

Registered Charity No: 1061344  
Registered Company No: 3317563

**KEYCHANGE CHARITY**  
**ANNUAL REPORT &**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2020**

**KEYCHANGE CHARITY  
FOR THE YEAR ENDED 31 MARCH 2020  
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**KEYCHANGE CHARITY  
FOR THE YEAR ENDED 31 MARCH 2020  
REFERENCE AND ADMINISTRATIVE DETAILS**

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Trustees: The Trustees who served during the financial year and to the date the Report of the Trustees was signed were as follows:

Rosemary Milner (Chair)  
Tim Cotterall (Vice Chair)  
Imogen Taylor (Resigned May 2019)  
Roger Taylor (Resigned May 2019)  
Ayub Khan  
Selina Lau  
Tim Roberts (Hon. Treasurer)  
Nicholas Johnson (Appointed May 2019)  
Nicholas Leggett (Appointed May 2019)  
Joan Henshaw  
Rebecca Stockman (Appointed August 2019)  
Stefan Canfore (Appointed June 2020)  
Maddy Thomson (Appointed June 2020)

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.

Senior Leadership Team

|                              |                               |
|------------------------------|-------------------------------|
| Chief Executive:             | Phil Martin                   |
| Head of Finance:             | Ola Sokoya (Until July 2020)  |
| Interim Head of Finance:     | Peter Cowley (From July 2020) |
| 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: Sayer Vincent LLP  
Invicta House, 108-114 Golden Lane  
London, EC1Y 0TL

Bankers: Barclays Bank plc  
29 Borough High Street  
London SE1 1LY

Solicitors: Ladders Solicitors LLP  
Number Ten Elm Court,  
Arden Street, Stratford upon Avon  
Warwickshire, CV37 6PA

Solicitors (employment law advice) Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham B3 2ES

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

**KEYCHANGE CHARITY  
CHAIR'S STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2020**

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“By Love Serve One Another” Galatians 5 v 13

The above Bible verse has been part of our Keychange Christian history and ethos since we started our mission in 1920. Therefore, as this report covers the start of our 100<sup>th</sup> year it is important that we refer to this historical and relevant belief.

Keychange is a Christian Charity, Creating Caring Communities. In all do we seek to serve those who live in our communities with love.

This annual report deals with the formal and legal reporting requirements of the Charity and Company in terms of Governance, Finances, Policies, Audits and Reserves and we hope you find all the relevant information clear, accessible and positive.

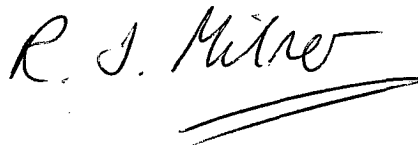
However, if we could report of our Balance Sheet of Service and Care then you would see it would be a huge asset of the Charity. Our staff provide huge reserves of Love to those who live with us across our eleven communities.

Across Keychange our mission of Creating Caring Communities involves those who live in our communities, as well as their families and our Staff teams too. The beauty of Creating Caring Communities is that it requires that we all Serve One Another to Create the right environment and atmosphere of Care and by doing so we share a common unity together and become Community.

As we continue through our Centenary Year we are so thankful to God for His blessings, equipping, grace and love to enable us to do our work and mission. We are confident of God's continuing faithfulness and love for the next 100 years!

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

A handwritten signature in black ink that reads "R. J. Milner". The signature is written in a cursive style and is underlined with two parallel lines.

**KEYCHANGE CHARITY  
REPORT OF THE TRUSTEES TO THE MEMBERS  
FOR THE YEAR ENDED 31 MARCH 2020**

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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 31<sup>st</sup> March 2020. 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 communities for the elderly and residential supported accommodation for young adults. We firmly believe that creating a caring community 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 complete 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.

This year we have been delighted to welcome five new trustees. Each of these new trustees bring significant skills and experience in Social Care, Housing, Faith and Communities.

**KEYCHANGE CHARITY  
REPORT OF THE TRUSTEES TO THE MEMBERS  
FOR THE YEAR ENDED 31 MARCH 2020**

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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.

Finance & Facilities – to monitor, review and report on the financial performance and risks, along with the state of property, facilities, IT and Health and Safety.

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.

The Senior Leadership Team oversee the strategic plan delivery, developments, as well as the operational day to day leadership and management of our mission, policies and performance. The wider Keychange Leadership Team, includes SLT along with our communities Managers and Deputy Managers. This leadership delivers the core mission and work of creating caring communities for high quality care and support. They lead their teams of staff in each location. Our Central Office Team seeks to support, enable, empower and equip our communities leaders in terms of Quality Improvement, Leadership, HR, Facilities, Finance, Health & Safety, Recruitment, Administration, Publicity, Social Media, amongst many others.

There are role descriptions, person specification and pay scales for all staff, which are reviewed annually as part of the budget process. Where appropriate these take account of London based salaries in the charity sector for similar positions.

**KEYCHANGE CHARITY  
REPORT OF THE TRUSTEES TO THE MEMBERS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**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 is to Create Caring Communities by providing 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 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:

- Continually improve the quality of care and support to all those living in our communities, and their families.
- Ensure the quality of our property portfolio and infrastructure, are fit for purpose and 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 professional, competent leaders and managers so that our mission of Creating Caring Communities by providing the best quality care and support in line with our Christian values and behaviours can be maintained, developed, improved and expanded.
- 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, literature and social media to increase awareness to as many people as possible.

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 work 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 care and support and secular and spiritual activities for all our residents; whether older or younger people who live with us.
- 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  
FOR THE YEAR ENDED 31 MARCH 2020**

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**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 referred to Keychange has remained at a similar level, however the complexity of care required for them has increased, whilst the fees remain at similar levels. 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 all our Care Home Communities are rated Good or Outstanding. These reports and outcomes are always reported on our website for each care home.

***“Grandad enjoyed his time at Fair Havens, he was very fond of the staff, and always told us how much he appreciated their help. You made it so easy for us to trust Grandad’s care to you and I will always be grateful to you.”***

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 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 training, qualifications, employment and an ongoing purpose for their lives. We acknowledge the skills and dedication of all our staff called to our mission of Creating Caring Communities across Keychange.

This year we established the Quality Improvement Team. The Quality Improvement Team includes members of SLT and the leadership team and provides line management leadership to our Communities Managers, Mentor input, Safeguarding policy and support, Quality reviews and audits, Data collation and reporting, as well as sharing best practice, improving occupancy and developing our care, support and mission.

We have also commenced close working relationships with two independent Christian Care Home providers, one in Buckinghamshire and one in South Yorkshire. These working relationships are becoming more formal and will result in merger into Keychange. It will be great to grow our mission, reach and communities with these new opportunities.

***“To All Carers and Staff at Erith House: My Mum has been a resident here at Erith House for 3 years ... I thank you for your incredible caring and patience over the days, weeks, months and years.”***

Our property portfolio is made up of older characterful buildings which are converted to providing care and support. This creates challenges of building adaptability and maintenance. We have continued to develop and implement our planned preventative maintenance schedules for each of our properties with a



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REPORT OF THE TRUSTEES TO THE MEMBERS  
FOR THE YEAR ENDED 31 MARCH 2020**

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strategic approach to longer term maintenance management, identifying a timely repair/improvement schedule for each property. This year we completely refurbished the four self-contained flats of St. Michaels Mews at Esther Community in Exeter, as well as refurbishing the furnishings of Alexander House in Wimbledon. Extensive external maintenance work is planned for Erith House and Walmer House in Torquay, as well as Alexander House in Wimbledon.

