

Registered Charity No: 1061344  
Registered Company No: 3317563

**KEYCHANGE CHARITY**  
**ANNUAL REPORT &**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2021**

**KEYCHANGE CHARITY  
CONTENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**KEYCHANGE CHARITY  
REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 MARCH 2021**

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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 (Appointed 13 February 1997, Chair until 31<sup>st</sup> March 2021)  
Maddy Thomson (Appointed 3 June 2020, Chair from 1<sup>st</sup> April 2021)  
Tim Cotterall (Appointed 17 February 2015, Vice Chair)  
Ayub Khan (Appointed 28 February 2018)  
Selina Lau (Appointed 25 July 2018)  
Tim Roberts (Appointed 28 February 2018, Hon. Treasurer)  
Nicholas Johnson (Appointed 15 May 2019)  
Nicholas Leggett (Appointed 15 May 2019)  
Joan Henshaw (Appointed 27 July 2016)  
Rebecca Stockman (Appointed 7 August 2019)  
Stefan Cantore (Appointed 3 June 2020)  
Ian Bird (Appointed 21 September 2021)

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 (Until November 2021) Martin Farrow (From November 2021)
	Head of Finance:	Ola Sokoya (Until July 2020) Sharon Jackman (From October 2020)
	Interim Head of Finance:	Peter Cowley (July 2020–October 2020)
	Operations Manager:	Brian James
	Facilities Business Manager:	Peter Clark
	Quality Improvement and Safeguarding Lead:	Rebecca Chaplin

Address and Registered Office:	5 St George's Mews 43 Westminster Bridge Road London SE1 7JB
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Auditors:	Sayer Vincent LLP Invicta House, 108-114 Golden Lane London, EC1Y 0TL
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Bankers:	Barclays Bank plc 29 Borough High Street, London SE1 1LY
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Solicitors:	Lodders Solicitors LLP Number Ten Elm Court, Arden Street, Stratford upon Avon Warwickshire, CV37 6PA
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Solicitors (employment law advice)	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES
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Company No:	3317563
Charity No:	1061344
Company Secretary	Ola Sokoya (resigned 26 November 2020), Sharon Jackman (appointed 26 November 2020)

**KEYCHANGE CHARITY  
CHAIR'S STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2021**

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Keychange is a Christian Charity, Creating Caring Communities. In all we 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, Activities, Audit, Risks and Reserves and we hope you find all the information clear, accessible and positive.

Across Keychange our mission of Creating Caring Communities involves those who live in our communities, as well as their families and our Staff teams. The beauty of Creating Caring Communities is that we all provide support to one another, primarily to those living in our communities, but also to each other as staff, volunteers, colleagues and friends. By creating the right environment and atmosphere of Care and Support we share a common unity together and become Community.

“I lift up my eyes to the hills – where does my help come from?  
My help comes from the Lord, the Maker of heaven and earth” Psalms 121 v 1-2

Familiar to many of us, this Bible verse has become a key theme of meeting the many and large challenges that the Covid19 Global Pandemic has presented over the last year. Whilst we have followed all the guidelines, rules and requirements throughout the Pandemic, we also testify that ‘Our help comes from the Lord, the Maker of heaven and earth’. We are truly thankful to God for his help, strength, love and faithfulness in delivering our mission amidst such challenging circumstances.

Amidst this very difficult operating environment presented by Covid19 the year has again been one of outstanding mission achievement. Our staff have continually worked above and beyond their role descriptions or the job itself and have demonstrated over and over again their love, dedication, commitment and passion to care for those who live in all our communities. We continue to offer our deep and heartfelt thanks to all our staff and teams.

We would also like to thank all our Trustees, who have met regularly and provided leadership, wisdom, prayer, support and encouragement throughout this year. As we hope to be coming out of the Covid19 pandemic and as more restrictions are lifted, we look forward to the next few years of mission, growth, developments and Creating Caring Communities across Keychange.

Rosh Milner  
Chair of the Board until April 2021

Maddy Thomson  
Chair of the Board from April 2021

**KEYCHANGE CHARITY  
REPORT OF THE TRUSTEES TO THE MEMBERS  
FOR THE YEAR ENDED 31 MARCH 2021**

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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 2021. 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:

- a. The advancement of the Christian religion
- b. The relief of persons who are in need by reasons of their age, infirmity or financial circumstances: and
- c. The promotion by such means as are consistent with the new life in Christ Jesus our Lord of such other charitable purposes in accordance with the doctrinal basis of the Charity

Keychange is a Christian Charity, Creating Caring Communities. We fulfil our object by providing care and support for older people and young homeless 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 eleven care homes and two homeless housing settings totalling 280 beds.

Governing Documents

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

Alexander House, Wimbledon; Cressingham House, Wallasey; and Erith House, Torquay and Plymouth and District Free Church Women's Council, the Mount Eventide Home, Plymouth 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 and Leadership Team

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 governance responsibilities of the Board and the objectives and activities of Keychange. We complete a regular audit of these skills to ensure ongoing effective governance, leadership and 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 three new trustees, Maddy Thomson, Stefan Cantore and Ian Bird. Both of these new trustees bring significant skills and experience in Social Care, Strategy, Governance, Faith and Communities.

The Chief Executive, Phil Martin, moved on to a similar role with another charity and left Keychange on 12 November 2021. An Interim Chief Executive, Martin Farrow, took over from that date. In Autumn 2020 Ola Sokoya resigned as Company Secretary having earlier left the charity and Sharon Jackman took over that role from 26 November 2020. On 1 April 2021 Rebecca Chaplin joined the Senior Leadership Team as Quality Improvement and Safeguarding Lead.

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REPORT OF THE TRUSTEES TO THE MEMBERS  
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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.

Related Parties and Connected Charities

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

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

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

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

**KEYCHANGE CHARITY  
REPORT OF THE TRUSTEES TO THE MEMBERS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**OBJECTIVES AND ACTIVITIES**

The objects of the charity as stated in its Memorandum of Association are:

- a. The advancement of the Christian religion
- b. The relief of persons who are in need by reasons of their age, infirmity or financial circumstances: and
- c. The promotion by such means as are consistent with the new life in Christ Jesus our Lord of such other charitable purposes in accordance with the doctrinal basis of the Charity

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 care homes for the elderly where this enables, or does not run contrary to the statement above.
- Have a coordinated financial strategy in order to maximise financial viability to generate surpluses to re-invest in our mission and strategy. As well as 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 and lead 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 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.

