

Registered Charity No: 1061344
Registered Company No: 3317563

KEYCHANGE CHARITY
ANNUAL REPORT &
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019

**KEYCHANGE CHARITY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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**KEYCHANGE CHARITY
FOR THE YEAR ENDED 31 MARCH 2019
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) Tim Cotterall (Vice Chair) David Goddard (Hon. Treasurer resigned 5 December 2018) Imogen Taylor (Resigned 15 May 2019) Roger Taylor (Resigned 15 May 2019) Ayub Khan (Appointed 28 February 2018) Selina Lau (Appointed 25 July 2018) Tim Roberts (Hon. Treasurer from 5 December 2018) Nicholas Johnson (Appointed 15 May 2019) Nicholas Leggett (Appointed 15 May 2019) Joan Henshaw</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	<table><tr><td>Chief Executive:</td><td>Phil Martin</td></tr><tr><td>Head of Finance:</td><td>Ola Sokoya</td></tr><tr><td>Operations Manager</td><td>Brian James</td></tr><tr><td>Facilities Business Manager:</td><td>Peter Clark</td></tr></table>	Chief Executive:	Phil Martin	Head of Finance:	Ola Sokoya	Operations Manager	Brian James	Facilities Business Manager:	Peter Clark
Chief Executive:	Phil Martin								
Head of Finance:	Ola Sokoya								
Operations Manager	Brian James								
Facilities Business Manager:	Peter Clark								
Address and Registered Office:	<p>5 St George's Mews 43 Westminster Bridge Road London SE1 7JB</p>								
Auditors:	<p>Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG</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
CHAIR'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019**

Each year of Keychange's mission, service and activity brings its own challenges, opportunities, sorrows and joys.

Keychange is a Christian Charity Creating Caring Communities. We do this in nine care communities for older people and two communities for younger people who are at risk of homelessness.

Every day brings challenges and joys. We are blessed and thankful to have a wonderful leadership team of senior staff, managers and deputy managers who lead and manage their own teams to provide the best quality care and support we can to those who live with us and their families.

Our values, which are linked to the bible, and our behaviours set out the way in which we act and work to achieve our mission. Throughout the challenges that our work brings it is important to stay focussed on our values and to act in line with our behaviours.

We are excited about the opportunities that lie ahead. In 2020 Keychange will be 100 years young and we are looking forward to celebrating this wonderful achievement throughout the year. In addition we are hopeful of future plans to purchase or design and build our own purpose built care provision in future years.

Finally I am thankful to my Board of Trustees colleagues for their commitment, wisdom and governance skills.

We are thankful to God for His Love, Grace and Mercy in enabling us to sustain and deliver this work to care for more people in our communities.

Rosh Milner
Chair of the Board

**KEYCHANGE CHARITY
REPORT OF THE TRUSTEES TO THE MEMBERS
FOR THE YEAR ENDED 31 MARCH 2019**

The Trustees, being the company's directors, present their annual report on the affairs of the charity, together with the Accounts and Auditor's Report for the year ended 31st March 2019. 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.

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.

Keychange is a Christian Charity, Creating Caring Communities. We provide care and support for older people and young people. Our values and behaviours are based on Christian principles and linked to the bible. 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. We firmly believe that creating a caring environment for all people to live and work alongside one another improves their physical, emotional, mental and spiritual well-being. Presently we provide care and support in nine care homes and two homeless housing settings totalling 240 beds.

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 Leadership 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.

KEYCHANGE CHARITY
REPORT OF THE TRUSTEES TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

Organisational Structure

The Trustees determine the strategy and 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 meets four times per year.

Quality and Safety – to monitor, review and report on care and support operations, care policy, quality improvement and inspection reports.

Facilities – to monitor and report state of property, facilities, IT and Health and Safety.

Finance – to monitor and review financial performance and risks.

Operational Performance – to develop and improve our organisational vision, strategy, functions and governance and develop our future direction.

Each group comprises Trustees and Senior Leadership Team members with the appropriate skill sets. Day to day management is delegated to the Senior Leadership Team with regular contact to the Chair.