We are continuing the process of selling older properties which are no longer fit for purpose for our mission. These include Rosset Holt at Tonbridge Wells, The Mount in Plymouth and two domestic flats at Worthing. Each of these sales are at different stages in terms of offers and planning permissions. As of July 2020 we completed the sale of Rosset Holt. This year we also transferred Jubilee Cottage in Lytham St. Annes from Keychange to YMCA Fylde Coast. Jubilee Cottage was a 17 flat property for leasing accommodation to older and retired people. This was deemed as no longer core mission and therefore felt that a local community based charity would be better able to provide the service and support to those living in these properties. The transfer of Jubilee Cottage Trust from Keychange to YMCA Fylde Coast required an accounting treatment as the loss of an asset for Keychange. This is a big factor in the 2019/2020 financial result, as whilst we made an operating surplus for the year, the accounting treatment of this transfer shows as a loss in the accounts.

***“Georgie and team and Keychange management: On behalf of the family I would like to formally say a big thank you to everyone at Rose Lawn and to the management for accommodating Dad over this very difficult time ... Keychange has truly shown the Christian Ethos of the charity ... Kind regards to you all and stay safe as you are all doing a wonderful job.” March 2020***

We have successfully appointed five 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, strategic planning and performance appraisals.

***“To the Staff and Residents: We all miss seeing you ... We are so pleased that you all have been protected from Covid19. We will continue to pray for you all, and look forward when we can visit you again. (Romans)***

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  
FOR THE YEAR ENDED 31 MARCH 2020**

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**Keychange Fundraising approach and activities**

Keychange as a corporate organisation undertakes very little targeted fundraising. Our twice yearly newsletters entitled 'Contact' 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 visit our 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.

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.

Towards the end of this financial year, in March 2020 Covid19 started to become an issue for our work, staff and communities. This global pandemic was unforeseen and has had a significant effect on our style of work, support and mission. We are very thankful that only one Keychange care community had a number of cases and deaths as a result of Covid19. Our central office support staff have all been working from home. We closed all our communities to new admissions or visits. We have been using Zoom video conferencing for weekly Leadership team meetings and 1-2-1s as well as many other meetings.

All our staff have worked very hard through out this period of uncertainty and difficulty to continue to Create Caring Communities. We are still in this pandemic and the future uncertainty needs careful planning and adapting too. We are very thankful and blessed to have the quality of Leadership and staff teams in their roles and communities at Keychange.

**KEYCHANGE CHARITY  
REPORT OF THE TRUSTEES TO THE MEMBERS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**Financial Review**

Our financial results for the year were an improvement on the previous year, where the overall result shows a deficit of £238,998 (2019 - deficit £339,455); the year's operational surplus was £124,655 (2019 - deficit £156,049) which is an improvement of £280,704. This operational result excludes any in year exceptional items – which consisted of £108k further residual costs at the Mount and Rosset Holt, whilst they are held as assets for sale. In addition, the final transfer of the Jubilee Cottage Trust led to a write down of the carrying value of £253k.

Operational Income fell from £8.1m to £7.9m while expenditure also fell from £8.3m to £7.8m, which led to the small but encouraging operational surplus of £121k. Overall income across Keychange fell from £8.2m to £8.0m due to the closure of the Mount at the end of the previous year, whilst expenditure remained at £8.2m, due to the non-operational costs referred to above.

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.

The free reserves of Keychange are unrestricted funds after deducting designated funds, funds held in fixed assets, and any funds needed to make good deficits on restricted funds.

The following sets this out at 31 March 2020:

|  |                  |
|--|------------------|
| Total Unrestricted funds                                     | 9,136,440        |
| Less: Funds held in fixed assets                             | (5,184,275)      |
| Less: Designated funds (estates renewal/capital maintenance) | (150,000)        |
| Less: Restricted funds in deficit – Erith House              | (145,734)        |
| Less: Restricted funds in deficit – Cressingham House        | (439,085)        |
| Free reserves  | <b>3,217,346</b> |

Free reserves represents just over 5 months' running costs. Cressingham House restricted fund deficit has arise due to low occupancy and Erith House due to lower fees. We have implemented an occupancy drive at Cressingham and have raised fees at Erith. The reserve policy will continue to be reviewed on an annual basis by the Trustees.

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 strategy was undertaken

**KEYCHANGE CHARITY  
REPORT OF THE TRUSTEES TO THE MEMBERS  
FOR THE YEAR ENDED 31 MARCH 2020**

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for 2019/20 and was ratified at the Board Meeting on 3rd June 2020. Our major risks are listed below, and become increasingly painful if they occur together.

- Changes to Government Policy for funding older people's residential care;
- The loss of key Leadership Team staff;
- Continual Impact and uncertainty of Covid19 and the Global Pandemic;
- A sustained level of staff shortages;
- Future maintenance and suitability of our buildings for ever increasing complex care needs.

To mitigate against these risks Keychange continually reviews central and local government policy for Older people's care. In addition, we continue to wait for the Government to publish its Green Paper on the future funding and provision of Older people's care. We reduce the risk of losing key Leadership staff by ensuring our remuneration levels are appropriate and that we offer support, training and leadership development to retain them within Keychange. 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 global pandemic of Covid19 demonstrates the ongoing need for strong leadership, flexible working methods, effective support and communication, good risk assessment procedures and strong line management.

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 continue to follow and implement our 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 some of our properties which are no longer fit for purpose 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 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. Our membership of the National Care Forum has been a very beneficial method of lobbying and sharing ideas, inputs and policy development.

The Covid19 pandemic has affected our plans for celebrating our 100 year birthday and anniversary of the work of Keychange in 2020. However, some local events have taken place and we are now planning further events, services and celebrations in 2021. We will be celebrating God's faithfulness for our work as well

**KEYCHANGE CHARITY  
REPORT OF THE TRUSTEES TO THE MEMBERS  
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as raising our profile and ensuring all our communities, staff and those living with us are actively involved in these celebrations.

We will continue to progress with our collaborative partnerships with other Christian care home charities and seek to develop those into more formal arrangements.

**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 16 September 2020 on their behalf by

  
.....  
Timothy Roberts, Trustee

**KEYCHANGE CHARITY  
INDEPENDENT AUDITORS REPORT  
FOR THE YEAR ENDED 31 MARCH 2020**

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Independent auditor's report to the members of Keychange Charity

**Opinion**

We have audited the financial statements of Keychange Charity (the 'charitable company') for the year ended 31 March 2020 which comprise the statement of financial activities, balance sheet, 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006

**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 charitable company 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.

**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.

**Other information**

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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

**KEYCHANGE CHARITY  
INDEPENDENT AUDITORS REPORT  
FOR THE YEAR ENDED 31 MARCH 2020**

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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' annual report, including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has 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' annual report including the strategic 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, or returns adequate for our audit have not been received from branches not visited by us; or
- The 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.

**Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, 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 charitable 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.

**KEYCHANGE CHARITY  
INDEPENDENT AUDITORS REPORT  
FOR THE YEAR ENDED 31 MARCH 2020**

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As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during 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.

