

2022



# ANNUAL REPORT

Key Changes:  
Positive Mental Health Through Music Ltd.





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"OPENED THE DOOR  
DURING MY DARKEST DAYS  
- HELPED ME REDISCOVER  
MY MUSICAL SOUL"

V3SPA



# About Key Changes

We're a national charity working with local communities to promote positive mental health & wellbeing through music.

Our services support people struggling with depression, anxiety, PTSD, bipolar, psychosis, neurodiverse conditions including ADHD, autism spectrum disorder, dyslexia, dyspraxia and other learning disabilities.

Using a unique music industry informed, evidence based therapeutic approach, our work is delivered by a mentor team composed of specially trained professional producers, artists, managers, industry experts and creatives.

Our programmes are specifically designed for, and with, groups that are disproportionately represented in the mental health system. We aim to address health inequalities, social exclusion, and stigma and discrimination.





Since 1997 we have been supporting people experiencing barriers to mainstream opportunities due to mental ill health.

More than 85% of participants have been from low-income Black or other minority ethnic backgrounds of whom a third have first engaged whilst sectioned under the Mental Health Act.

We have a track record of supporting 'hard to reach' communities and developing specialist projects for groups including asylum seekers, refugees, individuals from the LGBTQ+ community.

Our evidence-based approach draws on clinical therapeutic techniques combined with specifically adapted elements of music industry practice.

Our innovative programmes support creative, technical and vocational skills and open pathways to mainstream opportunities in education, training, work experience and employment.





"HELPED ME OVERCOME MY ANXIETIES  
& ACHIEVE MY DREAM OF BECOMING  
A RECORDING ARTIST"

SOPHIE



# Trustees report

The Trustees present their annual report and financial statements for the year ended 31 March 2022.

The annual report and accounts have been prepared in accordance with the SORP issues 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.

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 improve the mental health and wellbeing of people with a wide range of mental health challenges. Our core programming is delivered in both hospitals and community settings, and offers mentoring support from professional musicians and producers, and artist development with industry experts.

These activities promote wellbeing and recovery through developing creative, technical and vocational skills and 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.





### Financial Review

2021/22 total income £452,387 (5% increase on 2020/21). £200,767 from unrestricted sources. £53,486 increased income from charitable activities. General donations £7,630. Expenditure £423,328 (28% increase due to staff recruitment, service growth, COVID related operational costs). Total funds carried forward from 2021/22 £217,071. £33,266 surplus from unrestricted income.



### Reserves Policy

A financial reserve protects the organisation and its services from financial disruption and provides working capital for innovation and development. To maximise funding of services and minimize retention of income the trustees have determined that the organisation needs reserves to cover 3 months of core costs and 1 month of delivery costs. At 31st March 2022) this equated to £58,000.



### Governance & Management

Charitable company limited by guarantee, incorporated 20th January 2003 and registered as a charity 17th May 2004. Established under a Memorandum of Association governed under Articles of Association updated October 2020. In event of being wound up members required to contribute amount not exceeding £1.



### Organisational Structure & Decision Making

Governance is overseen by Board of Trustees which sets strategic direction, agrees budgets and operational policies, and monitors performance. Trustees provide skills, insights and staff representation. Day-to-day management is delegated to CEO, who ensures delivery of services and key performance indicators. CEO attends Board as Company Secretary but has no voting rights.



### Trustee Recruitment & Induction

Requirements for new trustees are identified by the Board, and selective advertising and networking is used to identify candidates with skills and insights required. Potential candidates are interviewed by the CEO and invited to observe a Board meeting prior to appointment being formalised by the Board. New trustees are provided with induction materials covering the expectations and responsibilities of trustees. As a minimum, this includes review of Safeguarding and other policies.



### Responsibilities of the trustees

The trustees (also directors for purposes of company law) are responsible for preparing annual report and financial statements. Company law requires financial statements which give a true view at balance sheet date; The trustees are responsible for keeping records that disclose the financial position of the company, and ensure the financial statements comply with the Companies Act 2006. Trustees are responsible for safeguarding the assets and taking steps for prevention of fraud and other irregularities.



# Chair's report

All the people we help each year are struggling with mental illness and the stigma, discrimination, social injustice, and health inequalities that come with it. Increasingly they're also dealing with homelessness or housing insecurity, money worries, food and fuel poverty. Over 95% are unemployed or low income; 85% are from racialised communities.