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.

KEYCHANGE CHARITY
REPORT OF THE TRUSTEES TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

OBJECTIVES AND ACTIVITIES

The objects of the charity 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, support, acceptance, and Christian community to people in need. We do it by following 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 Senior Leaders to be Christians, and so are expected to provide a Christian focus to the charity's mission.

The Board and the four Working Groups referred to previously, regularly review our vision, strategy, achievements, and update details and targets for the future, across the strategy themes and these broad long term goals:

- Improve the quality of care and support to all those living in our communities, and their families.
- Improve the quality of our 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 communities 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.

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 residents at fee levels below the commercial cost of providing good care and accommodation;
- Housing young people who would otherwise be homeless, and supporting them into education and / or employment;
- Providing a wide range of secular and spiritual activities for all our residents;
- Offering 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.

**KEYCHANGE CHARITY
REPORT OF THE TRUSTEES TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 MARCH 2019**

STRATEGIC REPORT

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 can’t thank you enough for all you have done for my Mum. She was very happy living with you and was always singing your praises” Relative from Fair Havens.

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. Our website records the events and happenings at each of our communities. There have been more contacts with local churches, and we encourage them to visit and lead services. Our volunteers who come and support the communities are greatly appreciated.

In the homeless housing communities we provide 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 2019

“Since I have been here I have improved loads” Resident at Wayside 2019

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 characterful buildings which are converted for our mission use. This creates challenges of building adaptability and maintenance. This year we have developed planned preventative maintenance schedules for each of our properties with a strategic approach to longer term maintenance management, identifying a timely repair/improvement schedule for each property.

The property of our care home community of 29 beds at Plymouth, known as The Mount, was increasingly no longer fit for purpose. Although a gracious building it consisted of at least seven stair cases and was in need of significant investment. In addition the local authority policy of care at home and an increasingly competitive market meant that it has been causing large financial losses. Therefore, following a strategic review 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 now being sold.

“Mum could not have been in a better place in her final days. The care and attention she received was over and above that which should have been ‘in the job description’. Without exception, everyone – from managers, carers, admin, housekeeping and kitchen staff have been incredible to Mum. Nothing was too much trouble and the standard of her care was exceptional. I cannot thank you enough.” Relative at Sceats July 2018

We have successfully appointed new Trustees with the identified skills and experience that were needed to strengthen our Board’s membership. The Trustees continue to 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. This year we have provided Governance training to our Board on Safeguarding, effective questioning, Personal and Team awareness and development, as well as Basis of Faith and Ethos of Keychange.

“My very grateful thanks for the very gracious, warm-hearted, accepting, and also very professional, proactive and alert way in which you cared for my mum during her 3 months with you.

Her rapid decline was a shock to us, and to her, but you were abreast of each stage and so reassuring. To me, you quickly became friends and it felt like home – I was always welcomed and kindly looked after and gently left to “get on” as needed – and to spend as much time with my mum as I could. Mary you have a special place in my heart for sharing prayers with me for my Mum”

Relative at Rose Lawn 2019

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 2019

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. No complaints were received by Keychange in relation to our fundraising activities in the year.

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.*

Our employees

Keychange communicates information, provides updates and consults with its employees in a number of ways to ensure they know what is happening, how we are achieving and developing our mission and providing opportunities for their feedback and input. Every week we provide a Management Bulletin communication, senior staff regularly visits out communities to meet with staff, we provide monthly financial performance reporting and inputs to our managers. Our annual staff survey provides the opportunity for all staff to respond to questions and give their input to a variety of topics. Furthermore we hold three leadership staff conferences each year at which we provide updates, information and consultation inputs from our staff.

Keychange is committed to full and fair consideration of all employment applications and considers them all upon the aptitudes and abilities of each applicant.

We work hard with all employees of all abilities to ensure we provide training, development and opportunities for staff to remain with Keychange for as long as possible within their role or other more adaptable functions.