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REPORT OF THE TRUSTEES TO THE MEMBERS  
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- It is estimated that for every £1 provided in grant or benefit support for residents living in our housing communities, the return on investment is circa £6 in savings for the local authority and other statutory services in enabling young people to be housed, supported, gain employment and move on successfully.

## **STRATEGIC REPORT**

### **Activities over the last year**

Since March 2020 the world has been dominated by the Covid19 pandemic. In England the first of three lockdowns occurred on 23<sup>rd</sup> March 2020 and this directly impacted all our operations, communities, work patterns and more. Throughout this year we have followed all the relevant Government guidance and worked very hard to keep everyone living in our communities and working for Keychange safe.

Sadly, we experienced outbreaks of Covid19 at five of our older care communities. These outbreaks resulted in the loss of some people living with us. All of our communities have been affected by the impact of Covid19. Some staff needed to either self-isolate or were shielding for periods of time. We furloughed some staff as well. Our staff have worked relentlessly to follow guidelines, support those living with us, supporting one another, whilst always continuing to create caring communities.

***“We, as a family are indebted to you, Rose Lawn and Keychange Charity for accommodating and caring for Dad throughout Covid. I do not believe either he or Mum would have coped with being separated for such a time but through your compassion at a very difficult time this was not an issue ... Truly you have all supported both Mum and Dad and the rest of your residents throughout this pandemic and it is a credit to all your staff team that they have come through it ... Once again our grateful thanks and we wish you, the staff and residents all the best for the future.”***

Our relationship with the National Care Forum (NCF) has proven hugely valuable, both in terms of guidance, networking, and especially for representation and lobbying. The NCF has worked very hard and effectively to represent its members to Government and Policy makers and has helped influence decisions, guidance and support provided to the sector. Keychange has been involved in providing examples of best practice to help influence policy and guidance. In addition, we have been involved in local, regional and national media coverage and engagement as a result of our mission, practices and our proactive partnership with NCF.

Occupancy levels are a major performance management tool, however the Covid19 pandemic has impacted and reduced our occupancy significantly. Occupancy is lower than it should be and we are working hard to improve our occupancy levels and mission reach. Through out the pandemic the UK media has created a negative perspective about residential care homes. However, we have increased our social media activity significantly this year, with every Keychange community having a Facebook page, as well as increased Instagram and Twitter activity. All this activity has focused on the positive stories, activities and benefits on living in a Keychange community, as well as highlighting that a residential care community is a safe and fun place to live and flourish in older age. This all highlights the continuous need to raise our profile and publicity across our local community areas, and to ensure very good CQC inspection outcomes and ratings.

These reduced occupancy figures are the primary reason for the poor operating financial performance. We estimate that we lost 27 people living with us through 2020/2021, but due to the pandemic very few people moved in to replace them, therefore our income was circa £700,000 below budget for the year.

***“Alexander House is so much more than a care home. It is a real home. My mum moved in 2019 and has now lived there very happily for over 18 months. She is very well cared for and really enjoys life ... I particularly appreciate always feeling very welcome and included in her care. I’m not treated as ‘a***



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*visitor' but as part of the home community which means I don't think of Alexander House as an 'institution' but as my mum's home. All the staff have gone the extra mile to pull together during the pandemic and have done everything they can to keep the residents safe."*

Aside from the Covid19 pandemic we have continued to strive forwards with our mission and vision priorities, objectives and goals. We are delighted to have completed the sale of Rosset Holt in July 2020, as well as completing the sale of the two flats at Worthing in June 2021. In addition, the sale of The Mount at Plymouth was completed in September 2021. The sale of these obsolete properties raises capital sums which we are planning to build a purpose built Keychange Care Community somewhere in England, preferably in a location where we already operate successfully to continue to build on existing leadership, community networks and reputation.

This year we successfully progressed with, and concluded the process of merger of Overdale in Sheffield in to Keychange. Overdale is a 24 bedroomed residential care community, with a very similar Christian mission and ethos to Keychange. In addition, we have also taken over governance, leadership and operations of Stumpwell Housing Association who operate Alde House in Penn, in Buckinghamshire. Alde House is a 16 bedroomed residential care community with a strong Christian mission and ethos. We are now working hard to integrate these new care communities into our procedures, systems, quality and culture, as well as ensuring that the financial benefits of economies of scale are maximised and that occupancy and fees are at viable levels and increased. It is wonderful to grow our mission, reach and communities with these new opportunities.

*"I hope that you understand just how grateful we are for all that you, and your wonderful staff have done for Mum, not just in her last weeks ... but for the last two and a half years that she has called Sceats her home ... your constant presence for Mum and us has been a godsend and for that you will always have a special part in our hearts."*

The Keychange Quality Improvement Team has led on all aspects of guidance, safety, support, monitoring and reporting through the Covid19 pandemic. In April 2020 we created and adopted our Pandemic Action Plan and Risk Assessment process. This was reviewed monthly throughout the pandemic. In addition, we established twice weekly online video meetings across all our Keychange communities. Every Monday morning, we meet to share updates, news, guidance and support from all our leadership team staff. Additionally, every Wednesday morning we established a workshop training style event called "Share & Learn" Each week we focus on an agreed topic and provide input, as well as facilitate a discussion across our communities for all staff at every level to be involved.

Another key improvement to our support and activities was the appointment of a Well-being lead. We were focusing on staff well-being before the pandemic, but the period of lockdowns and the significant levels of stress caused by operating through out the pandemic has caused an increased awareness and focus on supporting staff in this important way.

*"Thank you so much for looking after Dad like family when we couldn't. Every single person who cared for Dad did so with empathy and patience. I am so grateful for all the love and care you gave him, especially in the most difficult times right at the end. Please pass on my thanks to all the staff team who together really make this a home that cares, not just a care home." Fair Havens*

We seek to welcome both 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 important part of our mission, but an ongoing challenge to meet local needs for quality care and support for older people with lower levels of wealth and financial security.

