



key changes

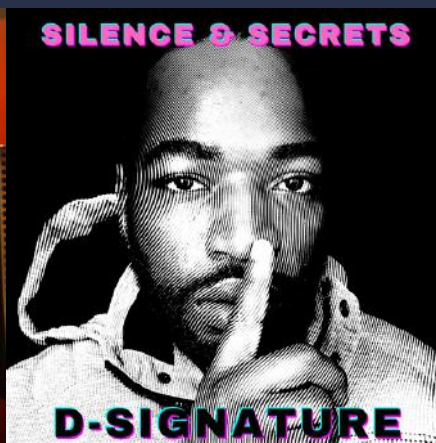
**AWARD-WINNING RECOVERY PROGRAMMES FOR MUSICIANS
EXPERIENCING MENTAL HEALTH PROBLEMS**

2021 ANNUAL REPORT

KEYCHANGES.ORG.UK

REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Objectives & Activities	03
Reference & Administrative Information	04
Introduction from the Chair of Trustees	05
Our Supporters	06
Achievements & Performance	07
Community Programmes	08
Hospital Programmes	10
Music Releases	11
Live Performances & Volunteering	12
Media Coverage	13
Financial Review	15
Governance	16
Trustees	17
Financial Statements	18



REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021



The Trustees present their annual report and financial statements for the year ended 31 March 2021.

The annual report and accounts have been prepared in accordance with the SORP issued in October 2019; Financial Reporting Standard 102; the Charities Act 2011; the Companies Act 2006 (including provisions in Part 15 applicable to companies subject to the small companies regime) and UK Generally Accepted Accounting Practice.

OBJECTIVES & ACTIVITIES

The charity's objects as set out in our governing document are to preserve and protect mental health and assist in the rehabilitation of people with long term mental health problems through the provision of music therapy.

Key Changes uses a unique, music industry informed approach to increase the mental health and wellbeing of people with a wide range of mental health challenges. Our core programming is delivered in both hospitals and the community setting, and offers professional, music focused recovery support and artist development opportunities. These activities promote wellbeing and recovery through developing creative, technical and vocational skills – opening pathways to mainstream opportunities in volunteering, training, work experience and employment.

Trustees review the objectives and activities of the charity each year. We refer to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities, and ensure they reflect the purposes that the charity was set up to further.

This annual report highlights the outcomes of our work in the 12 months to 31st March 2021.



REFERENCE & ADMINISTRATIVE INFORMATION

Charity Name: Key Changes: Positive Mental Health Through Music Ltd

Charity registration No: 1103774

Company registration No: 4641867

Registered Office: St Luke's Community Centre, 90 Central Street, London EC1V 8AJ

Operational addresses:

North London: St Luke's Centre EC1V 8AJ

South London: Pop Brixton, Brixton Station Rd, London SW9 8PQ

Manchester: Green Fish Resource Centre, 45-50 Oldham St, Manchester M4 1LE

Board

Trustees, who are also directors under company law, who served during the period of the report were:

Adam Thomas (Chair)
Annette Alcock (Vice Chair)
Paul Bonham
Johnny Brown
Andrew Denney
Elliott Jack
Ben Jay
Kelly McMinn
Steven Odufuye
Sukie Smith
Mark Vincent

Key Management Personnel

Peter Leigh (Chief Executive Officer and Company Secretary)

Ed West (Operations Manager)

Darius Malik (Progression Manager)

Ishani Jasmin (Volunteer Manager)

Independent examiner

John N Assie FCCA
Jackson Nicholas Assie Ltd
Meridian House
62 Station Road
London
E4 7BA

Bankers

TSB Archway

INTRODUCTION FROM THE CHAIR OF TRUSTEES ADAM THOMAS



This report outlines our organisational developments and achievements during a year of significant challenge, change and adaptation in the wake of the global Coronavirus pandemic. In April 2021, the number of people contacting the NHS seeking help for mental health problems reached a record high, reflecting the mental health impact of prolonged uncertainty, isolation, and disruption to day-to-day life.

UK Government research has highlighted that those most at risk of adverse mental health amid Covid-19 have been young adults, minority ethnic communities, people experiencing socio-economic disadvantage, and those with pre-existing mental health conditions. Given that people from these backgrounds were already at greater mental health risk even prior to March 2020, there is no doubt that the pandemic has further increased longstanding health inequalities for our core beneficiaries.

We are proud to report that Key Changes continuously delivered services all through the year, ensuring timely, reliable, and consistent support for our vibrant and fast-growing artist community. To maintain our level of reach amid social distancing restrictions, we have established new community music studios in Brixton and Ladbroke Grove. We have also made significant progress in the implementation of our Board Development strategy, and are delighted to welcome several new trustees, who bring invaluable professional expertise from the music industry, business, and public health sectors.