Our services are being provided against a backdrop of the ongoing effects of the pandemic, economic and political uncertainty, funding cuts and reductions to support elsewhere. Daily, our staff find themselves being asked to take up the slack, navigating the Care Act and Mental Health Act to ensure we can continue to meet ever more complex needs.

Remarkably, the charity has continued to thrive. The dedication and passion of our CEO and staff team, trustees, volunteers, and service users has contributed to positive progress towards our Business Plan key priorities:

- Recognition as national leading authority on specialist music services for mental health
- Build music industry support to raise profile within the industry/wider public
- Broker external research support to validate & showcase our unique impact
- Adapt effectively to changing mental health needs in the wake of COVID19

Board sub-committees provide strategic expertise in health and social care and the music industry. Investment from Nesta's Cultural Impact Development Fund is facilitating new partnerships with local authorities and NHS. The introduction of our new Lamplight database and online systems have delivered service improvements and efficiencies. Our record label, membership of networks including Culture Health Wellbeing Alliance, and extensive media coverage brings our work to growing audiences.

The resulting energy and momentum, together with ongoing coproduction with our service users, means the charity is well placed to respond to these challenging times.



## Administrative Information

**Key Changes**  
Positive Mental Health Through Music Ltd

Charity Number: 1103774  
Company Number: 04641867

**Registered Office:**  
46 - 50 Oldham St, Manchester M4 1LE  
**Operational Locations:**  
St Lukes Community Centre London EC1V 8AJ  
Pop Brixton London SW9 8PQ  
Green Fish Resource Centre Manchester M4 1LE

**Board**  
Adam Thomas, Chair  
Annette Alcock, Vice Chair  
Paul Bonham  
Johny Brown  
Elliott Jack  
Kelly McMinn  
Sukie Smith  
Mark Vincent

**Senior Management**  
Peter Leigh, CEO  
Johan Ohlstrom, Service Manager  
Ed West, Operations Manager

**Bank**  
TSB Business

**Independent Examiner**  
John N Assie FCCA  
Jackson Nicholas Assie Ltd



"GAVE ME HOPE & SUPPORT,  
A PLACE TO MEET LIKEMINDED PEOPLE,  
LIFTED MY MOOD & CONFIDENCE"

DAZZLER



# Our Services



## Hospitals

Pop-up recording studio sessions for young people & adults on inpatient acute, intensive care, rehabilitation, and other psychiatric wards



## Community

Mood-boosting recovery-focused mentoring programmes, tailored to individual interests & aspirations, delivered in professionally equipped studios



## Progression

Volunteering opportunities & supported work placements, progression to education, training and employment



## Performance

Performance at open mic's, concerts and in music video, boosts artists' confidence & self-esteem and challenges stigma & discrimination around mental health issues

# Our Impact

2022

4,650

100%

95%

85%

60%

5,970

1,254

78

29

1,152

73

76



people accessing  
service

experiencing mental  
health difficulties

unemployed /  
low income

Black /  
minority ethnic

homeless or  
insecure housing

hours of  
one-to-one support

hours of phone  
contact with service  
users / care teams

supported  
volunteering & work  
experience placements

progression to  
education, training  
or employment

hours of professional  
volunteers' time

"Open Mic  
4 Mental Health"  
events

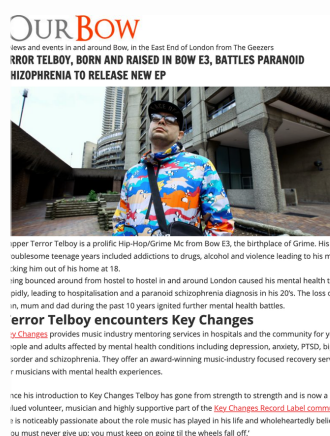
releases on  
Key Changes  
Records



# Selected Achievements



Awards



Media



Conferences & Performances

2009  
Linda Polan Trophy

2010  
C&I Trust Services for  
the Wider Community

2014  
Positive Practice in  
Mental Health Award  
(Diversity Category)

2021  
UK Civic Arts Award  
Finalist

BBC One "The One Show"  
Sky News  
ITV News  
BBC London News  
BBC Radio London  
"Being Black, Going Crazy"  
(BBC3 documentary)  
"Behind Locked Doors"  
(MIND documentary)  
The Independent  
Evening Standard  
City AM  
Islington Gazette  
Islington Tribune  
Camden New Journal  
Camden Gazette  
Ham & High  
Clash Magazine  
Huck Magazine  
Trench Magazine  
GRM Daily  
Link up TV