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We continue to provide and improve our excellent person-centered care and support, with Christian and secular activities for our residents' enjoyment and stimulation. Our website and social media accounts all record 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.

An enjoyable output of the 'lockdowns' has been the innovation of creating and developing a twice monthly online service called 'Praise, Prayer & Togetherness' (PPT). This idea first shared by someone living in our Rose Lawn community in Sidmouth in April 2020 and has now grown to become an established and much-loved activity across all our communities. Each service lasts for circa 45 minutes and follows a particular theme chosen by people living across Keychange. Each hymn, prayer and reading used is chosen by members of our Keychange communities and PPT planning team. We have also held special themed services for Easter, Christmas and other Christian occasions as well.

A further innovation through this year has been the emergence and development of Vibrant Communities. This has been piloted and developed together with Ladder to the Moon and Keychange to provide a wide range of online virtual tours, activities and events which anyone living across our Keychange communities can access. Examples of the Vibrant Communities programme include: Museum Tours, Countryside tours, Drama Club – Musicals, Quiz afternoons, Language Café, Gardening, Sports Club, Art Club and much more. Everyone joining Vibrant Communities events is also able to make suggestions and share their own interests for future activities to be organised. Praise, Prayer and Togetherness and Vibrant Communities have been wonderful parts of Creating Caring Communities together during the past year.

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. The Covid19 pandemic has affected our young people in terms of coping with three 'Lockdowns' which brought significant challenges to the restrictions of behaviours and socializing. All our staff have worked very hard and in creative and innovative ways to support the young people through a very difficult year of restrictions, uncertainties and fears.

At Wayside community in Reigate we have continued to build some strong partnerships with local churches and supporters. This includes regular bible studies, times of sharing and support, as well as full participation and leadership of our twice monthly Praise, Prayer and Togetherness online times of meeting together. We acknowledge the skills and dedication of all our staff called to our mission of Creating Caring Communities across Keychange.

***“You are all part of an amazing team and I hope you all realise how invaluable you are and what a difference you make to people’s lives by doing what you do. Many thanks again.” Rosemary Mount***

We have continued to strengthen the Board of Trustees by appointing two new members. Each new trustee brings significant governance experience, as well as social care backgrounds and commitment to our mission and Christian heritage and ethos. Furthermore, we have appointed a new Chair in Maddy Thomson. Maddy joined the Keychange Board in June 2020 and became Chair from April 2021. Rosh Milner, our previous Chair has stayed on the Board and has taken on the role of Lead Trustee for Safeguarding. 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.

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REPORT OF THE TRUSTEES TO THE MEMBERS  
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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. We have worked especially hard through the pandemic to increase communication and staff engagement, support, well-being and encouragement.

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.

All our staff have worked very hard throughout 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.

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REPORT OF THE TRUSTEES TO THE MEMBERS  
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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 surplus of £1,433,536 (2020 - deficit £238,999) after loss on impairment of fixed assets in the year of £464,623.

Income increased from £7.95m to £11.06m while expenditure also increased from £8.19m to £9.16m, which led to the surplus of £1.90m before losses on the impairment of fixed assets. Overall income across Keychange increased from £7.95m to £11.06m due to the gain on the sale of property in the year of £1.13m and the recognition of the value of assets transferred, £1.13m from the acquisition and mergers with Overdale and Stumpwell during the financial year.

Reserves Policy

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

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

Total funds as at year end totalled £10,310,262 made up of Endowments of £360,778, Restricted Funds are negative at £519,853 and Unrestricted Funds of £10,469,337. The adjusted level of free reserves amounts to £4,377,885 which equates to thirty-two weeks' operating expenditure. However, after adjusting for restricted operations in deficit and designated funds of £197,000 each for the Estates Renewal Fund & the Capital Maintenance Fund the figure is reduced to £3,229,002 this is equivalent to twenty eight weeks operating expenditure, which is in excess of the policy target level. The restricted funds in deficit are Cressingham House (£516,045) and Erith House (£91,992), these have arisen due to low occupancy in the former and lower fees in the latter. We have implemented an occupancy drive at Cressingham and have raised fees at Erith.

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

Risk Management

The Board has conducted regular risk assessments and 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 for 2020/21 and was ratified at the Board Meeting on 2nd June 2021. Our major risks are listed below, and become increasingly painful if they occur together.

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

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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 280 residents in 13 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. Our strong balance sheet, asset base and cash reserves all ensure that we are secure and can be flexible to adapt to future uncertainties.

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 few years to 2025. Our Vision is to Create Caring Communities which are Safe, Vibrant, Inclusive and Sustainable. Our new strategy plan focuses on two themes of Financial Viability & Sustainability, as well as Quality and Reputation.

Our priority for future plans is increasing and sustaining a higher level of occupancy. We have recently completed filming and photography for a complete series of virtual online tour videos across all our older care communities. These will be available on our Website to enable people to view our communities as part of our marketing. In addition, we have invested in a marketing lead to help develop our marketing and sales strategy to increase enquiries and occupancy for the future.

As mentioned previously following the successful completion of the sales of Rosset Holt, the flats in Worthing and The Mount in Plymouth, our major priority is to build a new purpose-built care community and / or housing community in the south of England.

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 significantly reduced our plans for celebrating our 100-year birthday and anniversary of the work of Keychange in 2020. However, some local events took place and we are continuing to plan suitable and safe events, services and celebrations in late 2021 and 2022. We will be celebrating God's faithfulness for our work as well 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.

