16	-	409,035
		9,171,774	8,549,763
- Unrestricted	17	<u>9,455,179</u>	<u>9,252,998</u>

Approved and authorised for issue by the Trustees and signed on their behalf on 25<sup>th</sup> July 2018 by:



Rosemary Milner



David Goddard

The notes on Pages 18 to 30 form part of these Financial Statements.

**KEYCHANGE CHARITY**  
**STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

	2018	2017
	£	£
<b>Cash inflow from operating activities (A)</b>	<b>502,732</b>	<b>703,131</b>
Cash flows from investing activities		
Interest income	55,747	45,648
Interest paid	(32,002)	(35,613)
Purchase of tangible fixed assets	(272,312)	(443,134)
Cash provided by (used in) investing activities	(248,567)	(433,099)
Cash flow from financing activities – loan repayments	(247,371)	(232,096)
Increase (decrease) in cash and cash equivalents in the year	6,794	45,682
Cash and cash equivalents at the beginning of the year	768,891	730,955
<b>TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>775,685</b>	<b>768,891</b>

**A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH INFLOW FROM**

**A. OPERATING ACTIVITIES**

A.	2018	2017
A.	£	£
A.		
A. Net movement in funds before investment gains/losses	201,822	412,116
A. Depreciation	344,437	317,110
A. Amortisation on Interest rate cap	8,200	8,200
A. Increase/(decrease) in creditors	59,250	(175,076)
A. (Increase)/decrease in debtors	(87,232)	150,816
A. Investment income	(55,747)	(45,648)
A. Interest paid	32,002	35,613
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>502,732</b>	<b>703,131</b>

**KEYCHANGE CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**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).

- 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.
- 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) Expenditure is 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.
- 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.

**KEYCHANGE CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**1. ACCOUNTING POLICIES (continued)**

- 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 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 2018**

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**2. INCOME FROM DONATIONS & LEGACIES**

	2018	2017
	£	£
General donations	38,264	66,792
Legacies	123,187	280,000
	<u>161,451</u>	<u>346,792</u>

**3. INCOME FROM CHARITABLE ACTIVITIES**

	2018	2017
	£	£
Fees for care of the elderly	7,463,941	7,060,424
Income for support of the homeless	752,871	735,527
	<u>8,216,812</u>	<u>7,795,951</u>

**4. INCOME FROM INVESTMENTS**

	2018	2017
	£	£
Dividends on listed Stock Exchange investments	762	1,877
Bank deposit interest	1,655	2,904
Rent receivable	53,330	40,867
	<u>55,747</u>	<u>45,648</u>

**KEYCHANGE CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

<b>5a. EXPENDITURE</b>	<b>Direct Costs £</b>	<b>Support Costs Other £</b>	<b>Governance £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
<b>Cost of raising funds</b>					
Fundraising for voluntary income	341	18,250	-	<b>18,591</b>	18,273
<b>Charitable expenditure</b>					
Care for the elderly	6,731,737	895,834	47,959	<b>7,675,530</b>	7,224,838
Support for the homeless	508,097	26,339	3,631	<b>538,067</b>	533,164
	<b>7,240,175</b>	<b>940,423</b>	<b>51,590</b>	<b>8,232,188</b>	<b>7,776,275</b>

**5b. SUPPORT COSTS**

	<b>Head Office Staff Costs £</b>	<b>Head Office Overheads £</b>	<b>Corporate Costs £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
<b>Cost of raising funds</b>					
Fundraising for voluntary income	14,442	3,581	227	<b>18,250</b>	18,250
<b>Charitable Expenditure</b>					
Care for the elderly	708,919	175,759	11,156	<b>895,834</b>	658,442
Support for the homeless	20,843	5,168	328	<b>26,339</b>	26,339
<b>Governance</b>	<b>40,826</b>	<b>10,122</b>	<b>642</b>	<b>51,590</b>	51,590
	<b>785,030</b>	<b>194,630</b>	<b>12,353</b>	<b>992,013</b>	<b>754,621</b>

Support costs have been allocated to expenditure on raising funds on the basis of head office staff time spent, and to expenditure on charitable activities 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.

**KEYCHANGE CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**6. STAFF COSTS AND EMPLOYEES**

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Employee earning £70,000 to £80,000	1	-
Employee earning £60,000 to £70,000	-	1
The average number of full time equivalent employees, analysed by function, was:		
Charitable activity	440	409
Administration	10	11
	<b>450</b>	<b>420</b>

<b>Staff Costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Salaries and wages	5,115,351	4,851,918
Social security	270,778	271,216
Pension costs	66,114	53,860
Redundancy & termination payments	12,500	15,594
	<b>5,464,743</b>	<b>5,192,588</b>
Agency costs	545,205	502,634
Other staff expenses	129,976	112,378
	<b>6,139,924</b>	<b>5,807,600</b>

The total remuneration, benefits and pensions paid to the key management personnel in the year was £253,153 (£265,861 - 2017).