KEYCHANGE CHARITY
REPORT OF THE TRUSTEES TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

FINANCIAL REVIEW

Our financial results for the year have not been as good as previous years. Overall, the results show a deficit of £339,455 falling from a surplus of £202,181 in the previous year, operationally the year end deficit was £156,049 which is a fall of £295,733 from last year's surplus of £139,684. The operational result excludes any in year exceptional items – which consisted of £125k redundancy costs at the Mount and Romans Care Home and also residual running costs of Rosset Holt.

Operational Income fell from £8.3m to £8.1m while expenditure rose from £8.1m to £8.3m Overall income across Keychange fell from £8.4m to £8.2m, while expenditure increased to £8.5m from £8.2m.

We acknowledge with gratitude all donations and specific legacies of £81k, which includes a further £28k from a legacy.

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 £9,115,724 made up of Endowments of £360,778, Restricted Funds of £255,895 and Unrestricted Funds of £8,449,051. The adjusted level of free reserves amounts to £3,379,002 which equates to thirty two 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 £3,229,002 this is equivalent to thirty one weeks operating expenditure, which is above the working capital requirement of two months. The restricted funds in deficit are Cressingham house (£361,056) and Erith House (£398,809), 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 2018/19 and was ratified at the Board Meeting on 15th May 2019. 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 2019

To mitigate against these loss of key staff we are ensuring that we have effective succession planning of key staff in all leadership roles and offering competitive terms and ensuring that employment benefits are clearly emphasised.

To mitigate against a sustained level of staff shortages we are establishing contracts for flexible working to cover absences and reviewing effective use of our outsourced recruitment.

Uncertainties

Looking after 240 residents in 11 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.

FUTURE PLANS

We have developed and approved a new strategic vision and plan until 2030, with an initial focus on the next 3 years to 2022. Our Vision is to Create Caring Communities which are Safe, Vibrant, Inclusive and Sustainable. Our new strategy plan focuses on four areas as follows: Services, Workforce, Buildings and Media & Publicity.

A key part of our future plans is the review, repair and renewals of our properties in relation to the new planned preventative maintenance schedules for each of our communities. Especially in relation to financial viability of investment, occupancy, sustainability and mission achievements.

Once the sale of Rosset Holt and The Mount is completed, we will earmark a 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, especially as we still await the publication of the Governments Green Paper regarding these issues.

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
REPORT OF THE TRUSTEES TO THE MEMBERS (continued)
FOR THE YEAR ENDED 31 MARCH 2019

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:

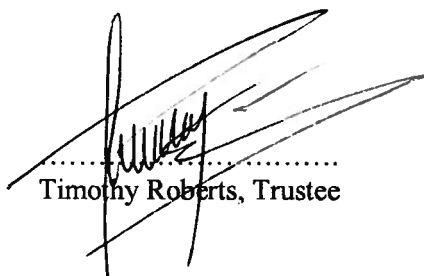
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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.

Both the Trustees Report and the Strategic Report were approved by the Trustees and signed on 30th September 2019 on their behalf by



.....
Timothy Roberts, Trustee

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

Opinion

We have audited the financial statements of Keychange Charity for the year ended 31 March 2019 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 2019 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. 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

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 LLP, Statutory Auditor, 10 Queen Street Place, London, EC4R 1AG

3rd October..... 2019

KEYCHANGE CHARITY
STATEMENT OF FINANCIAL ACTIVITIES
(including Income and Expenditure Account)
FOR THE YEAR ENDED 31 MARCH 2019