We were thrilled to be selected as a finalist for the 2021 Gulbenkian Civic Arts Award for organisations who “boldly reimagined their missions to put their communities first during the pandemic”. Receiving more than 250 submissions from across the UK, a panel of advisors created a shortlist before the selection panel, chaired by Baroness Bull, selected a final list of ten organisations.

To meet urgent rising mental health need among young adults in mental health hotspots outside of Greater London, our Studio Discovery programme will support young people across **Greater Manchester, Bristol, the West Midlands, and the South Coast** over the coming year.

**WE WOULD LIKE TO THANK THE
MANY SUPPORTERS WHO HAVE
HELPED MAKE OUR ACHIEVEMENTS
POSSIBLE IN 2020/21, INCLUDING:**



**5th Element
Allister Whitehead
Angelo Ferreri
Arts Council England
Aviva Community Fund
Baring Foundation
Big Sync
Blackstar
BUPA Foundation
Camden Giving
C&I Charity
City of London
Clyde & Co
Culture, Health & Wellbeing
Alliance
Comic Relief
Crazy P
Dept of Work & Pensions
Ditto Music
DJ Pitch
DJ Rae
Dr Mandeep Singh
Friends of Josh Bannister
Gaga Radio
Garfield Weston Foundation
Glen Horsborough
Graeme Park
Gulbenkian UK
Groundwork UK
Help Musicians UK
Jack Garrett
Jas P
Last Night a DJ Foundation
Let There Be House
Lisa Chadderton**

**Lloyds Bank Foundation
London Borough of Islington
London Community Response Fund
Lost Ones Music
Milk & Sugar
MIND Covid Mental Health
Response Fund
Mute Records
National Lottery Fund
NAO
Netflix
NTS Radio
Oak Park Development Charity
One in an Army
Pirate Studios
Prime Loops
Pop Brixton
PRS Foundation
Queen B
Richer Sounds Foundation
Seb Fontaine
Sebb Junior
Ridney
Riverside Radio
Solidarity Sounds
Step Management
St James Place Foundation
St Luke's Community Trust
The Blast
The Rave Net
Tru Thoughts Records
Tudor Trust
Youth Music
Zara McFarlane**

ACHIEVEMENTS & PERFORMANCE

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT



SERVICE PROVISION 2020-2021:

3,420 MUSICIANS EXPERIENCING DEPRESSION, ANXIETY, PTSD, BIPOLAR DISORDER, SCHIZOPHRENIA & OTHER MENTAL HEALTH CONDITIONS

5,470 SESSIONS DELIVERED IN HOSPITALS AND MUSIC STUDIOS

83% OF PEOPLE WE SUPPORTED WERE FROM ETHNIC MINORITY BACKGROUNDS

56 NEW SINGLE, EP & ALBUM RELEASES ON KEY CHANGES RECORDS – AVAILABLE ON ALL DIGITAL STREAMING PLATFORMS

OPTIMISM AMONG OUR ARTISTS ROSE BY 110% ON AVERAGE*

ARTIST SENSE OF CONNECTION ROSE BY 181%*

100% OF ARTISTS REPORTED IMPROVED OVERALL WELLBEING

*SWEMWBS DATA

HOSPITAL SERVICES PROVIDED IN VALUED PARTNERSHIP WITH:

Camden & Islington NHS Foundation Trust
East London NHS Foundation Trust
Barnet, Enfield & Haringey Mental Health NHS Trust East
London NHS Foundation Trust
South London & Maudsley NHS Foundation Trust

Central & North West London NHS Foundation Trust
Avon & Wiltshire Mental Health Partnership
Sussex Partnership NHS Foundation Trust
Greater Manchester Mental Health NHS Foundation Trust

COMMUNITY PROGRAMMES



Key Changes' award-winning 12-week Music Industry Recovery Programme offers studio sessions and artist development for all musicians, composers, songwriters, lyricists, producers, vocalists, and MCs with mental health Lived Experience.

In response to urgent rising mental health need among young adults following the coronavirus pandemic, in 2020/21 the charity launched a new five-week version - Studio Discovery. This is enabling us to engage many more young people in opportunities to collaborate with expertly matched Music Industry Mentors – exploring song writing, production and recording in a professional studio environment.

Both programmes offer regular live performance opportunities at Pop Brixton's bustling indoor/outdoor venue, including Key Changes' monthly Open Mic 4 Mental Health.

Artists also receive support to release music via our in-house label Key Changes Records; A&R feedback and coaching from a vibrant team of music industry experts, and support with identifying and accessing progression opportunities in creative education, training, and work experience.