**7. COMMITMENTS UNDER OPERATING LEASES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Within one year		
In one to two years	23,967	32,221
In two to five years	6,574	13,804
Over five years	-	5,229
	<b>30,541</b>	<b>51,254</b>

**KEYCHANGE CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**8. NET MOVEMENT IN FUNDS**

	2018	2017
	£	£
The net movement in funds is stated after charging:		
Operating leases	36,630	41,878
Depreciation	352,637	317,110
Auditors' remuneration – audit	18,360	23,520
Bank loan and overdraft interest paid	32,002	35,613

**9. TANGIBLE FIXED ASSETS**

Company	Freehold and Leasehold Property and Improvements £	Furniture Fittings and Equipment £	Total £
<b>COST OR VALUATION</b>			
At 1 April 2017	12,432,405	1,231,390	13,663,795
Additions	131,875	140,437	272,312
Disposals	-	(339,749)	(339,749)
Transfer to current assets held for resale	(519,570)	-	(519,570)
<b>At 31 March 2018</b>	<b>12,044,710</b>	<b>1,032,078</b>	<b>13,076,788</b>
<b>DEPRECIATION</b>			
At 1 April 2017	2,385,651	680,095	3,065,746
Provisions for the year	213,798	130,639	344,437
Disposals	-	(339,749)	(339,749)
Transfer to current assets held for resale	(98,311)	-	(98,311)
<b>At 31 March 2018</b>	<b>2,501,138</b>	<b>470,985</b>	<b>2,972,123</b>
<b>NET BOOK VALUE</b>			
<b>At 31 March 2018</b>	<b>9,543,572</b>	<b>561,093</b>	<b>10,104,665</b>
At 31 March 2017	10,046,754	551,295	10,598,049

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

Rosset Holt, with net book value of £421,259 as at 31<sup>st</sup> March 2018, has been transferred to current assets – assets held for resale as it is was being held for sale at the year end.



**KEYCHANGE CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**9. TANGIBLE FIXED ASSETS (Continued)**

The net book value at 31 March 2018 represents fixed assets used for:

	<b>Land and Building</b>	<b>Furniture Fittings and Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Direct Charitable Purposes			
Homes for the elderly	7,345,345	515,814	<b>7,861,159</b>
Social action for the young	1,673,784	30,714	<b>1,704,498</b>
	<b>9,019,129</b>	<b>546,528</b>	<b>9,565,657</b>
Other Purposes:			
Head Office and Support	135,877	12,077	<b>147,954</b>
Investment	388,566	2,488	<b>391,054</b>
	<b>9,543,572</b>	<b>561,093</b>	<b>10,104,665</b>

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

**10. FIXED ASSET INVESTMENTS**

<b>2018</b>	<b>2017</b>
<b>£</b>	<b>£</b>
<b>6,150</b>	<b>14,350</b>

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.

**11. CURRENT ASSET INVESTMENTS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Quoted Investments		
At 1 April	<b>12,770</b>	<b>13,587</b>
	<b>359</b>	<b>(817)</b>
Net unrealised investment (losses) /gains	<b>13,129</b>	<b>12,770</b>
Market value at 31 March	<b>5,404</b>	<b>5,404</b>
Historical cost of quoted investments at 31 March	<b>5,404</b>	<b>5,404</b>

**KEYCHANGE CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**12. DEBTORS - due within one year**

	2018	2017
	£	£
Trade debtors	328,288	206,259
Other debtors and prepayments	160,280	195,077
	<u>488,568</u>	<u>401,336</u>

**13. CREDITORS - amounts falling due within one year**

	2018	2017
	£	£
Bank loans	198,665	303,139
Trade creditors	78,037	137,420
Other creditors and accruals	480,631	429,762
Tax and social security costs	61,842	70,832
Fees in advance	263,211	186,457
	<u>1,082,386</u>	<u>1,127,610</u>

**14. CREDITORS - Amounts falling due after more than one year**

	2018	2017
	£	£
Repayable in 1 - 2 years	455,581	421,023
Repayable in 3 - 5 years	390,994	566,336
Repayable after 5 years	430,816	432,929
	<u>1,277,391</u>	<u>1,420,288</u>

The total bank loans of £1,476,056 (2017: £1,723,427) 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:

- £208,841 secured on the freehold properties at Sidmouth (Roselawn), repayable in 2020/21
- £952,696 secured on the freehold property at Wimbledon, repayable in 2031/32.
- £313,519 secured on the Freehold property at Southampton (Fairhavens) and Worthing (Rosemary Mount) repayable in 2030/31
- Other loans are £1,000 (2016: £1,000).

**KEYCHANGE CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**15. ENDOWMENT FUNDS**

	Opening Balance 2018 £	Movements In Year 2018 £	Closing Balance 2018 £
Permanent endowments:			
Reigate	113,386	(4,336)	109,050
Wimbledon Capital Fund	14,495	(780)	13,715
Erith House	166,319	(5,679)	160,640
	294,200	(10,795)	283,405

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.