		Income Funds		Endowment	Total	Total
	Notes	Unrestricted	Restricted	Funds	2019	2018
		£	£	£	£	£
INCOME & ENDOWMENTS						
FROM:						
Charitable activities	3	5,476,647	2,546,429	-	8,023,076	8,216,812
Donations and legacies	2	78,707	2,070	-	80,777	161,451
Investments	4	45,685	928	-	46,613	55,747
Other income		712	-	-	712	-
Total income & endowments		5,601,751	2,549,427	-	8,151,178	8,434,010
EXPENDITURE ON:						
Charitable activities	5	5,350,149	3,118,414	4,161	8,472,724	8,213,597
Raising Funds	5	12,755	5,500	-	18,255	18,591
Total expenditure		5,362,904	3,123,914	4,161	8,490,979	8,232,188
Net income/ (expenditure) before gains on investments and transfers		238,847	(574,487)	(4,161)	(339,801)	201,822
Transfers between funds	16	(911,916)	830,382	81,534	-	-
Net income / (expenditure) before gains on investments		(673,069)	255,895	77,373	(339,801)	201,822
Gains on investments	11	346		-	346	359
Net movement in funds		(672,723)	255,895	77,373	(339,455)	202,181
Total funds brought forward		9,171,774	-	283,405	9,455,179	9,252,998
Total funds carried forward		8,499,051	255,895	360,778	9,115,724	9,455,179

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 32 form part of these Financial Statements.

Full comparatives for the year to 31st March 2018 are shown in note 23.

**KEYCHANGE CHARITY
BALANCE SHEET
FOR THE YEAR ENDED 31 MARCH 2019**

Company No: 3317563

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	9	8,826,518	10,104,665
Investments	10	-	6,150
		<u>8,826,518</u>	<u>10,110,815</u>
CURRENT ASSETS			
Assets held for resale		1,535,883	421,259
Investments	11	13,476	13,130
Stocks		5,500	5,500
Debtors and prepayments	12	449,537	488,567
Bank and cash		625,376	775,685
		<u>2,629,772</u>	<u>1,704,141</u>
CREDITORS: Amounts falling due within one year	13	<u>(1,261,456)</u>	<u>(1,082,386)</u>
NET CURRENT LIABILITIES		<u>1,368,316</u>	<u>621,755</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,194,834</u>	<u>10,732,570</u>
CREDITORS: Amounts falling due after more than one year	14	<u>(1,079,110)</u>	<u>(1,277,391)</u>
		<u>9,115,724</u>	<u>9,455,179</u>
REPRESENTED BY:			
Capital funds			
- Endowments	15	360,778	283,405
Income funds			
- Restricted	16	255,895	-
- Unrestricted general	17	8,349,051	9,171,774
- Unrestricted designated	17	150,000	-
	18	<u>9,115,724</u>	<u>9,455,179</u>

Approved and authorised for issue by the Trustees and signed on their behalf on 30th September 2019 by:

 Rosemary Milner

 Timothy Roberts

The notes on Pages 18 to 32 form part of these Financial Statements.

**KEYCHANGE CHARITY
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	£	£
Cash inflow from operating activities (A)	233,244	502,732
Cash flows from investing activities:		
Interest income	46,613	55,747
Interest paid	(32,190)	(32,002)
Purchase of tangible fixed assets	(199,503)	(272,312)
Cash used in investing activities	(185,080)	(248,567)
Cash flow from financing activities: loan repayments	(198,473)	(247,371)
(Decrease)/increase in cash and cash equivalents in the year	(150,309)	6,794
Cash and cash equivalents at the beginning of the year	775,685	768,891
Total cash and cash equivalents at the end of the year	625,376	775,685

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

	2019	2018
	£	£
Net movement in funds before investment gains/losses	(339,801)	201,822
Depreciation	363,026	344,437
Amortisation on interest rate cap	6,150	8,200
Increase in creditors	179,262	59,250
Decrease/(increase) in debtors	39,030	(87,232)
Investment income	(46,613)	(55,747)
Interest paid	32,190	32,002
NET CASH INFLOW FROM OPERATING ACTIVITIES	232,244	502,732

KEYCHANGE CHARITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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) (issued March 2018) - (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.

Designated funds are funds set aside by the Trustees for specific purpose.

- 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.