**KEYCHANGE CHARITY  
REPORT OF THE TRUSTEES TO THE MEMBERS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of Keychange Charity for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Both the Trustees Report and the Strategic Report were approved by the Trustees and signed on 24 November 2021 on their behalf by

.....  
Timothy Roberts, Trustee

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF  
KEYCHANGE CHARITY  
FOR THE YEAR ENDED 31 MARCH 2021**

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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 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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 FRS 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 group's and of the parent charitable company's affairs as at 31 March 2021 and of the group's 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 and the Charities Act 2011

**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 group financial statements section of our report. We are independent of the group and parent 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Keychange Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other Information**

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF  
KEYCHANGE CHARITY  
FOR THE YEAR ENDED 31 MARCH 2021**

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are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. 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 group and the parent charitable company and their 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 and Charities Act 2011 requires us to report to you if, in our opinion:

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

**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 parent 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 group's and the parent 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 group or the parent 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**

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF  
KEYCHANGE CHARITY  
FOR THE YEAR ENDED 31 MARCH 2021**

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reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

**Capability of the audit in detecting irregularities**

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the finance committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
  - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF  
KEYCHANGE CHARITY  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

Judith Miller (Senior statutory auditor)  
13 December 2021  
for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

**Keychange Charity**
**Consolidated statement of financial activities** (incorporating an income and expenditure account)

**For the year ended 31 March 2021**

	Note	Unrestricted £	Restricted £	Endowment £	2021 Total £	Unrestricted £	Restricted £	Endowment £	2020 Total £
<b>Income from:</b>									
Donations and government support	2	137,738	27,581	-	<b>165,319</b>	49,511	659	-	50,170
Charitable activities									
Care for the Elderly	3	5,778,374	2,209,562	-	<b>7,987,936</b>	5,226,627	2,061,857	-	7,288,484
Support for the Homeless	3	618,892	-	-	<b>618,892</b>	580,524	-	-	580,524
Investments	4	38,370	-	-	<b>38,370</b>	33,598	-	-	33,598
Other income - gain on sale of property		1,128,740	-	-	<b>1,128,740</b>	-	-	-	-
Other - Transfer of funds from merger and acquisition	22	945,299	177,141	-	<b>1,122,440</b>	-	-	-	-
<b>Total income</b>		<b>8,647,413</b>	<b>2,414,284</b>	<b>-</b>	<b>11,061,697</b>	<b>5,890,260</b>	<b>2,062,516</b>	<b>-</b>	<b>7,952,776</b>
<b>Expenditure on:</b>									
Raising funds	5	13,548	2,967	-	<b>16,515</b>	13,735	3,500	-	17,235
Charitable activities									
Care for the Elderly	5	6,035,744	2,319,692	-	<b>8,355,436</b>	5,247,975	2,381,050	-	7,629,025
Support for the Homeless	5	791,587	-	-	<b>791,587</b>	543,500	-	-	543,500
<b>Total expenditure</b>		<b>6,840,879</b>	<b>2,322,659</b>	<b>-</b>	<b>9,163,538</b>	<b>5,805,210</b>	<b>2,384,550</b>	<b>-</b>	<b>8,189,760</b>
<b>Net income / (expenditure) before net gains / (losses) on investments</b>		<b>1,806,534</b>	<b>91,625</b>	<b>-</b>	<b>1,898,159</b>	<b>85,050</b>	<b>(322,034)</b>	<b>-</b>	<b>(236,984)</b>
Net gains / (losses) on investments		-	-	-	-	(2,014)	-	-	(2,014)
<b>Net income / (expenditure) for the year</b>	6	<b>1,806,534</b>	<b>91,625</b>	<b>-</b>	<b>1,898,159</b>	<b>83,037</b>	<b>(322,034)</b>	<b>-</b>	<b>(238,998)</b>
Transfers between funds		(9,014)	9,014	-	-	554,353	(554,353)	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>1,797,520</b>	<b>100,639</b>	<b>-</b>	<b>1,898,159</b>	<b>637,390</b>	<b>(876,387)</b>	<b>-</b>	<b>(238,998)</b>
Losses on impairment of fixed assets	11	(464,623)	-	-	<b>(464,623)</b>	-	-	-	-
<b>Net movement in funds</b>		<b>1,332,897</b>	<b>100,639</b>	<b>-</b>	<b>1,433,536</b>	<b>637,389</b>	<b>(876,387)</b>	<b>-</b>	<b>(238,998)</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		<b>9,136,440</b>	<b>(620,492)</b>	<b>360,778</b>	<b>8,876,726</b>	8,499,051	255,895	360,778	9,115,724
<b>Total funds carried forward</b>		<b>10,469,337</b>	<b>(519,853)</b>	<b>360,778</b>	<b>10,310,262</b>	<b>9,136,440</b>	<b>(620,492)</b>	<b>360,778</b>	<b>8,876,726</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 17 to the financial statements.

Keychange Charity

Balance sheets

Company no. 3317563

As at 31 March 2021

	Note	The group 2021 £	2020 £	The charity 2021 £	2020 £
<b>Fixed assets:</b>					
Tangible assets	11	<b>9,546,465</b>	8,592,175	<b>9,333,492</b>	8,592,175
		<b>9,546,465</b>	8,592,175	<b>9,333,492</b>	8,592,175
<b>Current assets:</b>					
Asset Held for Sale	11	<b>650,000</b>	1,535,883	<b>650,000</b>	1,535,883
Debtors	13	<b>467,733</b>	385,327	<b>393,726</b>	385,327
Stock		-	5,500	-	5,500
Current assets investments	12	<b>11,461</b>	11,461	<b>11,461</b>	11,461
Cash at bank and in hand		<b>1,719,168</b>	376,779	<b>1,688,063</b>	376,779
		<b>2,848,362</b>	2,314,950	<b>2,743,250</b>	2,314,950
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	<b>(1,398,523)</b>	(1,158,185)	<b>(1,307,011)</b>	(1,158,185)
<b>Net current assets</b>		<b>1,449,839</b>	1,156,765	<b>1,436,239</b>	1,156,765
<b>Total assets less current liabilities</b>		<b>10,996,304</b>	9,748,940	<b>10,769,731</b>	9,748,940
Creditors: amounts falling due after one year	15	<b>(686,042)</b>	(872,214)	<b>(644,602)</b>	(872,214)
<b>Total net assets</b>		<b>10,310,262</b>	8,876,726	<b>10,125,129</b>	8,876,726
<b>The funds of the charity:</b>					
Endowment funds	16a	<b>360,778</b>	360,778	<b>360,778</b>	360,778
Restricted funds		<b>(519,853)</b>	(620,492)	<b>(704,986)</b>	(620,492)
Unrestricted income funds:					
Designated funds		<b>450,000</b>	150,000	<b>450,000</b>	150,000
General funds		<b>10,019,337</b>	8,986,440	<b>10,019,337</b>	8,986,440
Total unrestricted funds		<b>10,469,337</b>	9,136,440	<b>10,469,337</b>	9,136,440
<b>Total charity funds</b>		<b>10,310,262</b>	8,876,726	<b>10,125,129</b>	8,876,726