Throughout 2020/21 artists benefitted from industry insights and coaching from experts including:

- BRIT, Grammy and Mercury award-winning artist Nao
- MOBO winning singer-songwriter Zara McFarlane
- Music entrepreneur & Prime Loops founder Ben Jay
- Ronan Morrissey (British Underground)
- Josh Farmer (NTS Radio)
- Kaptin Barrett (Boomtown Festival)
- Record label representatives including DJ Pitch (Tobago Tracks, All Centre); Rob Luis (Tru Thoughts); Ashley Sykes (Lost Ones Music); and Leon Haynes (Polydor).



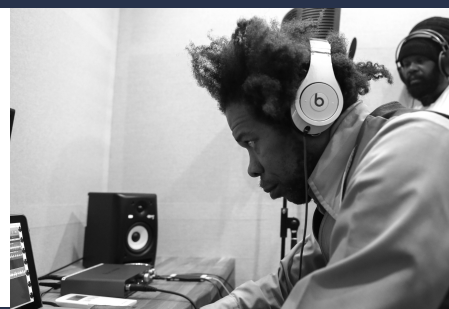
COMMUNITY PROGRAMMES

Key Changes' unique approach promotes positive self-identity by offering artists a new way of knowing themselves, and a chance to redefine who they are – through professional music videos, photography, artist biographies and artwork which are shared and promoted through our vibrant digital media channels.

With vital funding support from City Bridge Trust, Youth Music, Arts Council England, and other supporters we have also increased our capacity to support young people leaving hospital care to access continuing Key Changes support in the community. In the coming year we will be delivering Studio Discovery to hundreds of young people from across Greater Manchester, Birmingham, Bristol, and Brighton.



HOSPITAL PROGRAMMES



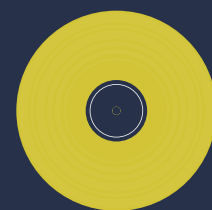
Despite exceptional circumstances, we were able to continue providing in-person services in hospitals through the pandemic. The extraordinary challenges placed many hurdles in the way, especially around infection control and other health and safety concerns.

Throughout the year we continued to deliver 'in-reach' support to young people and adults receiving treatment on acute, intensive care, forensic and rehabilitation psychiatric wards in hospitals in London and other locations. This involved close partnership working with NHS and private in-patient providers.

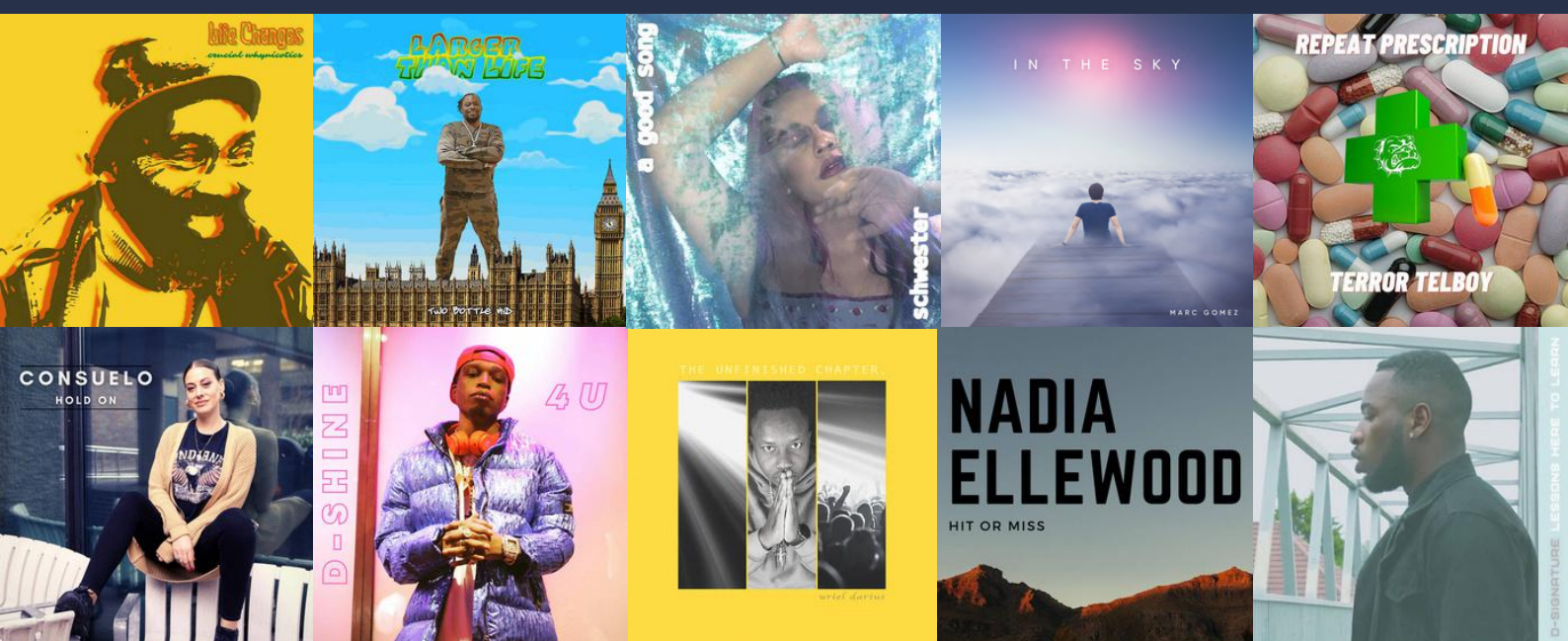
Our community support for those leaving hospital care has been enhanced by a significant increase in our five-week Studio Discovery taster programme, and 12-week Music industry Recovery Programme for those with greater level of need. Both programmes share our therapeutic approach fusing sessions with music industry mentoring.