**16. RESTRICTED INCOME FUNDS**

	Opening Balance 2018 £	Movements In Year 2018 £	Transfers 2018 £	Closing Balance 2018 £
Reigate (ex Worthing)	93,814	(3,625)	-	90,189
Jubilee Cottage Trust	255,931	(2,872)	-	253,060
Exeter	28,818	(1,416)	-	27,402
Plymouth: general	312,484	(281,385)	-	31,099
Wimbledon General Fund	253,029	(98,079)	-	154,950
Cromer	5,214	(104)	-	5,110
Cressingham House	(215,416)	(62,825)	-	(278,241)
Erith House	(324,839)	(46,678)	-	(371,517)
Transfer from unrestricted funds	-	-	87,949	87,949
Total	409,035	(496,984)	87,949	-

**KEYCHANGE CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**16. RESTRICTED INCOME FUNDS (continued)**

**Restricted funds in deficit and transfers between funds**

Due to deficits generated at Cressingham House and Erith House over a number of years the total restricted fund balance at 31 March 2018 was in deficit position. In order to restore the total fund position to £nil a transfer of £87,949 has been made from unrestricted to restricted funds.

These funds will be restored to the unrestricted fund in the event that restricted funds move to a positive position.

The restricted funds in deficit are Cressingham house (£278,241) and Erith House (£371,517), 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 in efforts to reverse these deficits.

**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.

**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 28<sup>th</sup> 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 1<sup>st</sup> 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.

**KEYCHANGE CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**16. RESTRICTED INCOME FUNDS (continued)**

Cressingham House

This fund represents the net liabilities of Cressingham House, Wallasey which was acquired by Keychange Charity on 27<sup>th</sup> 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 24<sup>th</sup> 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.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Income Funds	Endowment		Total
	Unrestricted	Restricted	Fund	Funds
	£	£	£	£
Fund balances at 31 March 2018 are represented by:				
Tangible fixed assets	6,368,988	3,360,096	375,581	10,104,665
Fixed asset investment	-	6,150	-	6,150
Net current assets/(liabilities)	3,224,443	(2,510,512)	(92,176)	621,755
Long term liabilities	(421,657)	(855,734)	-	(1,277,391)
<b>TOTAL NET ASSETS</b>	<b>9,171,774</b>	<b>-</b>	<b>283,405</b>	<b>9,455,179</b>

**18. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS**

One Trustee received remuneration of £14,400 (2017: £12,950) in respect of services provided to the Charity, which was agreed with the Charity Commission and agreed in advance by the Trustees. During the year 7 Trustees received in total £8886 (2017: £6,254) for travelling and subsistence costs. The charity also purchased directors indemnity insurance for a premium of £700 (2017: £700).

**19. ANALYSIS OF CHANGES IN NET DEBT**

	At 31 March 2017	Cash Flow	At 31 March 2018
	£	£	£
Cash at bank	768,891	6,794	775,685
Debt due within 1 year	(303,139)	104,474	(198,665)
Debt due after 1 year	(1,420,289)	142,898	(1,277,391)
	<b>(954,537)</b>	<b>254,166</b>	<b>(700,371)</b>

**KEYCHANGE CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**20. 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 directors 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).

**21. 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.

**22. FINANCIAL INSTRUMENTS**

	2018 £	2017 £
Financial assets measured at fair value (a)	27,121	36,137
Financial assets measured at amortised cost (b)	1,196,416	1,107,342
Financial liabilities measured at amortised cost (c)	(821,879)	(753,639)
Net financial assets measured at amortised cost	<u>393,817</u>	<u>353,703</u>

(a) Financial assets measured at fair value include investments.

(b) Financial assets measured at amortised cost include: short term deposits and cash in hand, trade debtors, other debtors, and accrued income

(c) Financial liabilities measured at amortised cost include: trade creditors, other creditors, and deferred income

**KEYCHANGE CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES**

	Income Funds		Endowment	Total
	Unrestricted	Restricted	Funds	2017
	£	£	£	£
<b>INCOME &amp; ENDOWMENTS FROM:</b>				
Charitable activities	3,933,936	3,862,015	-	7,795,951
- Donations and legacies	342,219	4,573	-	346,792
- Investment	44,878	770	-	45,648
Total Income & Endowments	4,321,033	3,867,358	-	8,188,391
<b>EXPENDITURE ON:</b>				
Charitable activities	4,283,319	3,463,668	11,015	7,758,002
Raising Funds	8,773	9,500	-	18,273
Total Expenditure	4,292,092	3,473,168	11,015	7,776,275
Net income/ (expenditure) before losses on investments and transfers	28,941	394,190	(11,015)	412,116
Transfers Between Funds	1,998,119	(1,998,119)	-	-
Net income / (expenditure) before losses on investments	2,027,060	(1,603,929)	(11,015)	412,116
unrealised loss on investments	(817)	-	-	(817)
Net movement in funds	2,026,243	(1,603,929)	(11,015)	411,299
Total funds brought forward	6,523,520	2,012,964	305,215	8,841,699
Total funds carried forward	8,549,763	409,035	294,200	9,252,998