Approved by the trustees on 24 November 2021 and signed on their behalf by

Maddy Thomson  
Chair

Timothy Roberts  
Treasurer

**Keychange Charity**

**Consolidated statement of cash flows**

**For the year ended 31 March 2021**

	Note	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net (expenditure) for the reporting period (as per the statement of financial activities)		1,433,536		(238,998)	
(Gains)/losses on investments		-		2,014	
Depreciation charges		353,862		332,369	
(Profit) / Loss on the disposal of fixed assets		(1,102,736)		-	
Impairment of fixed assets		464,623		-	
Transfer of fixed assets from mergers and new subsidiary		(1,178,780)		-	
Interest from investments		(38,370)		(33,598)	
Interest paid		19,253		28,621	
(Increase)/decrease in stock		5,500		-	
(Increase)/decrease in debtors		(82,406)		64,210	
Increase/(decrease) in creditors		182,689		(107,133)	
<b>Net cash provided by / (used in) operating activities</b>			<b>57,171</b>		<b>47,485</b>
<b>Cash flows from investing activities:</b>					
Interest from investments		38,370		33,598	
Interest paid		(19,253)		(28,621)	
Proceeds from the sale of fixed assets		1,550,000		189,732	
Purchase of fixed assets		(155,376)		(287,758)	
<b>Net cash (used in) investing activities</b>			<b>1,413,741</b>		<b>(93,049)</b>
<b>Cash flows from financing activities:</b>					
Repayments of borrowing		(128,523)		(203,033)	
<b>Net cash (used in) financing activities</b>			<b>(128,523)</b>		<b>(203,033)</b>
<b>Change in cash and cash equivalents in the year</b>			<b>1,342,389</b>		<b>(248,597)</b>
Cash and cash equivalents at the beginning of the year			376,779		625,376
<b>Cash and cash equivalents at the end of the year</b>	a		<b>1,719,168</b>		<b>376,779</b>
<b>Analysis of cash and cash equivalents and of net debt</b>					
		At 1 April 2020 £	Cash flows £	At 31 March 2021 £	
Cash at bank and in hand		376,779	1,342,389	<b>1,719,168</b>	
<b>a Total cash and cash equivalents</b>		376,779	1,342,389	<b>1,719,168</b>	
Loans falling due within one year		(202,336)	92,089	<b>(110,247)</b>	
Loans falling due after more than one year		(872,214)	186,172	<b>(686,042)</b>	
<b>Total</b>		<b>(697,771)</b>	<b>1,620,650</b>	<b>922,879</b>	

**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.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Stumpwell Housing Limited on a line by line basis from the date of acquisition, 1 February 2021. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. The charity is also the sole trustees and owner of Christian Alliance Trust Limited which is a dormant company. Balances between the entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 as a summary of the result for the year is disclosed in the notes to the accounts.

On 30 September 2020 the assets and liabilities of Overdale were transferred into Keychange Charity. This has been treated in the financial statements as an acquisition in the year for accounting purposes and the income and expenditure has been incorporated into Keychange Charity's activities from the date of the merger.

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 19.

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.

**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. The Trustees are satisfied that Keychange group is a going concern due to the nature of the operations. There are no areas of concern to doubt that Keychange will continue to operate in the foreseeable future. See note 19 of the financial statement for further details of the position of the linked charities.

**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.

Coronavirus job retention scheme income and other coronavirus support 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.

Notes to the financial statements

For the year ended 31 March 2021

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**1 Accounting policies (continued)**

**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 17.

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.

**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:

Freehold property	
~ - Land	not depreciated
~ - Buildings	50 years
~ - Building installations	10 years
Furniture, fittings and equipment	
- Fixtures and fittings	8 years
- Computers	4 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.

## Notes to the financial statements

## For the year ended 31 March 2021

## 1 Accounting policies (continued)

## 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.

## o) 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.

## p) 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.

## q) 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 donations and government support

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Donations	31,543	11,998	<b>43,541</b>	49,511	659	50,170
Legacies	8,888	-	<b>8,888</b>	-	-	-
Coronavirus job retention scheme	97,307	15,583	<b>112,890</b>	-	-	-
	<u>137,738</u>	<u>27,581</u>	<u><b>165,319</b></u>	<u>49,511</u>	<u>659</u>	<u>50,170</u>

## 3 Income from charitable activities

	2021			2020		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Local authority	1,535,688	438,755	<b>1,974,443</b>	909,401	193,600	1,103,001
Private care fees	4,224,521	1,756,690	<b>5,981,211</b>	4,296,021	1,849,667	6,145,688
Other income	18,165	14,117	<b>32,282</b>	21,205	18,590	39,795
Sub-total for care for the elderly	<u>5,778,374</u>	<u>2,209,562</u>	<u><b>7,987,936</b></u>	<u>5,226,627</u>	<u>2,061,857</u>	<u>7,288,484</u>
Local authority	595,149	-	<b>595,149</b>	467,977	-	467,977
Private care fees	23,409	-	<b>23,409</b>	23,362	-	23,362
Other income	334	-	<b>334</b>	89,185	-	89,185
Sub-total for support for homelessness	<u>618,892</u>	<u>-</u>	<u><b>618,892</b></u>	<u>580,524</u>	<u>-</u>	<u>580,524</u>
Total income from charitable activities	<u><u>6,397,266</u></u>	<u><u>2,209,562</u></u>	<u><u><b>8,606,828</b></u></u>	<u><u>5,807,151</u></u>	<u><u>2,061,857</u></u>	<u><u>7,869,008</u></u>



Keychange Charity

Notes to the financial statements

For the year ended 31 March 2021

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4 Income from investments

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Dividends on listed Stock Exchange investments	345	-	345	585	-	585
Rent receivable	38,025	-	38,025	33,013	-	33,013
	<u>38,370</u>	<u>-</u>	<u>38,370</u>	<u>33,598</u>	<u>-</u>	<u>33,598</u>