KEY CHANGES RECORDS NEW RELEASES



More than 60 artists in mental health recovery released new music via our in house label throughout the year, spanning everything from Soul, HipHop, and R'n'B to Jazz, Blues, Rock and Alternative.



Artist Spotlight: D-Shine

London-based rapper D-Shine makes experimental hip hop - drawing influences from West Coast stars including Lil' Wayne, Dr Dre and Snoop Dogg.

Born in Zimbabwe, he came to England when he was 17 and faced the daunting task of learning to speak and rap in a new language. His mental health was affected by these and other difficulties, leading to some hard times including several hospital admissions. However, D-Shine is firmly focused on the positive, reflecting that "I am now able to do things I couldn't do, like education and making music."

He credits Key Changes with helping his recovery and says "I never dreamed I would be making music with professional producers. It gives me an activity during the week and gives me a focus for my energy".

D-Shine's debut album '4 U' is out now on Key Changes Records.



D - Shine



D-Shine

LIVE PERFORMANCE & VOLUNTEERING OPPORTUNITIES

Despite the difficulties of delivering live music events throughout the pandemic, Key Changes made excellent use of the vibrant atmosphere at Pop Brixton's performance space throughout the year. We delivered fortnightly Open Mic 4 Mental Health events from July 2020 onwards, enabling artists to meet and socialise safely, hone their stagecraft skills, and get involved in a wide range of volunteering roles including sound engineering, front-of-house, hospitality, and promotion.



Artist Spotlight: Schwester

Schwester is a unique alternative artist whose musical influences growing up ranged from Bollywood film soundtracks to chart-topping pop and female fronted grunge bands like Skinny Girl Diet. Having made music with her twin sister for several years, Schwester is passionate about addressing racial and gender imbalances in the music industry through her work with Key Changes. She is currently collaborating with Key Changes producer David Corney (AKA Hyetal) on her upcoming release.

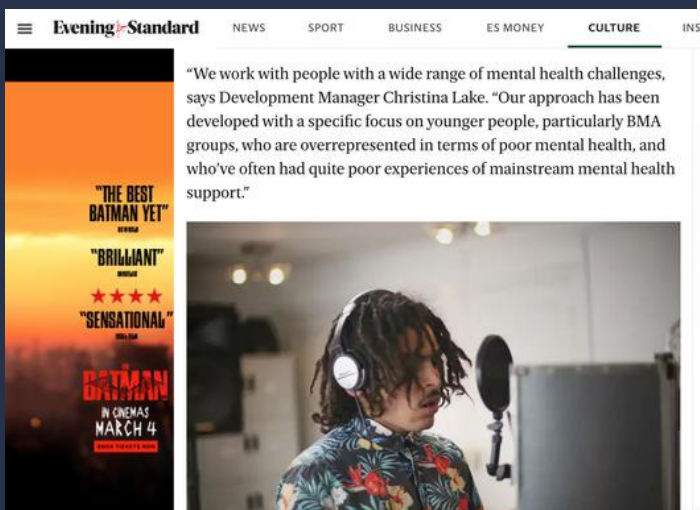


EXTERNAL ENGAGEMENT & MEDIA COVERAGE

Our charity received coverage in national and local media including Sky News, ITV News, Evening Standard, Clash Magazine, Islington Gazette, and others. Our social media channels continued to grow with over 20,000 subscribers and followers on our Twitter, Instagram, Facebook and YouTube channels. For World Mental Health Day 2020, we invited professionals from across the music industry to share their three words of mental health advice for artists during the pandemic.

Shortlist announced: Award for Civic Arts Organisations 2022

Where is the Maxilla Men's Shed and who is going to the 'Walkshops'? An extraordinary national picture is emerging about the depth of arts organisations' commitment to working with their communities. The shortlist is for the £150,000 Award for Civic Arts Organisations by Calouste Gulbenkian Foundation and King's College London, whose recipients will be announced in an online ceremony on 23 March.