KEYCHANGE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

1. ACCOUNTING POLICIES (continued)

- 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 central 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 2019

2. INCOME FROM DONATIONS & LEGACIES

	2019 £	2018 £
General donations	<u>80,777</u>	<u>161,451</u>

3. INCOME FROM CHARITABLE ACTIVITIES

	2019 £	2018 £
Fees for care of the elderly	7,271,539	7,463,941
Income for support of the homeless	751,537	752,871
	<u>8,023,076</u>	<u>8,216,812</u>

4. INCOME FROM INVESTMENTS

	2019 £	2018 £
Dividends on listed Stock Exchange investments	605	762
Bank deposit interest	679	1,655
Rent receivable	45,329	53,330
	<u>46,613</u>	<u>55,747</u>

KEYCHANGE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

5a. EXPENDITURE	Direct Costs 2019 £	Support Costs Other 2019 £	Governance 2019 £	Total 2019 £
Cost of raising funds				
Fundraising for voluntary income	5	18,250	-	18,255
Charitable expenditure				
Care for the elderly	6,904,071	987,094	47,959	7,939,124
Support for the homeless	503,630	26,339	3,631	533,600
	7,407,706	1,031,683	51,590	8,490,979

<i>Comparative analysis for 2018</i>	Direct Costs 2018 £	Support Costs Other 2018 £	Governance 2018 £	Total 2018 £
Cost of raising funds				
Fundraising for voluntary income	341	18,250	-	18,591
Charitable expenditure				
Care for the elderly	6,731,737	895,834	47,959	7,675,530
Support for the homeless	508,097	26,339	3,631	538,067
	7,240,175	940,423	51,590	8,232,188

KEYCHANGE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

5b. SUPPORT COSTS

	Central Office Staff Costs 2019 £	Central Office Overheads 2019 £	Corporate Costs 2019 £	Total 2019 £
Cost of raising funds				
Fundraising for voluntary income	13,414	4,669	167	18,250
Charitable Expenditure				
Care for the elderly	725,528	252,525	9,041	987,094
Support for the homeless	19,360	6,738	241	26,339
Governance	37,919	13,198	473	51,590
	796,221	277,130	9,922	1,083,273

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

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

Central Office costs represent the cost of running the charity's Central 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 2019

6. STAFF COSTS AND EMPLOYEES

	2019	2018
	No.	No.
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	340	339
Administration	9	9
	349	348

Staff Costs	2019	2018
	£	£
Salaries and wages	5,130,892	5,115,351
Social security	310,682	270,778
Pension costs	97,897	66,114
Redundancy & termination payments	148,690	12,500
	5,688,161	5,464,743
Agency costs	725,331	545,205
Other staff expenses	182,439	129,976
	6,595,931	6,139,924

The total remuneration, benefits and pensions paid to the key management personnel in the year was £277,963 (£253,153 - 2018).

7. COMMITMENTS UNDER OPERATING LEASES

	2019	2018
	£	£
Within one year		
In one to two years	13,970	23,967
In two to five years	-	6,574
	13,970	30,541

KEYCHANGE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

8. NET MOVEMENT IN FUNDS

	2019	2018
	£	£
The net movement in funds is stated after charging:		
Operating leases	28,598	36,630
Depreciation	363,026	352,637
Auditors' remuneration – audit	25,280	18,360
Bank loan and overdraft interest paid	32,190	32,002

9. TANGIBLE FIXED ASSETS

Company	Freehold and Leasehold Property and Improvements £	Furniture Fittings and Equipment £	Total £
COST OR VALUATION			
At 1 April 2018	12,044,710	1,032,078	13,076,788
Additions	112,511	86,992	199,503
Disposals	-	(70,122)	(70,122)
Transfer to current assets held for resale	(1,310,873)	(117,097)	(1,427,970)
At 31 March 2019	10,846,348	931,851	11,778,199
DEPRECIATION			
At 1 April 2018	2,501,138	470,985	2,972,123
Provisions for the year	210,480	152,546	363,026
Disposals	-	(70,122)	(70,122)
Transfer to current assets held for resale	(251,655)	(61,691)	(313,346)
At 31 March 2019	2,459,963	491,718	2,951,681
NET BOOK VALUE			
At 31 March 2019	8,386,385	440,133	8,826,518
At 31 March 2018	9,543,572	561,093	10,104,665