**Keychange Charity**

**Notes to the financial statements**

**For the year ended 31 March 2021**

**5a Analysis of expenditure (current year)**

	Charitable activities					2021 Total £	2020 Total £
	Raising funds £	Care for the Elderly £	Support for the Homeless £	Governance costs £	Support costs £		
Staff costs (Note 7)	11,443	5,196,827	436,118	25,122	679,820	<b>6,349,330</b>	5,237,785
Other staff costs	208	94,539	7,934	457	12,367	<b>115,505</b>	121,519
Agency and Consultancy	618	280,652	23,552	1,357	36,713	<b>342,892</b>	592,040
Repairs and Maintenance	752	341,733	28,678	1,652	44,704	<b>417,519</b>	405,826
Utilities	805	365,622	30,683	1,767	47,829	<b>446,706</b>	337,483
Depreciation	638	289,630	24,306	1,400	37,888	<b>353,862</b>	332,369
Office costs	129	58,662	4,923	284	7,674	<b>71,672</b>	85,816
Audit and Accountancy	65	29,460	2,472	142	3,854	<b>35,993</b>	16,847
Legal and Professional	261	117,985	9,901	570	15,434	<b>144,151</b>	96,611
Food Costs	451	204,933	17,198	991	26,808	<b>250,381</b>	252,585
Transfer of Jubilee Cottage	-	-	-	-	-	-	252,641
Care Home Direct Costs	744	337,906	28,358	1,634	44,202	<b>412,844</b>	232,197
Other costs	401	182,263	15,295	881	23,843	<b>222,683</b>	226,040
	<b>16,515</b>	<b>7,500,212</b>	<b>629,418</b>	<b>36,257</b>	<b>981,136</b>	<b>9,163,538</b>	<b>8,189,760</b>
Support costs	-	821,774	159,362	-	(981,136)	-	-
Governance costs	-	33,450	2,807	(36,257)	-	-	-
<b>Total expenditure 2021</b>	<b>16,515</b>	<b>8,355,436</b>	<b>791,587</b>	<b>-</b>	<b>-</b>	<b>9,163,538</b>	
Total expenditure 2020	17,235	7,629,025	543,500	-	-		8,189,760

## Keychange Charity

### Notes to the financial statements

For the year ended 31 March 2021

#### 5b Analysis of expenditure (prior year)

	Charitable activities					2020 Total £
	Raising funds £	Care for the Elderly £	Support for the Homeless £	Governance costs £	Support costs £	
Staff costs (Note 7)	9,962	4,409,947	314,170	32,988	470,719	<b>5,237,785</b>
Other staff costs	231	102,313	7,289	765	10,921	<b>121,519</b>
Agency and Consultancy	1,126	498,468	35,511	3,729	53,207	<b>592,040</b>
Repairs and Maintenance	772	341,685	24,342	2,556	36,471	<b>405,826</b>
Utilities	642	284,143	20,243	2,125	30,330	<b>337,483</b>
Depreciation	632	279,838	19,936	2,093	29,870	<b>332,369</b>
Office costs	163	72,253	5,147	540	7,712	<b>85,816</b>
Audit and Accountancy	32	14,184	1,010	106	1,514	<b>16,847</b>
Legal and Professional	184	81,342	5,795	608	8,682	<b>96,611</b>
Food Costs	480	212,664	15,150	1,591	22,700	<b>252,585</b>
Transfer of Jubilee Cottage	481	212,710	15,154	1,591	22,705	<b>252,641</b>
Care Home Direct Costs	442	195,498	13,928	1,462	20,868	<b>232,197</b>
Other costs	430	190,313	13,558	1,424	20,314	<b>226,040</b>
	<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>
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>

## Keychange Charity

### Notes to the financial statements

#### For the year ended 31 March 2021

#### 6 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021	2020
	£	£
Depreciation	353,862	332,369
Profit on disposal of fixed assets	1,102,736	-
Interest payable	19,253	28,621
Operating lease rentals payable:		
Other	11,033	18,693
Auditor's remuneration (excluding VAT):		
Audit	19,500	14,000

#### 7 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021	2020
	£	£
Salaries and wages	5,789,793	4,697,210
Redundancy and termination costs	-	125,652
Social security costs	365,643	263,589
Employer's contribution to defined contribution pension schemes	193,894	151,334
	<b>6,349,330</b>	5,237,785
Agency costs	342,892	592,040
Other staff expenses	115,505	121,519
	<b>6,807,727</b>	5,951,344

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

	2021	2020
	No.	No.
£60,000 - £69,999	1	-
£70,000 - £79,999	1	1

The total employee benefits (including pension contributions and employer's national insurance) of the key management personnel were £335,623 (2020: £326,676).

The charity trustees were neither paid nor received any other benefits from employment with the charity in the year (2020: £nil). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represents the payment or reimbursement of travel and subsistence costs totalling £264 (2020: £7,233) incurred by 1 (2020: 7) members relating to attendance at meetings of the trustees. The charity also purchased directors indemnity insurance for a premium of £998 (2020: £700).

## Keychange Charity

### Notes to the financial statements

#### For the year ended 31 March 2021

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#### 8 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was 319 (2020: 312).

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

	2021 No.	2020 No.
Charitable activities	307.0	300.0
Administration	12.0	12.0
	<u>319.0</u>	<u>312.0</u>

#### 9 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.

#### 10 Taxation

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

## 11 Tangible fixed assets for the group

	Freehold property £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At the start of the year	10,781,153	966,864	<b>11,748,017</b>
Additions in year	80,961	74,415	<b>155,376</b>
Disposals in year	-	(48,060)	<b>(48,060)</b>
Transfers of assets from mergers and new subsidiary	1,129,584	49,196	<b>1,178,780</b>
At the end of the year	<u>11,991,698</u>	<u>1,042,415</u>	<u><b>13,034,113</b></u>
<b>Depreciation</b>			
At the start of the year	2,628,950	526,892	<b>3,155,842</b>
Charge for the year	223,384	130,478	<b>353,862</b>
Eliminated on disposal	-	(22,056)	<b>(22,056)</b>
At the end of the year	<u>2,852,334</u>	<u>635,314</u>	<u><b>3,487,648</b></u>
<b>Net book value</b>			
<b>At the end of the year</b>	<u><u>9,139,364</u></u>	<u><u>407,101</u></u>	<u><u><b>9,546,465</b></u></u>
At the start of the year	<u><u>8,152,203</u></u>	<u><u>439,972</u></u>	<u><u>8,592,175</u></u>

Land with a value of £1,380,524 (2020: £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 was sold for £650,000 on 15th September 2021. The Mount was transferred to assets held for sale in the prior year and has been impaired in 2021 to bring its net book value of £1,114,623 down to its sale price as at 31 March 2021.