AUTHENTICITY IS KEY

HAN SUPRA
BALAMII RADIO DJ

#musicindustry #mentalhealth @keychangesmusic

MUSIC SPARKS JOY

NAOMI POHL
DEPUTY GENERAL SECRETARY
MUSICIANS UNION

#musicindustry #mentalhealth @keychangesmusic

TALK, SHARE, LISTEN

NAO
SINGER, SONGWRITER

#musicindustry #mentalhealth @keychangesmusic

RESILIENCE, FLEXIBILITY, PASSION

ELLIOT MAY
SINGER/SONGWRITER -
"DO YOUR THING" - BASEMENT JAXX

#musicindustry #mentalhealth @keychangesmusic

EXTERNAL ENGAGEMENT & MEDIA COVERAGE

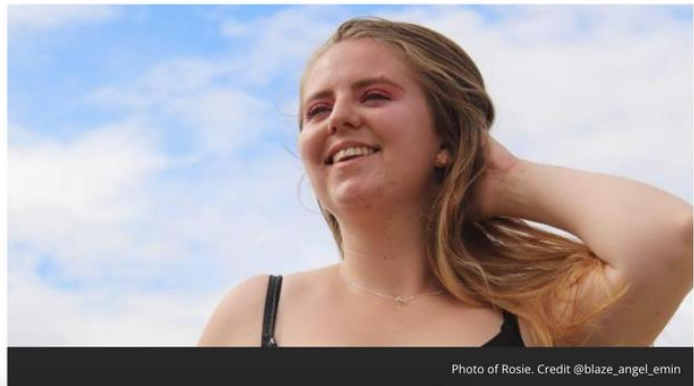


MAKING MUSIC DURING THE PANDEMIC: KEY CHANGES GOES ONLINE

Written by Amy Mellows, Youth Music NextGen. This interview took place in October 2020, and was published on 11 January 2021.

Set up in 1997 by a group of patients at Highgate Mental Health Centre, Key Changes provides music industry-focused mental health recovery services in hospitals and the community for musicians, song writers, lyricists, producers, vocalists and MC's. Their approach promotes wellbeing and recovery through studio sessions, artist development and live performance. Supported by music industry mentors, participants develop skills that open pathways to opportunities in education, work experience and employment.

Hainault based Singer-songwriter and Community Arts



Artist Spotlight: Two Bottle Kid

Hailing from South London, Two Bottle Kid is a versatile vocalist with a deep love for all things Reggae, Dancehall and HipHop. From his school days, Two Bottle was experimenting with poetry and developing his skills as a lyricist, and he went on to DJ with his local sound system in Brixton. In 2003, he was diagnosed with psychosis, marking the start of a long mental health recovery journey. Two decades on, Two Bottle has re-engaged with his music career through Key Changes. He says the charity has helped rebuild his confidence and focus on the positive. His latest release, 'Ready to Pounce' is out now on Key Changes Records.



FINANCIAL REVIEW



Key Changes generated total income of £404,701 in 2020/21, an increase of 15% per cent on 2019/20.

£56,988 of income was from unrestricted sources. General donations were just under £16,000. Expenditure increased by 8% to £327,209, reflecting additions to staff and increased project activity. Total surplus for the 2020/21 year was £77,429 including £36,988 surplus from unrestricted income.

RESERVES POLICY

The trustees seek to maintain a financial reserve in order to protect the organisation and its services from financial disruption, and provide working capital for innovation and service development. In order to maximise funding of service delivery and minimize unnecessary retention of income, the trustees have determined that the organisation needs free reserves to cover three months of core costs, and one month of project delivery costs. At budgeted activity levels (as at 31st March 2021) this equated to £54,000.

GOVERNANCE AND MANAGEMENT

The organisation is a charitable company limited by guarantee, incorporated on 20th January 2003 and registered as a charity on 17th May 2004. The company was established under a Memorandum of Association which established the objects and powers of the organisation. Key Changes is governed under its Articles of Association which were most recently updated in October 2020. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £1.

ORGANISATIONAL STRUCTURE AND DECISION MAKING

Governance is overseen by a Board of Trustees (the Board) which sets strategic direction, agrees budgets and operational policies and monitors performance. Trustees are recruited to provide the skills and insights the Board judges to be necessary for the effective management of the organisation. These currently include organisational strategy, financial management, fundraising, arts administration, mental health experience and music industry expertise. Trustees are also appointed to provide service user and staff representation. We are currently in the process of recruiting a new treasurer. The Chief Executive Officer attends the Board in his role as Company Secretary but has no voting rights.

All trustees give their time voluntarily and receive no benefits from the charity, except for the single staff representative trustee who receives payment for work undertaken towards the normal operation of business as governed by contracts of service. Trustee expenses reclaimed from the organisation are shown within the governance costs shown in the charity's accounts. Trustees are required to disclose all relevant interests and to withdraw from any decisions where a conflict of interest arises.