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

The Mount, with a net book value of £1,098,780 as at 31st March 2019, 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 2019

9. TANGIBLE FIXED ASSETS (Continued)

The net book value at 31 March 2019 represents fixed assets used for:

	Land and Building	Furniture Fittings and Equipment	Total
	£	£	£
Direct Charitable Purposes			
Homes for the elderly	6,188,158	394,855	6,583,013
Social action for the young	1,673,784	30,713	1,704,497
	7,861,942	425,568	8,287,510
Other Purposes:			
Central Office and Support	135,877	12,077	147,954
Investment	388,566	2,488	391,054
	8,386,385	440,133	8,826,518

Professional valuations for freehold and leasehold property and improvements were undertaken as at 31 March 1997. These valuations will not be updated as a policy of depreciated cost is used for tangible fixed assets.

10. FIXED ASSET INVESTMENTS

2019	2018
£	£
-	6,150

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 derivative has now expired.

11. CURRENT ASSET INVESTMENTS

	2019	2018
	£	£
Quoted Investments		
At 1 April	13,130	12,771
Net unrealised investment (losses) /gains	345	359
Market value at 31 March	13,475	13,130
Historical cost of quoted investments at 31 March	5,404	5,404

KEYCHANGE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

12. DEBTORS - due within one year

	2019	2018
	£	£
Trade debtors	360,620	328,288
Other debtors and prepayments	88,917	140,279
	449,537	468,567

13. CREDITORS - amounts falling due within one year

	2019	2018
	£	£
Bank loans	198,473	198,665
Trade creditors	175,902	78,037
Other creditors and accruals	581,547	480,631
Tax and social security costs	140,094	61,842
Deferred income - fees in advance	165,440	263,211
	1,261,456	1,082,386

All deferred income in 2018 was released to income during the 2019 financial year.

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

	2019	2018
	£	£
Repayable in 1 - 2 years	100,061	198,473
Repayable in 3 - 5 years	274,960	283,314
Repayable after 5 years	704,089	795,604
	1,079,110	1,277,391

The total bank loans of £1,277,583 (2018: £1,476,056) 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:

- £108,652 secured on the freehold properties at Sidmouth (Roselawn), repayable in 2020/21
- £873,946 secured on the freehold property at Wimbledon, repayable in 2031/32.
- £293,985 secured on the Freehold property at Southampton (Fairhavens) and Worthing (Rosemary Mount) repayable in 2030/31
- Other loans are £1,000 (2018: £1,000).

KEYCHANGE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

15. ENDOWMENT FUNDS

	Opening Balance 2019 £	Expenditure 2019 £	Transfers 2019 £	Closing Balance 2019 £
Permanent endowment:				
Reigate	109,050	(1,818)	42,998	150,230
Wimbledon Capital Fund	13,715	(240)	6,938	20,413
Erith House	160,640	(2,103)	31,598	190,135
	283,405	(4,161)	81,534	360,778

Endowment fund balances are mainly held in tangible fixed assets.

Reigate Fund

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

Wimbledon Capital Fund

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

Erith House

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

The transfer of £81,534 represents the reversal of notional interest and governance costs charged against these funds in prior years.

2018 comparatives

	Opening Balance 2018 £	Expenditure 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

KEYCHANGE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

16. RESTRICTED INCOME FUNDS

	Opening Balance 2019 £	Income 2019 £	Expenditure 2019 £	Transfers 2019 £	Closing Balance 2019 £
Reigate (ex Worthing)	90,189	-	(3,553)	-	86,636
Jubilee Cottage Trust	253,059	46,109	(43,273)	-	255,895
Exeter	27,402	-	(1,388)	-	26,014
Plymouth: general	31,099	639,484	(1,034,561)	363,978	-
Wimbledon General Fund	160,060	823,443	(890,640)	-	92,863
Cressingham House	(278,241)	408,933	(491,749)	-	(361,057)
Erith House	(371,517)	631,458	(658,750)	-	(398,809)
Inter-fund loan	87,949	-	-	466,404	554,353
Total	-	2,549,427	(3,123,914)	830,382	255,895

Restricted funds in deficit and transfers between funds

Due to deficits generated at Cressingham House, The Mount (Plymouth) and Erith House over a number of years the total restricted fund balance at 31 March 2019 was in deficit position. In order to restore the total fund position to £nil a transfer of £830,382 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 (£361,057) and Erith House (£398,809), 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 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.