*Sayer Vincent LLP*

Judith Miller (Senior statutory auditor)

27 October 2020

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL



Keychange Charity

Statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 March 2020

|  |      | 2020              |                  |                |                  | 2019              |                  |                |                  |
|--|------|-------------------|------------------|----------------|------------------|-------------------|------------------|----------------|------------------|
|  | Note | Unrestricted<br>£ | Restricted<br>£  | Endowment<br>£ | Total<br>£       | Unrestricted<br>£ | Restricted<br>£  | Endowment<br>£ | Total<br>£       |
| <b>Income from:</b>  |      |                   |                  |                |                  |                   |                  |                |                  |
| Donations and legacies   |      | 49,511            | 659              | -              | <b>50,170</b>    | 78,707            | 2,070            | -              | 80,777           |
| Charitable activities  |      |                   |                  |                |                  |                   |                  |                |                  |
| Care for the Elderly   | 2    | 5,226,627         | 2,061,857        | -              | <b>7,288,484</b> | 4,896,572         | 2,546,429        | -              | 7,443,001        |
| Support for the Homeless   | 2    | 580,524           | -                | -              | <b>580,524</b>   | 580,075           | -                | -              | 580,075          |
| Investments  | 3    | 33,598            | -                | -              | <b>33,598</b>    | 45,685            | 928              | -              | 46,613           |
| Other  |      | -                 | -                | -              | -                | 712               | -                | -              | 712              |
| <b>Total income</b>  |      | <b>5,890,260</b>  | <b>2,062,516</b> | <b>-</b>       | <b>7,952,776</b> | <b>5,601,751</b>  | <b>2,549,427</b> | <b>-</b>       | <b>8,151,178</b> |
| <b>Expenditure on:</b>   |      |                   |                  |                |                  |                   |                  |                |                  |
| Raising funds  | 4    | 13,735            | 3,500            | -              | <b>17,235</b>    | 12,755            | 5,500            | -              | 18,255           |
| Charitable activities  |      |                   |                  |                |                  |                   |                  |                |                  |
| Care for the Elderly   | 4    | 5,247,975         | 2,381,050        | -              | <b>7,629,025</b> | 4,816,549         | 3,118,414        | 4,161          | 7,939,124        |
| Support for the Homeless   | 4    | 543,500           | -                | -              | <b>543,500</b>   | 533,600           | -                | -              | 533,600          |
| <b>Total expenditure</b>   |      | <b>5,805,210</b>  | <b>2,384,550</b> | <b>-</b>       | <b>8,189,760</b> | <b>5,362,904</b>  | <b>3,123,914</b> | <b>4,161</b>   | <b>8,490,979</b> |
| <b>Net income / (expenditure) before net gains / (losses) on investments</b> |      | <b>85,050</b>     | <b>(322,034)</b> | <b>-</b>       | <b>(236,984)</b> | <b>238,847</b>    | <b>(574,487)</b> | <b>(4,161)</b> | <b>(339,801)</b> |
| Net gains / (losses) on investments  |      | (2,014)           | -                | -              | <b>(2,014)</b>   | 346               | -                | -              | 346              |
| <b>Net income / (expenditure) for the year</b>                               | 5    | <b>83,036</b>     | <b>(322,034)</b> | <b>-</b>       | <b>(238,998)</b> | <b>239,193</b>    | <b>(574,487)</b> | <b>(4,161)</b> | <b>(339,455)</b> |
| Transfers between funds  |      | 554,353           | (554,353)        | -              | -                | (911,916)         | 830,382          | 81,534         | -                |
| <b>Net movement in funds</b>   |      | <b>637,389</b>    | <b>(876,387)</b> | <b>-</b>       | <b>(238,998)</b> | <b>(672,723)</b>  | <b>255,895</b>   | <b>77,373</b>  | <b>(339,455)</b> |
| <b>Reconciliation of funds:</b>  |      |                   |                  |                |                  |                   |                  |                |                  |
| Total funds brought forward  |      | <b>8,499,051</b>  | <b>255,895</b>   | <b>360,778</b> | <b>9,115,724</b> | 9,171,774         | -                | 283,405        | 9,455,179        |
| <b>Total funds carried forward</b>   |      | <b>9,136,440</b>  | <b>(620,492)</b> | <b>360,778</b> | <b>8,876,726</b> | <b>8,499,051</b>  | <b>255,895</b>   | <b>360,778</b> | <b>9,115,724</b> |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 16 to the financial statements.

Keychange Charity

Balance sheet

Company no. 3317563

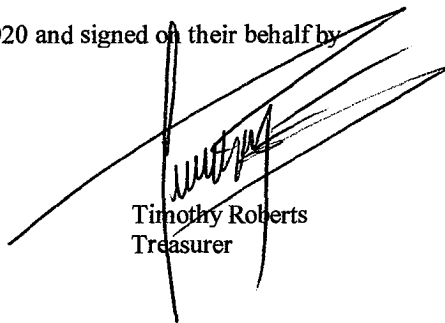
As at 31 March 2020

|  | Note | £                | 2020<br>£               | £                | 2019<br>£               |
|--|------|------------------|-------------------------|------------------|-------------------------|
| <b>Fixed assets:</b>                           |      |                  |                         |                  |                         |
| Tangible assets                                | 10   |                  | <u>8,592,175</u>        |                  | <u>8,826,518</u>        |
|  |      |                  | <b>8,592,175</b>        |                  | <b>8,826,518</b>        |
| <b>Current assets:</b>                         |      |                  |                         |                  |                         |
| Asset Held for Sale                            | 10   | 1,535,883        |                         | 1,535,883        |                         |
| Debtors  | 12   | 385,327          |                         | 449,537          |                         |
| Stock  |      | 5,500            |                         | 5,500            |                         |
| Current assets investments                     | 11   | 11,461           |                         | 13,476           |                         |
| Cash at bank and in hand                       |      | 376,779          |                         | 625,376          |                         |
|  |      | <u>2,314,950</u> |                         | <u>2,629,772</u> |                         |
| <b>Liabilities:</b>                            |      |                  |                         |                  |                         |
| Creditors: amounts falling due within one year | 13   | (1,158,185)      |                         | (1,261,456)      |                         |
| <b>Net current assets</b>                      |      |                  | <u><b>1,156,765</b></u> |                  | <u>1,368,316</u>        |
| <b>Total assets less current liabilities</b>   |      |                  | <b>9,748,940</b>        |                  | <b>10,194,834</b>       |
| Creditors: amounts falling due after one year  | 14   |                  | <u>(872,214)</u>        |                  | <u>(1,079,110)</u>      |
| <b>Total net assets</b>                        |      |                  | <u><b>8,876,726</b></u> |                  | <u><b>9,115,724</b></u> |
| <b>The funds of the charity:</b>               |      |                  |                         |                  |                         |
| Restricted income funds                        | 15a  |                  | (620,492)               |                  | 255,895                 |
| Endowment funds                                |      |                  | 360,778                 |                  | 360,778                 |
| <b>Unrestricted income funds:</b>              |      |                  |                         |                  |                         |
| Designated funds                               |      | 150,000          |                         | 150,000          |                         |
| General funds                                  |      | 8,986,440        |                         | 8,349,051        |                         |
|  |      | <u>9,136,440</u> |                         | <u>8,499,051</u> |                         |
| <b>Total unrestricted funds</b>                |      |                  | <u><b>9,136,440</b></u> |                  | <u><b>8,499,051</b></u> |
| <b>Total charity funds</b>                     |      |                  | <u><b>8,876,726</b></u> |                  | <u><b>9,115,724</b></u> |