Day-to-day management of the organisation is delegated to the Chief Executive Officer, who is responsible for ensuring that the charity delivers the services specified and that key performance indicators are met. The Chief Executive Officer provides individual supervision of the staff team and ensures that the team continuously develop their skills and knowledge in line with good practice.

TRUSTEE RECRUITMENT AND INDUCTION

Requirements for new trustees are identified by the Board, and selective advertising and networking is used to identify candidates with the skills and insights required. Potential candidates are interviewed by the Chief Executive Officer and invited to observe a Board meeting prior to appointment being formalised by the remaining Board member. New trustees are provided with induction materials covering the organisation's strategy, operating procedures and the expectations and responsibilities of trustees. As a minimum, this includes supported one-to-one review of Safeguarding and other policies, and further safeguarding training facilitated by Key Changes' organisational safeguarding lead. Where appropriate to their role, trustees may be required to undertake further safeguarding training such as Level 1 Safeguarding Children training, and training on mental health awareness provided by our in-house experts.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also directors of Key Changes for the purposes of company law) are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom accounting standards. Company law requires the management committee to prepare financial statements for each financial year which give a true and fair view of the affairs of the charitable company as at the balance sheet date; and its incoming resources and application of resources including income and expenditure for the financial year.

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 to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual report and accounts have been prepared in accordance with the SORP issued in October 2019; Financial Reporting Standard (FRS) 102; the Charities Act 2011; the Companies Act 2006 (including provisions in Part 15 applicable to companies subject to the small companies' regime) and UK Generally Accepted Accounting Practice (UK GAAP).

Approved by the Management Committee on:

24th March 2022

and signed on its behalf by:



Adam Thomas
Chair of Trustees

COMPANY REGISTRATION NUMBER: 4641867
CHARITY REGISTRATION NUMBER: 1103774

**Key Changes: Positive Mental Health Through Music
Limited**

**Company Limited by Guarantee
Unaudited Financial Statements
31 March 2021**

**Jackson & Jackson
A trading name of Jackson Nicholas Assie Limited
Chartered Certified Accountants & Statutory Auditors
Suite 7, Meridian House
62 Station Road, Chingford
London E4 7BA**

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 March 2021

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' annual report was approved on 24 March 2022 and signed on behalf of the board of trustees by:



Adam Thomas
Chair

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Key Changes: Positive Mental Health Through Music Limited

Year ended 31 March 2021

I report to the trustees on my examination of the financial statements of Key Changes: Positive Mental Health Through Music Limited ('the charity') for the year ended 31 March 2021.

Responsibilities and basis of report

As the trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Key Changes: Positive Mental Health Through Music Limited *(continued)*

Year ended 31 March 2021

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



**John Assie FCCA
Independent Examiner
Jackson Nicholas Assie Limited
Chartered Certified Accountants**
Suite 7, Meridian House
62 Station Road
Chingford
London E4 7BA

Date 28 March 2022

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 March 2021

		Unrestricted funds £	2021 Restricted funds £	Total funds £	2020 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	39,617	–	39,617	16,839
Charitable activities	6	322,145	69,033	391,178	334,408
Total income		<u>361,762</u>	<u>69,033</u>	<u>430,795</u>	<u>351,247</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	7	298	–	298	14,852
Expenditure on charitable activities	8,9	284,013	43,146	327,159	288,941
Total expenditure		<u>284,311</u>	<u>43,146</u>	<u>327,457</u>	<u>303,793</u>
Net income and net movement in funds		<u>77,451</u>	<u>25,887</u>	<u>103,338</u>	<u>47,454</u>
Reconciliation of funds					
Total funds brought forward		36,943	47,731	84,674	37,220
Total funds carried forward		<u>114,394</u>	<u>73,618</u>	<u>188,012</u>	<u>84,674</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 25 to 35 form part of these financial statements.

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	15	3,723	–
Current assets			
Debtors	16	81,242	16,296
Cash at bank and in hand		115,770	72,997
		<u>197,012</u>	<u>89,293</u>
Creditors: amounts falling due within one year	17	<u>(12,723)</u>	<u>(4,619)</u>
Net current assets		<u>184,289</u>	<u>84,674</u>
Total assets less current liabilities		<u>188,012</u>	<u>84,674</u>
Net assets		<u>188,012</u>	<u>84,674</u>
Funds of the charity			
Restricted funds		73,618	47,731
Unrestricted funds		<u>114,394</u>	<u>36,943</u>
Total charity funds	18	<u>188,012</u>	<u>84,674</u>

For the year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of trustees and authorised for issue on 24 March 2022, and are signed on behalf of the board by:

The notes on pages 25 to 35 form part of these financial statements.