Overdale in Sheffield is a 24 bedroom care home community, 23 rooms are end-suite. The site also includes 5 one bedroom self-contained bungalows for independent living. Keychange staff have frequently visited and inspected the property and facilities. A surveyor has completed a Planned Preventative Maintenance schedule and we are satisfied that the building is well maintained and in good order. The previous trustees had added en-suite facilities over recent years and in doing so have continued to improve the décor and environment. The property is located in the Nether Edge area of Sheffield which is recognised as a well maintained, high property value and affluent suburb of Sheffield. The trustees consider the next book value of the property of £996,957 is deemed and appropriate basis for the value of the property as at the merger on the basis that this is in line with the amounts the trustees would have otherwise paid for the property. The Keychange Board are committed to undertake a valuation process in 2022.

All of the above assets are used for charitable purposes.

**11 Tangible fixed assets (continued)**

<b>The charity</b>	Freehold property £	Fixtures and fittings £	<b>Total £</b>
<b>Cost</b>			
At the start of the year	10,781,153	966,864	<b>11,748,017</b>
Additions in year	80,961	74,415	<b>155,376</b>
Disposals in year	-	(48,060)	<b>(48,060)</b>
Transfers of assets from mergers	927,278	38,529	<b>965,807</b>
At the end of the year	<u>11,789,392</u>	<u>1,031,748</u>	<u><b>12,821,140</b></u>
<b>Depreciation</b>			
At the start of the year	2,628,950	526,892	<b>3,155,842</b>
Charge for the year	223,384	130,478	<b>353,862</b>
Eliminated on disposal	-	(22,056)	<b>(22,056)</b>
At the end of the year	<u>2,852,334</u>	<u>635,314</u>	<u><b>3,487,648</b></u>
<b>Net book value</b>			
<b>At the end of the year</b>	<u>8,937,058</u>	<u>396,434</u>	<u><b>9,333,492</b></u>
At the start of the year	<u>8,152,203</u>	<u>439,972</u>	<u>8,592,175</u>

All of the above assets are used for charitable purposes.

**12 Current asset investments**

	<b>The group</b>		<b>The charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Fair value at the start of the year	<b>11,461</b>	13,475	<b>11,461</b>	13,475
Net gain / (loss) on change in fair value	-	(2,014)	-	(2,014)
Fair value at the end of the year	<u><b>11,461</b></u>	<u>11,461</u>	<u><b>11,461</b></u>	<u>11,461</u>

**13 Debtors**

	<b>The group</b>		<b>The charity</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>305,230</b>	252,072	<b>247,050</b>	252,072
Other debtors	<b>17,621</b>	7,902	<b>4,851</b>	7,902
Prepayments and accrued income	<b>144,882</b>	125,353	<b>141,825</b>	125,353
	<u><b>467,733</b></u>	<u>385,327</u>	<u><b>393,726</b></u>	<u>385,327</u>

## Notes to the financial statements

For the year ended 31 March 2021

## 14 Creditors: amounts falling due within one year

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Bank overdrafts	370	-	370	-
Bank loans	110,247	202,336	103,247	202,336
Trade creditors	246,530	147,561	177,167	147,561
Taxation and social security	137,873	67,880	133,103	67,880
Pension fund loan payable	17,468	13,306	17,468	13,306
Other creditors	577,611	526,410	577,611	526,410
Deferred income - fees for services in advance	139,977	190,462	139,977	190,462
Accruals	168,447	10,230	158,068	10,230
	<b>1,398,523</b>	1,158,185	<b>1,307,011</b>	1,158,185

All deferred income in 2020 was released to income during the 2021 financial year.

## 15 Creditors: amounts falling due after one year

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Repayable in 1-2 years	109,247	266,677	102,247	266,677
Repayable in 3-5 years	327,740	387,485	306,740	387,485
Repayable after 5 years	249,055	218,052	235,615	218,052
	<b>686,042</b>	872,214	<b>644,602</b>	872,214

Total group bank loans of £796,289 (2020: £1,074,550) include the following bank loans. All charity loans 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:

- £746,849 secured on the freehold property at Wimbledon, repayable in 2031/32
- £1,000 Stumpwell Housing Association Loan payable to K Dickinson - Lytham
- £48,440 subsidiary Stumpwell Housing Association Loan with NatWest

## 16a Analysis of group net assets between funds (current year)

	Unrestricted	Restricted	Endowment	Total funds
			Fund	
	£	£	£	£
Tangible fixed assets	6,091,451	3,094,236	360,778	9,546,465
Net current assets	4,377,885	(2,928,046)	-	1,449,839
Long term liabilities	-	(686,042)	-	(686,042)
<b>Net assets at 31 March 2021</b>	<b>10,469,336</b>	<b>(519,852)</b>	<b>360,778</b>	<b>10,310,262</b>

## 16b Analysis of group net assets between funds (prior year)

	Unrestricted	Restricted	Endowment	Total funds
			Fund	
	£	£	£	£
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>



Keychange Charity

Notes to the financial statements

For the year ended 31 March 2021

17a Movements in funds (current year)