Approved by the trustees on 16 September 2020 and signed on their behalf by



Rosemary Milner  
Chair



Timothy Roberts  
Treasurer

Keychange Charity

Statement of cash flows

For the year ended 31 March 2020

|  | Note | 2020<br>£ | £                | 2019<br>£       | £                |
|--|------|-----------|------------------|-----------------|------------------|
| <b>Cash flows from operating activities</b>  |      |           |                  |                 |                  |
| Net (expenditure) for the reporting period<br>(as per the statement of financial activities) |      | (238,998) |                  | (339,455)       |                  |
| (Gains)/losses on investments  |      | 2,014     |                  | (346)           |                  |
| Depreciation charges   |      | 332,369   |                  | 363,026         |                  |
| Amortisation on interest rate cap  |      | -         |                  | 6,150           |                  |
| Interest from investments  |      | (33,598)  |                  | (46,613)        |                  |
| Interest paid  |      | 28,621    |                  | 32,190          |                  |
| (Increase)/decrease in debtors   |      | 64,210    |                  | 39,030          |                  |
| Increase/(decrease) in creditors   |      | (107,133) |                  | 179,262         |                  |
| <b>Net cash provided by / (used in) operating activities</b>                                 |      |           | <b>47,485</b>    |                 | <b>233,244</b>   |
| <b>Cash flows from investing activities:</b>   |      |           |                  |                 |                  |
| Interest from investments  |      | 33,598    |                  | 46,613          |                  |
| Interest paid  |      | (28,621)  |                  | (32,190)        |                  |
| Proceeds from the sale of fixed assets   |      | 189,732   |                  | -               |                  |
| Purchase of fixed assets   |      | (287,758) |                  | (199,503)       |                  |
| Proceeds from sale of investments  |      | -         |                  | -               |                  |
| <b>Net cash (used in) investing activities</b>   |      |           | <b>(93,049)</b>  |                 | <b>(185,080)</b> |
| <b>Cash flows from financing activities:</b>   |      |           |                  |                 |                  |
| Repayments of borrowing  |      | (203,033) |                  | (198,473)       |                  |
| <b>Net cash (used in) financing activities</b>   |      |           | <b>(203,033)</b> |                 | <b>(198,473)</b> |
| <b>Change in cash and cash equivalents in the year</b>                                       |      |           | <b>(248,597)</b> |                 | <b>(150,309)</b> |
| Cash and cash equivalents at the beginning of the year                                       |      |           | 625,376          |                 | 775,685          |
| <b>Cash and cash equivalents at the end of the year</b>                                      | a    |           | <b>376,779</b>   |                 | <b>625,376</b>   |
| <b>Analysis of cash and cash equivalents and of net debt</b>                                 |      |           |                  |                 |                  |
|  |      |           | At 1 April 2019  | Cash flows      | At 31 March 2020 |
|  |      |           | £                | £               | £                |
| Cash at bank and in hand   |      |           | 625,376          | (248,597)       | 376,779          |
| <b>a Total cash and cash equivalents</b>   |      |           | 625,376          | (248,597)       | 376,779          |
| Loans falling due within one year  |      |           | (198,473)        | (3,863)         | (202,336)        |
| Loans falling due after more than one year   |      |           | (1,079,110)      | 206,896         | (872,214)        |
| <b>Total</b>   |      |           | <b>(652,207)</b> | <b>(45,564)</b> | <b>(697,771)</b> |

## Keychange Charity

### Notes to the financial statements

#### For the year ended 31 March 2020

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#### 1 Accounting policies

##### a) Statutory information

Keychange Charity is a charitable company limited by guarantee and is incorporated in the United Kingdom.

The registered office address (and principal place of business) is 5 St George's Mews, 43 Westminster Bridge Road, London, SE1 7JB.

##### b) 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) (March 2018) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below.

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 - see note 20.

##### c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

##### d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. See note 20 of the financial statement for further details of the position of the linked charities.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

##### e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

##### f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

##### g) Fund accounting

Endowment funds are funds to be used for specific purposes as laid down by the donor and where there is no power to convert the capital donated into income.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund. Included within restricted funds are details of the income and expenditure of each of the linked charities - see note 1b) and note 20.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

**1 Accounting policies (continued)**

**h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- ~ Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- ~ Expenditure on charitable activities includes the costs of delivering services undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**i) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

**j) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**k) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

|                         |                 |
|-------------------------|-----------------|
| ~ Land                  | not depreciated |
| ~ Buildings             | 10-50 years     |
| ~ Fixtures and fittings | 8 years         |

**l) Debtors**

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.

**m) Current asset investments**

Includes balances that are invested in a mixture of accounts and investment holdings.

**n) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Cash balances exclude any funds held on behalf of service users.

**q) Creditors and provisions**

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.

## Notes to the financial statements

## For the year ended 31 March 2020

## 1 Accounting policies (continued)

## o) Financial instruments

The charity only has both basic and non-basic financial assets and financial liabilities. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Non-basic financial instruments (which comprise derivatives) are measured at fair value with any gain or loss going to the statement of financial activities. Full details are given in the financial instruments note.

## p) Pensions

The company operated 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.

## 2 Income from charitable activities

|   | 2020         |            |                  | 2019         |              |               |
|---|--------------|------------|------------------|--------------|--------------|---------------|
|   | Unrestricted | Restricted | Total            | Unrestricted | Restricted   | Total         |
|   | £            | £          | £                | as restated* | as restated* | as restated * |
|   | £            | £          | £                | £            | £            | £             |
| Local authority                         | 909,401      | 193,600    | <b>1,103,001</b> | 1,161,685    | 106,632      | 1,268,317     |
| Private care fees                       | 4,296,021    | 1,849,667  | <b>6,145,688</b> | 4,380,316    | 1,785,579    | 6,165,895     |
| Other income                            | 21,205       | 18,590     | <b>39,795</b>    | 6,099        | 2,690        | 8,789         |
| Sub-total for care for the elderly      | 5,226,627    | 2,061,857  | <b>7,288,484</b> | 5,548,100    | 1,894,901    | 7,443,001     |
| Local authority                         | 467,977      | -          | <b>467,977</b>   | 455,035      | -            | 455,035       |
| Private care fees                       | 23,362       | -          | <b>23,362</b>    | 18,642       | -            | 18,642        |
| Other income                            | 89,185       | -          | <b>89,185</b>    | 106,398      | -            | 106,398       |
| Sub-total for support for homelessness  | 580,524      | -          | <b>580,524</b>   | 580,075      | -            | 580,075       |
| Total income from charitable activities | 5,807,151    | 2,061,857  | <b>7,869,008</b> | 6,128,175    | 1,894,901    | 8,023,076     |

\*Income from charitable activities has been restated between care for the elderly and support for homelessness to better reflect income from activities. This has not impacted on overall income from charitable activities.

## 3 Income from investments

|  | 2020         |            |               | 2019         |            |        |
|--|--------------|------------|---------------|--------------|------------|--------|
|  | Unrestricted | Restricted | Total         | Unrestricted | Restricted | Total  |
|  | £            | £          | £             | £            | £          | £      |
| Dividends on listed Stock Exchange investments | 585          | -          | <b>585</b>    | 605          | -          | 605    |
| Bank deposit interest                          | -            | -          | -             | 679          | -          | 679    |
| Rent receivable                                | 33,013       | -          | <b>33,013</b> | 45,329       | -          | 45,329 |
|  | 33,598       | -          | <b>33,598</b> | 46,613       | -          | 46,613 |