Adam Thomas
Trustee



Mark Vincent
Trustee

Company Registration Number: 4641867

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 March 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income	103,338	47,454
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	1,861	—
Interest payable and similar charges	87	—
Accrued income	(8,984)	—
<i>Changes in:</i>		
Trade and other debtors	(54,012)	(801)
Trade and other creditors	6,154	(1,007)
Cash generated from operations	48,444	45,646
Interest paid	(87)	—
Net cash from operating activities	48,357	45,646
Cash flows from investing activities		
Purchase of tangible assets	(5,584)	—
Net increase in cash and cash equivalents	42,773	45,646
Cash and cash equivalents at beginning of year	72,997	27,351
Cash and cash equivalents at end of year	115,770	72,997

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 March 2021

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is St Luke's Community Centre, 90 Central Street, London, EC1V 8AJ.

2. Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued in October 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The trustees have considered the impact of COVID-19 on the charities activities and have concluded there is no long-term impact on the Organisation. As a result, it is considered that the going concern status remains intact.

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment - Straight line over 3 years

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

Accounting policies *(continued)*

4. Limited by guarantee

Key Changes is a company limited by guarantee and accordingly does not have a share capital.

Every member of the company undertakes to contribute such amount as may be required not exceeding £1 to the assets of the charitable company in the event of its being wound up while he or she is a member, or within one year after he or she ceases to be a member.

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations	39,617	39,617	16,839	16,839

6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Fees - Music Engagement and Recovery Services and Musical Performances	118,299	—	118,299
National Lottery	—	—	—
National Foundation of Youth Music	10,000	42,033	52,033
LB Hackney	—	—	—
Tudor Trust	2,000	27,000	29,000
Lloyds Bank Foundation	10,216	—	10,216
LB Islington	19,700	—	19,700
St James Place	—	—	—
Camden Giving	715	—	715
PRS Foundation	5,000	—	5,000
Chalk Hill Trust	—	—	—
Goldsmith Charity	—	—	—
D Oyly Carte Charitable Trust	—	—	—
Arts Council	33,700	—	33,700
Baring	12,250	—	12,250
Bupa	30,000	—	30,000
City of London	46,710	—	46,710
Garfield Weston Foundation	10,000	—	10,000
Groundwork UK	3,555	—	3,555
Mind – Coronavirus Mental Health Response fund	20,000	—	20,000
	<u>322,145</u>	<u>69,033</u>	<u>391,178</u>

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

6. Charitable activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Fees - Music Engagement and Recovery Services and Musical Performances	101,753	—	101,753
National Lottery	—	47,417	47,417
National Foundation of Youth Music	—	42,034	42,034
LB Hackney	—	37,594	37,594
Tudor Trust	—	27,000	27,000
Lloyds Bank Foundation	—	25,000	25,000
LB Islington	—	19,700	19,700
St James Place	—	9,970	9,970
Camden Giving	—	6,340	6,340
PRS Foundation	—	5,000	5,000
Chalk Hill Trust	—	4,900	4,900
Goldsmith Charity	—	3,200	3,200
D Oyly Carte Charitable Trust	—	3,000	3,000
Arts Council	—	1,500	1,500
Baring	—	—	—
Bupa	—	—	—
City of London	—	—	—
Garfield Weston Foundation	—	—	—
Groundwork UK	—	—	—
Mind – Coronavirus Mental Health Response Fund	—	—	—
	<u>101,753</u>	<u>232,655</u>	<u>334,408</u>

7. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2021 £	Unrestricted Funds £	Total Funds 2020 £
Costs of raising donations and legacies – fundraising costs	<u>298</u>	<u>298</u>	<u>14,852</u>	<u>14,852</u>

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Recovery support and artist development	223,353	40,166	263,519
Support costs	60,660	2,980	63,640
	<u>284,013</u>	<u>43,146</u>	<u>327,159</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Recovery support and artist development	42,400	212,424	254,824
Support costs	34,117	—	34,117
	<u>76,517</u>	<u>212,424</u>	<u>288,941</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2021 £	Total fund 2020 £
Recovery support and artist development	263,519	54,663	318,182	283,847
Governance costs	—	8,977	8,977	5,094
	<u>263,519</u>	<u>63,640</u>	<u>327,159</u>	<u>288,941</u>

10. Analysis of support costs (excluding governance costs)

	Total 2021 £	Total 2020 £
Admin	6,617	—
Repairs and maintenance	1,068	—
Volunteer Expenses	2,735	1,683
Office and Studio Rent	30,674	21,093
Marketing, Publicity and Website	3,804	590
Printing, Postage and Stationery	764	2,079
Telecommunications	1,433	1,293
Computer Expenses	3,066	769
Equipment	1,029	243
Membership and Subscription	545	527
Insurance	585	746
Miscellaneous	2,343	—
	<u>54,663</u>	<u>29,023</u>