KEYCHANGE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

16. RESTRICTED INCOME FUNDS (continued)

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.

<i>2018 comparatives</i>	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)
Inter-fund loan	-	-	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 2019

17. UNRESTRICTED FUNDS

	Opening Balance 2019 £	Income 2019 £	Expenditure 2019 £	Investment gains 2019 £	Transfers 2019 £	Closing Balance 2019 £
Unrestricted - general	9,171,774	5,601,751	(5,362,904)	349	(1,061,916)	8,349,051
Designated funds:						
- Estates renewal fund	-	-	-	-	75,000	75,000
- Capital maintenance fund	-	-	-	-	75,000	75,000
-						
Total	9,171,774	-	-	349	(911,916)	8,499,051

During the financial year the Trustees designated two new funds, the estates renewal fund and the capital maintenance fund. These funds are established to cover future planned capital and maintenance works on the charity's properties.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Income Funds		Endowment	Total
	Unrestricted	Restricted	Fund	Funds
	2019	2019	2019	2019
	£	£	£	£
Fund balances at 31 March 2019 are represented by:				
Tangible fixed assets	5,120,049	3,345,691	360,778	8,826,518
Net current assets/ (liabilities)	3,658,539	(2,290,223)	-	1,368,316
Long term liabilities	(279,537)	(799,573)	-	(1,079,110)
TOTAL NET ASSETS	8,499,051	255,895	360,778	9,115,724
<i>2018 comparatives</i>				
	Income Funds		Endowment	Total
	Unrestricted	Restricted	Fund	Funds
	2018	2018	2018	2018
	£	£	£	£
Fund balances at 31 March 2018 were 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)
TOTAL NET ASSETS	9,171,774	-	283,405	9,455,179

KEYCHANGE CHARITY
NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED 31 MARCH 2019

19. TRANSACTIONS WITH TRUSTEES AND CONNECTED PERSONS

No Trustee received remuneration in the year to March 2019. (2018: £14,400) 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 6 Trustees received in total £4,310 (2018: £8,886) for travelling and subsistence costs. The charity also purchased directors indemnity insurance for a premium of £700 (2018: £700).

20. ANALYSIS OF CHANGES IN NET DEBT

	At 31 March 2018 £	Cash Flow £	At 31 March 2019 £
Cash at bank	775,685	(150,308)	625,376
Debt due within 1 year	(198,665)	192	(198,473)
Debt due after 1 year	(1,277,391)	198,281	(1,079,110)
	(700,371)	48,165	(652,207)

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 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).

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
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23. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Income Funds		Endowment	Total
	Unrestricted	Restricted	Funds	2018
	£	£	£	£
INCOME & ENDOWMENTS FROM:				
Charitable activities	5,680,717	2,536,095	-	8,216,812
- Donations and legacies	153,508	7,943	-	161,451
- Investment	54,791	956	-	55,747
Total Income & Endowments	5,889,016	2,544,994	-	8,434,010
EXPENDITURE ON:				
Charitable activities	5,166,324	3,036,478	10,795	8,213,597
Raising Funds	13,091	5,500	-	18,591
Total Expenditure	5,179,415	3,041,978	10,795	8,232,188
Net income/ (expenditure) before losses on investments and transfers	709,601	(496,984)	(10,795)	201,822
Transfers Between Funds	(87,949)	87,949	-	-
Net income / (expenditure) before losses on investments	621,652	(409,035)	(10,795)	201,822
unrealised loss on investments	359	-	-	359
Net movement in funds	622,011	(409,035)	(10,795)	202,181
Total funds brought forward	8,549,762	409,035	294,200	9,252,998
Total funds carried forward	9,171,774	-	283,405	9,455,179