Keychange Charity

Notes to the financial statements

For the year ended 31 March 2020

4a Analysis of expenditure (current year)

|                               | Charitable activities |                              |                                  |                          |                    | 2020 Total<br>£  | 2019<br>Total<br>£ |
|-------------------------------|-----------------------|------------------------------|----------------------------------|--------------------------|--------------------|------------------|--------------------|
|                               | Raising funds<br>£    | Care for the<br>Elderly<br>£ | Support for the<br>Homeless<br>£ | Governance<br>costs<br>£ | Support costs<br>£ |                  |                    |
| Staff costs (Note 6)          | 9,962                 | 4,409,947                    | 314,170                          | 32,988                   | 470,719            | <b>5,237,785</b> | 5,688,161          |
| Other staff costs             | 231                   | 102,313                      | 7,289                            | 765                      | 10,921             | <b>121,519</b>   | 155,392            |
| Agency and Consultancy        | 1,126                 | 498,468                      | 35,511                           | 3,729                    | 53,207             | <b>592,040</b>   | 576,641            |
| Repairs and Maintenance       | 772                   | 341,685                      | 24,342                           | 2,556                    | 36,471             | <b>405,826</b>   | 375,047            |
| Utilities                     | 642                   | 284,143                      | 20,243                           | 2,125                    | 30,330             | <b>337,483</b>   | 389,082            |
| Depreciation                  | 632                   | 279,838                      | 19,936                           | 2,093                    | 29,870             | <b>332,369</b>   | 369,175            |
| Office costs                  | 163                   | 72,253                       | 5,147                            | 540                      | 7,712              | <b>85,816</b>    | 76,194             |
| Audit and Accountancy         | 32                    | 14,184                       | 1,010                            | 106                      | 1,514              | <b>16,847</b>    | 25,280             |
| Legal and Professional        | 184                   | 81,342                       | 5,795                            | 608                      | 8,682              | <b>96,611</b>    | 83,395             |
| Food Costs                    | 480                   | 212,664                      | 15,150                           | 1,591                    | 22,700             | <b>252,585</b>   | 303,534            |
| Transfer of Jubilee Cottage   | 481                   | 212,710                      | 15,154                           | 1,591                    | 22,705             | <b>252,640</b>   | -                  |
| Care Home Direct Costs        | 442                   | 195,498                      | 13,928                           | 1,462                    | 20,868             | <b>232,197</b>   | 221,440            |
| Other costs                   | 430                   | 190,313                      | 13,558                           | 1,424                    | 20,314             | <b>226,040</b>   | 227,637            |
|                               | <b>15,577</b>         | <b>6,895,359</b>             | <b>491,233</b>                   | <b>51,579</b>            | <b>736,012</b>     | <b>8,189,760</b> | 8,490,979          |
| Support costs                 | 1,549                 | 685,619                      | 48,844                           | -                        | (736,012)          | -                | -                  |
| Governance costs              | 109                   | 48,047                       | 3,423                            | (51,579)                 | -                  | -                | -                  |
| <b>Total expenditure 2020</b> | <b>17,235</b>         | <b>7,629,025</b>             | <b>543,500</b>                   | <b>-</b>                 | <b>-</b>           | <b>8,189,760</b> |                    |
| Total expenditure 2019        | <b>18,255</b>         | <b>7,939,124</b>             | <b>533,600</b>                   | <b>-</b>                 | <b>-</b>           |                  | <b>8,490,979</b>   |

Included within expenditure are one off costs of £108,678 related to the Mount and Rosset Holt properties which were held for sale at 31 March 2020. See note 10 for further details. These costs comprise mainly electricity, gas, other utility costs and some staff time.

## Keychange Charity

### Notes to the financial statements

For the year ended 31 March 2020

#### 4b Analysis of expenditure (prior year)

|                               | Charitable activities |                              |                                  |                          |                    | 2019 Total<br>£  |
|-------------------------------|-----------------------|------------------------------|----------------------------------|--------------------------|--------------------|------------------|
|                               | Raising funds<br>£    | Care for the<br>Elderly<br>£ | Support for the<br>Homeless<br>£ | Governance<br>costs<br>£ | Support costs<br>£ |                  |
| Staff costs (Note 6)          | 12,229                | 4,773,772                    | 337,385                          | 34,560                   | 678,905            | <b>5,688,161</b> |
| Other staff costs             | 334                   | 126,350                      | 9,217                            | 944                      | 18,547             | <b>155,392</b>   |
| Agency and Consultancy        | 1,240                 | 320,180                      | 34,203                           | 3,504                    | 68,824             | <b>576,641</b>   |
| Repairs and Maintenance       | 806                   | 304,953                      | 22,245                           | 2,279                    | 44,763             | <b>375,047</b>   |
| Utilities                     | 836                   | 316,365                      | 23,078                           | 2,364                    | 46,438             | <b>389,082</b>   |
| Depreciation                  | 794                   | 300,179                      | 21,897                           | 2,243                    | 44,063             | <b>369,175</b>   |
| Office costs                  | 164                   | 61,954                       | 4,519                            | 463                      | 9,094              | <b>76,194</b>    |
| Audit and Accountancy         | 54                    | 20,555                       | 1,499                            | 154                      | 3,017              | <b>25,280</b>    |
| Legal and Professional        | 179                   | 67,809                       | 4,946                            | 507                      | 9,954              | <b>83,395</b>    |
| Food Costs                    | 653                   | 246,806                      | 18,004                           | 1,844                    | 36,228             | <b>303,534</b>   |
| Transfer of Jubilee Cottage   | -                     | -                            | -                                | -                        | -                  | -                |
| Care Home Direct Costs        | 476                   | 180,054                      | 13,134                           | 1,345                    | 26,430             | <b>221,440</b>   |
| Other costs                   | 489                   | 185,093                      | 13,502                           | 1,383                    | 27,169             | <b>227,637</b>   |
|                               | <b>18,255</b>         | <b>6,904,071</b>             | <b>503,630</b>                   | <b>51,590</b>            | <b>1,013,433</b>   | <b>8,490,979</b> |
| Support costs                 | -                     | 987,094                      | 26,339                           | -                        | (1,013,433)        | -                |
| Governance costs              | -                     | 47,959                       | 3,631                            | (51,590)                 | -                  | -                |
| <b>Total expenditure 2019</b> | <b>18,255</b>         | <b>7,939,124</b>             | <b>533,600</b>                   | <b>-</b>                 | <b>-</b>           | <b>8,490,979</b> |



## Notes to the financial statements

## For the year ended 31 March 2020

**5 Net income / (expenditure) for the year**

This is stated after charging / (crediting):

|   | <b>2020</b>    | 2019    |
|---|----------------|---------|
|   | £              | £       |
| Depreciation                            | <b>332,369</b> | 363,026 |
| Interest payable                        | <b>28,621</b>  | 32,190  |
| Operating lease rentals payable:        |                |         |
| Other                                   | <b>18,693</b>  | 28,596  |
| Auditor's remuneration (excluding VAT): |                |         |
| Audit                                   | <b>16,847</b>  | 25,280  |
|   | <b>396,370</b> | 451,188 |

**6 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

|   | <b>2020</b>      | 2019      |
|---|------------------|-----------|
|   | £                | £         |
| Salaries and wages  | <b>4,697,210</b> | 5,130,892 |
| Redundancy and termination costs                                | <b>125,652</b>   | 148,690   |
| Social security costs   | <b>263,589</b>   | 310,682   |
| Employer's contribution to defined contribution pension schemes | <b>151,334</b>   | 97,897    |
|   | <b>5,237,785</b> | 5,688,161 |
| Agency costs  | <b>592,040</b>   | 576,641   |
| Other staff expenses  | <b>121,519</b>   | 155,392   |
|   | <b>5,951,344</b> | 6,420,194 |

The redundancy and termination costs were settled and paid at the balance sheet date.

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

|                   | <b>2020</b> | 2019 |
|-------------------|-------------|------|
|                   | No.         | No.  |
| £70,000 - £79,999 | <b>1</b>    | 1    |

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £326,676 (2019: £320,230).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £7,233 (2019: £4,310) incurred by 7 (2019: 6) members relating to attendance at meetings of the trustees. The charity also purchased directors indemnity insurance for a premium of £700 (2019: £700).