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

10a. Analysis of governance costs

	Total 2021	Total 2020
	£	£
Independent Examiners Fees	4,032	775
Bookkeeping	2,295	2,105
DBS	631	856
Bank and Other Charges	451	257
AGM/Board Meeting Expenses	1,465	1,101
Legal and Professional Fees	103	—
	<u>8,977</u>	<u>5,094</u>

11. Net income

Net income is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible fixed assets	1,861	—
Operating lease rentals	<u>30,047</u>	<u>20,160</u>

12. Independent examination fees

	2021	2020
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	<u>4,032</u>	<u>775</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2021	2020
	£	£
Wages and salaries	64,809	64,068
Social security costs	<u>3,132</u>	<u>1,738</u>
	<u>67,941</u>	<u>65,806</u>

The average head count of employees during the year was 2 (2020: 2). The average number of full-time equivalent employees during the year is analysed as follows:

	2021	2020
	No.	No.
Number of staff	<u>2</u>	<u>2</u>

No employee received employee benefits of more than £60,000 during the year (2020: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total paid to key management personnel for services provided to the charity was £48,330 (2020: £40,960).

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

14. Trustee remuneration and expenses

- no remuneration or other benefits from employment with the charity or a related entity were received by the trustees; or
- one or more trustees has claimed expenses or had their expenses met by the charity.

During the year Adam Thomas and Andrew Denney, both had expenses to the value of £461.12 and £13 respectively, being reimbursed to them to cover the trustee meeting costs (2020: None).

15. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2020	–
Additions	5,584
At 31 March 2021	5,584
Depreciation	
At 1 April 2020	–
Charge for the year	1,861
At 31 March 2021	1,861
Carrying amount	
At 31 March 2021	3,723
At 31 March 2020	–

16. Debtors

	2021 £	2020 £
Trade debtors	50,742	–
Prepayments and accrued income	26,084	15,000
Other debtors	4,416	1,296
	81,242	16,296

17. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	300	–
Accruals	4,405	2,455
Social security and other taxes	8,018	2,164
	12,723	4,619

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

18. Analysis of charitable funds

Unrestricted funds

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
General funds	36,943	361,762	(284,311)	114,394

	At 1 April 2019	Income	Expenditure	At 31 March 2020
	£	£	£	£
General funds	9,720	118,592	(91,369)	36,943

Restricted funds

	At 1 April 2020	Income	Expenditure	At 31 March 2021
	£	£	£	£
Hospital Programme	—	—	—	—
Community Programme	27,731	42,033	(43,146)	26,618
Lloyds Bank Foundation	20,000	—	—	20,000
Tudor Trust	—	27,000	—	27,000
	<u>47,731</u>	<u>69,033</u>	<u>(43,146)</u>	<u>73,618</u>

	At 1 April 2019	Income	Expenditure	At 31 March 2020
	£	£	£	£
Hospital Programme	—	57,294	(57,294)	—
Community Programme	6,000	123,361	(101,630)	27,731
Lloyds Bank Foundation	21,500	25,000	(26,500)	20,000
Tudor Trust	—	27,000	(27,000)	—
	<u>27,500</u>	<u>232,655</u>	<u>(212,424)</u>	<u>47,731</u>

Purposes of Funds

Hospital Programme – This programme provides mental health recovery-focused music workshops on the wards in acute, intensive care, rehabilitation and other in patient mental health settings.

Community Programme – This programme provides structured recovery-focused programmes for musicians experiencing depression, anxiety, PTSD, bipolar disorder, psychosis and other mental illness using specially adapted music industry practices.

Lloyds Bank Foundation – This funding is to facilitate salary costs.

Tudor Trust – This funding is to facilitate salary costs

Key Changes: Positive Mental Health Through Music Limited

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

19. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	3,723	–	3,723
Current assets	123,394	73,618	197,012
Creditors less than 1 year	(12,723)	–	(12,723)
Net assets	114,394	73,618	188,012

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	–	–	–
Current assets	41,562	47,731	89,293
Creditors less than 1 year	(4,619)	–	(4,619)
Net assets	36,943	47,731	84,674

20. Analysis of changes in net debt

	At 1 Apr 2020 £	Cash flows £	At 31 Mar 2021 £
Cash at bank and in hand	72,997	42,773	115,770

21. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	41,220	20,160
Later than 1 year and not later than 5 years	24,450	34,080
	65,670	54,240

22. Post balance sheet events

During December 2021 the charity entered a contract with the Cultural Impact Development Loans organisation. Cultural Impact Development Loans has provided a loan to the charity for the amount of £66,666, this is to provide additional working capital for the advancement of existing activities and programmes. The loan will be repayable over 5 years from January 2022.

23. Related parties

In addition to the reimbursement of trustee expenses in note 14, A Denney, A Thomas, E Jack, J Brown, M Vincent, S Odufoye and S Smith were each given £50 gift vouchers for services supplied to the charity. There were no such transactions in the previous year