	At 1 April 2020 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2021 £
<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	83,154	-	(2,967)	-	80,187
Stumpwell Housing	-	212,973	-	-	212,973
<b>Linked charities' capital funds</b>					
Alexander House	1,431,525	-	(50,634)	-	1,380,891
Cressingham House	214,881	-	(16,886)	-	197,995
Erith House	126,000	-	(15,242)	-	110,758
Plymouth	1,111,432	-	-	-	1,111,432
<b>Keychange income funds:</b>					
Exeter	24,653	-	-	-	24,653
Stumpwell Housing	-	89,207	(117,047)	-	(27,840)
Other	-	11,998	(11,998)	-	-
<b>Linked charities' income funds</b>					
Jubilee Cottage Trust	-	3,366	(12,380)	9,014	-
Alexander House	(1,384,869)	814,576	(822,252)	-	(1,392,545)
Cressingham House	(653,966)	457,788	(517,862)	-	(714,040)
Erith House	(461,870)	824,376	(755,391)	-	(392,885)
Plymouth	(1,111,432)	-	-	-	(1,111,432)
<b>Total restricted funds</b>	<b>(620,492)</b>	<b>2,414,284</b>	<b>(2,322,659)</b>	<b>9,014</b>	<b>(519,853)</b>
<b>Unrestricted funds:</b>					
Unrestricted - general	8,986,440	8,647,413	(7,305,502)	(309,014)	10,019,337
<b>Designated funds:</b>					
Estates renewal fund	75,000	-	-	150,000	225,000
Capital maintenance fund	75,000	-	-	150,000	225,000
Total designated funds	150,000	-	-	300,000	450,000
<b>Total unrestricted funds</b>	<b>9,136,440</b>	<b>8,647,413</b>	<b>(7,305,502)</b>	<b>(9,014)</b>	<b>10,469,337</b>
<b>Total funds</b>	<b>8,876,726</b>	<b>11,061,697</b>	<b>(9,628,161)</b>	<b>-</b>	<b>10,310,262</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 2021

17b Movements in funds (prior year)

	At 1 April 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2020 £
<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>

**17 Movements in funds (continued)**

**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 endowment of Erith House, Torquay.

**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 notes 18 and 19.

**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.

**18 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.

## 19a Analysis of net assets between funds for linked charities (current year)

**Alexander House**

	Unrestricted £	Restricted £	Endowment £	Total funds £
Tangible fixed assets	-	1,380,891	20,413	<b>1,401,304</b>
Net current assets	-	(706,503)	-	<b>(706,503)</b>
Long term liabilities	-	(686,042)	-	<b>(686,042)</b>
<b>Net assets at 31 March 2021</b>	<b>-</b>	<b>(11,654)</b>	<b>20,413</b>	<b>8,759</b>

**Cressingham House, Wallasey**

	Unrestricted £	Restricted £	Endowment £	Total funds £
Tangible fixed assets	-	197,995	-	<b>197,995</b>
Net current assets	-	(714,040)	-	<b>(714,040)</b>
<b>Net assets at 31 March 2021</b>	<b>-</b>	<b>(516,045)</b>	<b>-</b>	<b>(516,045)</b>

**Plymouth**

	Unrestricted £	Restricted £	Endowment £	Total funds £
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 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Erith House**

	Unrestricted £	Restricted £	Endowment £	Total funds £
Tangible fixed assets	-	110,758	190,135	<b>300,893</b>
Net current assets	-	(392,885)	-	<b>(392,885)</b>
<b>Net assets at 31 March 2021</b>	<b>-</b>	<b>(282,127)</b>	<b>190,135</b>	<b>(91,992)</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 2020/21 and the property has been sold post year end.

**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.

## 19b Analysis of net assets between funds for linked charities (prior year)

**Alexander House**

	Unrestricted £	Restricted £	Endowment £	Total funds £
Tangible fixed assets	-	1,431,525	20,413	<b>1,451,938</b>
Net current (liabilities)	-	(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 £	Restricted £	Endowment £	Total funds £
Tangible fixed assets	-	214,881	-	<b>214,881</b>
Net current (liabilities)	-	(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 £	Restricted £	Endowment £	Total funds £
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 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Erith House**

	Unrestricted £	Restricted £	Endowment £	Total funds £
Tangible fixed assets	-	126,000	190,135	<b>316,135</b>
Net current (liabilities)	-	(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>

## Keychange Charity

### Notes to the financial statements

#### For the year ended 31 March 2021

#### 20 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Stumpwell Housing Association Limited, a company registered in England. The company number is IP19539R. The registered office address is Alde House, Church Road, Penn, High Wycombe, Buckinghamshire, HP10 8NX. Stumpwell Housing Association owns Alde House, a care home in Buckinghamshire, which is managed by Keychange.

For the 2 months  
to 31 March

£

Turnover	125,039
Cost of sales	(55,663)
<b>Gross profit/(loss)</b>	<b>69,376</b>
Administrative expenses	(61,296)
<b>Profit/(loss) on ordinary activities before interest and taxation</b>	<b>8,080</b>
Interest payable	(88)
<b>Profit / (loss) on ordinary activities before taxation</b>	<b>7,992</b>
Taxation on profit on ordinary activities	-
<b>Profit / (loss) for the financial year</b>	<b>7,992</b>
<b>Retained earnings</b>	
Total retained earnings brought forward	177,141
Profit / (loss) for the financial year	7,992
<b>Total retained earnings carried forward</b>	<b>185,133</b>
The aggregate of the assets, liabilities and reserves was:	
Assets	318,085
Liabilities	(132,952)
<b>Reserves</b>	<b>185,133</b>

#### 21 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2021	2020
	£	£
Gross income	10,759,519	7,952,776
Result for the year	1,713,028	(238,998)

**22 Mergers and acquisition of subsidiary**

On 1 February 2021, Keychange charity became the sole member of Stumpwell Housing Association and from that date is a wholly owned subsidiary of Keychange. The balance sheet at the date of transfer is detailed below.

	<b>Balance sheet as at 1 February 2021 £</b>
<b>Fixed assets</b>	<b>212,973</b>
<b>Current assets</b>	
Debtors	51,043
Cash at bank and in hand	27,771
Total current assets	78,814
<b>Creditors: amounts falling due within one year</b>	<b>(114,646)</b>
<b>Net current assets</b>	<b>(35,832)</b>
<b>Net assets</b>	<b>177,141</b>

On 30 September 2020 the assets and liabilities of Overdale were transferred into Keychange. A summary of the assets and liabilities transferred is detailed below.

	<b>Balance sheet as at 30 September 2020 £</b>
<b>Fixed assets</b>	<b>965,807</b>
<b>Current assets</b>	
Debtors	21,215
Cash at bank and in hand	128,038
Total current assets	149,253
<b>Creditors: amounts falling due within one year</b>	<b>(169,761)</b>
<b>Net current assets</b>	<b>(20,508)</b>
<b>Net assets</b>	<b>945,299</b>

**23 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	
	2021	2020
	£	£
Less than one year	-	4,776
	-	4,776

**24 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.