**7 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was 312 (2019: 349).

Staff are split across the activities of the charity as follows (head count basis):

|                       | <b>2020</b>  | 2019  |
|-----------------------|--------------|-------|
|                       | <b>No.</b>   | No.   |
| Charitable activities | <b>300.0</b> | 340.0 |
| Administration        | <b>12.0</b>  | 9.0   |
|                       | <b>312.0</b> | 349.0 |

**8 Related party transactions**

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

**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).

**9 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

**10 Tangible fixed assets**

|                               | Freehold<br>property<br>£ | Furniture,<br>fittings and<br>equipment<br>£ | Total<br>£               |
|-------------------------------|---------------------------|--|--------------------------|
| <b>Cost or valuation</b>      |                           |  |                          |
| At the start of the year      | 10,846,348                | 931,851                                      | <b>11,778,199</b>        |
| Additions in year             | 163,511                   | 124,247                                      | <b>287,758</b>           |
| Disposals in year             | (288)                     | (81,646)                                     | <b>(81,934)</b>          |
| Transfer of Jubilee Cottage   | (228,418)                 | (7,588)                                      | <b>(236,006)</b>         |
| At the end of the year        | <u>10,781,153</u>         | <u>966,864</u>                               | <u><b>11,748,017</b></u> |
| <b>Depreciation</b>           |                           |  |                          |
| At the start of the year      | 2,459,963                 | 491,718                                      | <b>2,951,681</b>         |
| Charge for the year           | 213,057                   | 119,312                                      | <b>332,369</b>           |
| Eliminated on disposal        | (288)                     | (81,646)                                     | <b>(81,934)</b>          |
| Transfer of Jubilee Cottage   | (43,782)                  | (2,492)                                      | <b>(46,274)</b>          |
| At the end of the year        | <u>2,628,950</u>          | <u>526,892</u>                               | <u><b>3,155,842</b></u>  |
| <b>Net book value</b>         |                           |  |                          |
| <b>At the end of the year</b> | <u>8,152,203</u>          | <u>439,972</u>                               | <u><b>8,592,175</b></u>  |
| At the start of the year      | <u>8,386,385</u>          | <u>440,133</u>                               | <u>8,826,518</u>         |

Land with a value of £1,380,524 (2019: £1,380,524) is included within freehold property and not depreciated. Professional valuations for freehold and leasehold property and improvements were undertaken at 31 March 1997. The valuations undertaken in 1997 represent the deemed cost of the asset.

The Mount with a net book value of £1,111,432 as at 31 March 2019, and Rosset Holt with a net book value of £424,451 were transferred to assets held for sale in the current year. Rosset Holt was sold on 17 July 2020 for £1.5m and The Mount is still held for sale.

All of the above assets are used for charitable purposes.

## Notes to the financial statements

## For the year ended 31 March 2020

| <b>11 Current asset investments</b>  | <b>2020</b>      | 2019      |
|--|------------------|-----------|
|  | £                | £         |
| Fair value at the start of the year  | <b>13,475</b>    | 13,130    |
| Net gain / (loss) on change in fair value  | <b>(2,014)</b>   | 345       |
|  | <b>11,461</b>    | 13,475    |
|  | <b>11,461</b>    | 13,475    |
| <br>   |                  |           |
| <b>12 Debtors</b>  | <b>2020</b>      | 2019      |
|  | £                | £         |
| Trade debtors  | <b>252,072</b>   | 360,620   |
| Other debtors and prepayments  | <b>133,255</b>   | 88,917    |
|  | <b>385,327</b>   | 449,537   |
|  | <b>385,327</b>   | 449,537   |
| <br>   |                  |           |
| <b>13 Creditors: amounts falling due within one year</b>                           | <b>2020</b>      | 2019      |
|  | £                | £         |
| Bank loans   | <b>202,336</b>   | 198,473   |
| Trade creditors  | <b>147,561</b>   | 175,902   |
| Taxation and social security   | <b>549,946</b>   | 140,094   |
| Other creditors and accruals   | <b>67,880</b>    | 581,547   |
| Deferred income - fees for services in advance                                     | <b>190,462</b>   | 165,440   |
|  | <b>1,158,185</b> | 1,261,456 |
|  | <b>1,158,185</b> | 1,261,456 |
| <br>   |                  |           |
| All deferred income in 2019 was released to income during the 2020 financial year. |                  |           |
| <br>   |                  |           |
| <b>14 Creditors: amounts falling due after one year</b>                            | <b>2020</b>      | 2019      |
|  | £                | £         |
| Repayable in 1-2 years   | <b>266,677</b>   | 100,061   |
| Repayable in 3-5 years   | <b>387,485</b>   | 274,960   |
| Repayable after 5 years  | <b>218,052</b>   | 704,089   |
|  | <b>872,214</b>   | 1,079,110 |
|  | <b>872,214</b>   | 1,079,110 |

Total bank loans of £1,074,550 (2019 :£1,277,583) include the following bank loans, all of which are also secured by debentures on the assets of the Christian Alliance Trust Corporation and Keychange Charity, with interest being charged at the bank's lending rate:

- £8,353 secured on the freehold properties at Sidmouth (Roselawn), repayable in 2020/21
- £792,084 secured on the freehold property at Wimbledon, repayable in 2031/32
- £273,113 secured on the freehold property at Southampton (Fairhavens) and Worthing (Rosemary Mount) repayable in 2030/31
- Other loans are £1,000 (2019: £1,000)

Keychange Charity

Notes to the financial statements

For the year ended 31 March 2020

15a Analysis of net assets between funds (current year)

|                                    | Unrestricted<br>£ | Restricted<br>£  | Endowment<br>Fund<br>£ | Total funds<br>£ |
|------------------------------------|-------------------|------------------|------------------------|------------------|
| Tangible fixed assets              | 5,264,405         | 2,966,992        | 360,778                | 8,592,175        |
| Net current assets                 | 3,952,165         | (2,795,400)      | -                      | 1,156,765        |
| Long term liabilities              | (80,130)          | (792,084)        | -                      | (872,214)        |
| <b>Net assets at 31 March 2020</b> | <b>9,136,440</b>  | <b>(620,492)</b> | <b>360,778</b>         | <b>8,876,726</b> |

15b Analysis of net assets between funds (prior year)

|                                    | Unrestricted<br>£ | Restricted<br>£ | Endowment<br>Fund<br>£ | Total funds<br>£ |
|------------------------------------|-------------------|-----------------|------------------------|------------------|
| Tangible fixed assets              | 5,120,049         | 3,345,691       | 360,778                | 8,826,518        |
| Net current assets                 | 3,658,539         | (2,290,223)     | -                      | 1,368,316        |
| Long term liabilities              | (279,537)         | (799,573)       | -                      | (1,079,110)      |
| <b>Net assets at 31 March 2019</b> | <b>8,499,051</b>  | <b>255,895</b>  | <b>360,778</b>         | <b>9,115,724</b> |

Keychange Charity

Notes to the financial statements

For the year ended 31 March 2020

16a Movements in funds (current year)

|  | At 1 April<br>2019<br>£ | Income & gains<br>£ | Expenditure &<br>losses<br>£ | Transfers<br>£   | At 31 March<br>2020<br>£ |
|--|-------------------------|---------------------|------------------------------|------------------|--------------------------|
| <b>Permanent endowment funds:</b>      |                         |                     |                              |                  |                          |
| <b>Keychange funds:</b>                |                         |                     |                              |                  |                          |
| Reigate                                | 150,230                 | -                   | -                            | -                | 150,230                  |
| <b>Linked charities' funds:</b>        |                         |                     |                              |                  |                          |
| Alexander House                        | 20,413                  | -                   | -                            | -                | 20,413                   |
| Erith House                            | 190,135                 | -                   | -                            | -                | 190,135                  |
| <b>Total endowment funds</b>           | <b>360,778</b>          | <b>-</b>            | <b>-</b>                     | <b>-</b>         | <b>360,778</b>           |
| <b>Restricted funds:</b>               |                         |                     |                              |                  |                          |
| <b>Keychange capital funds:</b>        |                         |                     |                              |                  |                          |
| Reigate                                | 86,636                  | -                   | (3,482)                      | -                | 83,154                   |
| <b>Linked charities' capital funds</b> |                         |                     |                              |                  |                          |
| Jubilee Cottage Trust                  | 193,632                 | -                   | -                            | (193,632)        | -                        |
| Alexander House                        | 1,445,724               | 33,370              | (47,569)                     | -                | 1,431,525                |
| Cressingham House                      | 230,283                 | -                   | (15,402)                     | -                | 214,881                  |
| Erith House                            | 139,208                 | 535                 | (13,743)                     | -                | 126,000                  |
| Plymouth                               | 1,111,432               | -                   | -                            | -                | 1,111,432                |
| <b>Keychange income funds:</b>         |                         |                     |                              |                  |                          |
| Exeter                                 | 26,014                  | -                   | (1,361)                      | -                | 24,653                   |
| <b>Linked charities' income funds</b>  |                         |                     |                              |                  |                          |
| Jubilee Cottage Trust                  | 62,263                  | 28,767              | (284,662)                    | 193,632          | -                        |
| Alexander House                        | (1,352,861)             | 762,422             | (794,430)                    | -                | (1,384,869)              |
| Cressingham House                      | (591,340)               | 437,705             | (500,331)                    | -                | (653,966)                |
| Erith House                            | (538,017)               | 799,717             | (723,570)                    | -                | (461,870)                |
| Plymouth                               | (1,111,432)             | -                   | -                            | -                | (1,111,432)              |
| Inter-fund loan                        | 554,353                 | -                   | -                            | (554,353)        | -                        |
| <b>Total restricted funds</b>          | <b>255,895</b>          | <b>2,062,516</b>    | <b>(2,384,550)</b>           | <b>(554,353)</b> | <b>(620,492)</b>         |
| <b>Unrestricted funds:</b>             |                         |                     |                              |                  |                          |
| Unrestricted - general                 | 8,349,051               | 5,890,260           | (5,807,224)                  | 554,353          | 8,986,440                |
| <b>Designated funds:</b>               |                         |                     |                              |                  |                          |
| Estates renewal fund                   | 75,000                  | -                   | -                            | -                | 75,000                   |
| Capital maintenance fund               | 75,000                  | -                   | -                            | -                | 75,000                   |
| Total designated funds                 | 150,000                 | -                   | -                            | -                | 150,000                  |
| <b>Total unrestricted funds</b>        | <b>8,499,051</b>        | <b>5,890,260</b>    | <b>(5,807,224)</b>           | <b>554,353</b>   | <b>9,136,440</b>         |
| <b>Total funds</b>                     | <b>9,115,724</b>        | <b>7,952,776</b>    | <b>(8,191,774)</b>           | <b>-</b>         | <b>8,876,726</b>         |

The narrative to explain the purpose of each fund is given at the foot of the note below.

Keychange Charity

Notes to the financial statements

For the year ended 31 March 2020

16b Movements in funds (prior year)

|  | At 1 April<br>2018<br>£ | Income & gains<br>£ | Expenditure &<br>losses<br>£ | Transfers<br>£   | At 1 April 2019<br>£ |
|--|-------------------------|---------------------|------------------------------|------------------|----------------------|
| <b>Permanent endowment funds:</b>      |                         |                     |                              |                  |                      |
| <b>Keychange funds:</b>                |                         |                     |                              |                  |                      |
| Reigate                                | 109,050                 | -                   | (1,818)                      | 42,998           | <b>150,230</b>       |
| <b>Linked charities' funds:</b>        |                         |                     |                              |                  |                      |
| Alexander House                        | 13,715                  | -                   | (240)                        | 6,938            | <b>20,413</b>        |
| Erith House                            | 160,640                 | -                   | (2,103)                      | 31,598           | <b>190,135</b>       |
| <b>Total endowment funds</b>           | <b>283,405</b>          | <b>-</b>            | <b>(4,161)</b>               | <b>81,534</b>    | <b>360,778</b>       |
| <b>Restricted funds:</b>               |                         |                     |                              |                  |                      |
| <b>Keychange capital funds:</b>        |                         |                     |                              |                  |                      |
| Reigate (ex Worthing)                  | 90,189                  | -                   | (3,553)                      | -                | <b>86,636</b>        |
| Exeter                                 | -                       | -                   | -                            | -                | -                    |
| <b>Linked charities' capital funds</b> |                         |                     |                              |                  |                      |
| Jubilee Cottage Trust                  | 194,619                 | -                   | (987)                        | -                | <b>193,632</b>       |
| Alexander House                        | 1,503,813               | -                   | (58,089)                     | -                | <b>1,445,724</b>     |
| Plymouth                               | 1,135,706               | -                   | (24,274)                     | -                | <b>1,111,432</b>     |
| Cressingham House                      | 235,610                 | -                   | (5,326)                      | -                | <b>230,283</b>       |
| Erith House                            | 167,024                 | -                   | (27,816)                     | -                | <b>139,208</b>       |
| <b>Keychange income funds:</b>         |                         |                     |                              |                  |                      |
| Exeter                                 | 27,402                  | -                   | (1,388)                      | -                | <b>26,014</b>        |
| <b>Linked charities' income funds</b>  |                         |                     |                              |                  |                      |
| Jubilee Cottage Trust                  | 58,440                  | 46,109              | (42,286)                     | -                | <b>62,263</b>        |
| Alexander House                        | (1,343,753)             | 823,443             | (832,551)                    | -                | <b>(1,352,861)</b>   |
| Plymouth: general                      | (1,104,607)             | 639,484             | (1,010,287)                  | 363,978          | <b>(1,111,432)</b>   |
| Cressingham House                      | (513,851)               | 408,933             | (486,423)                    | -                | <b>(591,340)</b>     |
| Erith House                            | (538,541)               | 631,458             | (630,934)                    | -                | <b>(538,017)</b>     |
| Inter-fund loan                        | 87,949                  | -                   | -                            | 466,404          | <b>554,353</b>       |
| <b>Total restricted funds</b>          | <b>-</b>                | <b>2,549,427</b>    | <b>(3,123,914)</b>           | <b>830,382</b>   | <b>255,895</b>       |
| <b>Unrestricted funds:</b>             |                         |                     |                              |                  |                      |
| Unrestricted - general                 | 9,171,774               | 5,602,100           | (5,362,907)                  | (1,061,916)      | <b>8,349,051</b>     |
| <b>Designated funds:</b>               |                         |                     |                              |                  |                      |
| Estates renewal fund                   | -                       | -                   | -                            | 75,000           | <b>75,000</b>        |
| Capital maintenance fund               | -                       | -                   | -                            | 75,000           | <b>75,000</b>        |
| Total designated funds                 | -                       | -                   | -                            | 150,000          | <b>150,000</b>       |
| <b>Total unrestricted funds</b>        | <b>9,171,774</b>        | <b>5,602,100</b>    | <b>(5,362,907)</b>           | <b>(911,916)</b> | <b>8,499,051</b>     |
| <b>Total funds</b>                     | <b>9,455,179</b>        | <b>8,151,527</b>    | <b>(8,490,982)</b>           | <b>-</b>         | <b>9,115,724</b>     |

**Purposes of endowment funds**

Reigate Fund

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

Alexander House

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 of Erith House, Torquay.

The transfer of £81,534 in 2019 represents the reversal of notional interest and governance costs charged against these funds in prior years.

**Purposes of restricted funds**

Keychange restricted funds

**Reigate Fund**

This money was spent on an extension to the hostel at Reigate and will be expended in line with the depreciation of the extension.

**Exeter fund**

The fund mainly represents donations spent on the improvement of the Exeter hostel and will be expended in line with depreciation on 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.

Linked charities' restricted funds

Further details of linked charities' funds are disclosed in note 20.

**Purposes of designated funds**

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.

**17 Operating lease commitments payable as a lessee**

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods

|                    | Equipment    |               |
|--------------------|--------------|---------------|
|                    | 2020         | 2019          |
|                    | £            | £             |
| Less than one year | 4,776        | 13,970        |
|                    | <b>4,776</b> | <b>13,970</b> |

**18 Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.



**19 Linked charities**

These financial statements of the company are the accounts of Keychange Charity amalgamating the following charities where uniting directions have been obtained from the Charity Commission.

**1061344-1 ALEXANDER HOUSE**

AS AMENDED BY SPECIAL RESOLUTIONS DATED 29 JUNE 1999 AND 4 DECEMBER 2001.

**1061344-2 CRESSINGHAM HOUSE WALLASEY**

A UNITING DIRECTION MADE UNDER S.96 OF THE CHARITIES ACT 1993 AND DATED 27 NOVEMBER 2006.

**1061344-3 PLYMOUTH AND DISTRICT FREE CHURCH WOMEN'S COUNCIL - EVENTIDE HOME**

A UNITING DIRECTION MADE UNDER S.96 OF THE CHARITIES ACT 1993 AND DATED 21 JULY 2008.

**1061344-6 ERITH HOUSE**

INDENTURE DATED 22 OCTOBER 1862, AS AMENDED BY A FULLY REGULATING SCHEME DATED 16 DECEMBER 1996 AND AMENDED BY A SCHEME DATED 16 JULY 2009.

In line with the Charities Statement of Recommended Practice the results and balances of the linked charities are included in these financial statements as restricted funds.

## 20a Analysis of net assets between funds for linked charities (current year)

## Alexander House

|                                    | Unrestricted<br>£ | Restricted<br>£ | Endowment<br>£ | Total funds<br>£ |
|------------------------------------|-------------------|-----------------|----------------|------------------|
| Tangible fixed assets              | -                 | 1,431,525       | 20,413         | <b>1,451,938</b> |
| Net current assets                 | -                 | (592,785)       | -              | <b>(592,785)</b> |
| Long term liabilities              | -                 | (792,084)       | -              | <b>(792,084)</b> |
| <b>Net assets at 31 March 2020</b> | <b>-</b>          | <b>46,656</b>   | <b>20,413</b>  | <b>67,069</b>    |

## Cressingham House, Wallasey

|                                    | Unrestricted<br>£ | Restricted<br>£  | Endowment<br>£ | Total funds<br>£ |
|------------------------------------|-------------------|------------------|----------------|------------------|
| Tangible fixed assets              | -                 | 214,881          | -              | <b>214,881</b>   |
| Net current assets                 | -                 | (653,966)        | -              | <b>(653,966)</b> |
| <b>Net assets at 31 March 2020</b> | <b>-</b>          | <b>(439,085)</b> | <b>-</b>       | <b>(439,085)</b> |

## Plymouth

|                                    | Unrestricted<br>£ | Restricted<br>£ | Endowment<br>£ | Total funds<br>£   |
|------------------------------------|-------------------|-----------------|----------------|--------------------|
| Tangible fixed assets              | -                 | 1,111,432       | -              | <b>1,111,432</b>   |
| Net current assets                 | -                 | (1,111,432)     | -              | <b>(1,111,432)</b> |
| <b>Net assets at 31 March 2020</b> | <b>-</b>          | <b>-</b>        | <b>-</b>       | <b>-</b>           |

## Erith House

|                                    | Unrestricted<br>£ | Restricted<br>£  | Endowment<br>£ | Total funds<br>£ |
|------------------------------------|-------------------|------------------|----------------|------------------|
| Tangible fixed assets              | -                 | 126,000          | 190,135        | <b>316,135</b>   |
| Net current assets                 | -                 | (461,870)        | -              | <b>(461,870)</b> |
| <b>Net assets at 31 March 2020</b> | <b>-</b>          | <b>(335,870)</b> | <b>190,135</b> | <b>(145,735)</b> |

**Going concern of linked charities with net liabilities**

**Alexander House**

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. The trustees are satisfied with the going concern status of this linked charity based on the fact that selling the fixed assets will cover any liabilities.

**Cressingham House, Wallasey**

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. The trustees are satisfied with the going concern status of this linked charity based on their desire to improve occupancy to reverse the deficits. The Board have identified this a strategic issue with the intention to resolve the position.

**Plymouth**

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. There has been no activity during 2019/20 and the property is held for sale.

**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. Post year end we have seen improvement in the performance of Erith House.

## 20b Analysis of net assets between funds for linked charities (prior year)

## Alexander House

|                                    | Unrestricted<br>£ | Restricted<br>£ | Endowment<br>£ | Total funds<br>£ |
|------------------------------------|-------------------|-----------------|----------------|------------------|
| Tangible fixed assets              | -                 | 1,445,724       | 20,413         | <b>1,466,137</b> |
| Net current (liabilities)          | -                 | (557,665)       | -              | <b>(557,665)</b> |
| Long term liabilities              | -                 | (795,196)       | -              | <b>(795,196)</b> |
| <b>Net assets at 31 March 2019</b> | <b>-</b>          | <b>92,863</b>   | <b>20,413</b>  | <b>113,276</b>   |

## Cressingham House, Wallasey

|                                    | Unrestricted<br>£ | Restricted<br>£  | Endowment<br>£ | Total funds<br>£ |
|------------------------------------|-------------------|------------------|----------------|------------------|
| Tangible fixed assets              | -                 | 230,283          | -              | <b>230,283</b>   |
| Net current (liabilities)          | -                 | (591,340)        | -              | <b>(591,340)</b> |
| <b>Net assets at 31 March 2019</b> | <b>-</b>          | <b>(361,057)</b> | <b>-</b>       | <b>(361,057)</b> |

## Plymouth

|                                    | Unrestricted<br>£ | Restricted<br>£ | Endowment<br>£ | Total funds<br>£   |
|------------------------------------|-------------------|-----------------|----------------|--------------------|
| Tangible fixed assets              | -                 | 1,111,432       | -              | <b>1,111,432</b>   |
| Net current (liabilities)          | -                 | (1,111,432)     | -              | <b>(1,111,432)</b> |
| <b>Net assets at 31 March 2019</b> | <b>-</b>          | <b>-</b>        | <b>-</b>       | <b>-</b>           |

## Erith House

|                                    | Unrestricted<br>£ | Restricted<br>£  | Endowment<br>£ | Total funds<br>£ |
|------------------------------------|-------------------|------------------|----------------|------------------|
| Tangible fixed assets              | -                 | 139,208          | 190,135        | <b>329,343</b>   |
| Net current (liabilities)          | -                 | (538,017)        | -              | <b>(538,017)</b> |
| <b>Net assets at 31 March 2019</b> | <b>-</b>          | <b>(398,809)</b> | <b>190,135</b> | <b>(208,674)</b> |