2016  
Royal College of Psychiatry  
Diversity Conference

2017  
Good Thinking  
Conference

2018  
Mayor Of London  
Health Conference

2019  
Power of Music in  
Healthcare Conference

2012-2020  
Word Festival

2021  
CHWA Awards

2022  
Dignity in Care Awards

# Mental Health Context

Global prevalence of anxiety and depression increased by 25% in the first year of the COVID-19 pandemic (*World Health Organization (WHO)*)

1 in 4 people will experience a mental health problem of some kind each year in England (*MIND*)

Mental ill health is the second-largest cause of burden of disease in England (*Mental Health Foundation*)

HALF OF MENTAL ILL  
HEALTH STARTS BY

**age 15**

AND 75% DEVELOPS BY  
AGE 18

CHILDREN AND YOUNG  
PEOPLE

**18,778**

ADMITTED TO HOSPITAL  
FOR SELF HARM (2016)

PREVALENCE  
OF MENTAL HEALTH  
CONDITIONS

**25-30%**

IN HOMELESS POPULATION

CASES OF WORK-RELATED  
STRESS, DEPRESSION OR  
ANXIETY

**602,000**

IN GREAT BRITAIN  
(2018/19)

BLACK PEOPLE

**4X**

MORE LIKELY  
THAN WHITE PEOPLE  
TO BE DETAINED UNDER  
MENTAL HEALTH ACT

EVERY YEAR

**£105 billion**

ECONOMIC COSTS OF  
MENTAL HEALTH ISSUES  
IN ENGLAND

*"The information we have now about the impact of COVID-19 on the world's mental health is just the tip of the iceberg. This is a wake-up call to all countries to pay more attention to mental health and do a better job of supporting their populations' mental health."*

*Dr Tedros Adhanom Ghebreyesus  
WHO Director-General*



"BRINGS PEOPLE TOGETHER  
AND PUSHES THEM THAT LITTLE BIT  
FURTHER"

RUTH



# Supporters



Alexandra Park School  
Andrew Denney  
Arts Council England  
Avon & Wiltshire  
Mental Health Partnership  
Baring Foundation  
Barnet, Enfield & Haringey  
Mental Health NHS Trust  
Brook  
BUPA Foundation  
C&I Charity  
Camden & Islington  
NHS Foundation Trust  
Camden Giving  
Carrie Hill  
Central & North West London  
NHS Foundation Trust  
Charles S French Charitable Trust  
Charlie Hetherington  
City Bridge Trust  
City of London  
Coop Community Fund  
CRH Charitable Trust  
Culture, Health & Wellbeing Alliance  
D'Oyly Carte Charitable Trust  
Duchy of Lancaster Benevolent Fund  
East London NHS Foundation Trust  
Focusrite  
Friends of Aaron Carter  
Garfield Weston Foundation  
Greater Manchester Mental Health  
NHS Foundation Trust  
Jannete Hamrouni  
Henry Smith Charity  
Hesper Murray

Last Night a DJ Foundation  
Lloyds Bank Foundation  
London Borough of Hounslow  
London Borough of Islington  
Manchester Guardian Society  
Charitable Trust  
Melissa Dicks  
Morris Charitable Trust  
Mrs Smith & Mount Trust  
NESTA Cultural Impact  
Development Fund  
Old Oak and Park Royal  
Development Corporation (OPDC)  
Paul Sparshott  
Peter & Sue Woodsford  
Pixel Fund  
Pop Brixton  
Postcode Society Trust  
Richer Sounds Foundation  
Savannah Morrish  
St Luke's Community Centre  
Shears Foundation  
Sir Jules Thorn Charitable Trust  
Soundtoys  
South London & Maudsley  
NHS Foundation Trust  
Specialist Community Forensic Team  
Sussex Partnership NHS Foundation Trust  
Swire Charitable Trust  
Tudor Trust  
Tesco Community Grants  
Victoria Hulme  
Waitrose & Partners Clerkenwell  
Youth Music  
Zochonis Charitable Trust

WE ARE GRATEFUL  
TO THOSE WHO  
SUPPORTED THE  
CHARITY IN 2021/22





"BEEN IN AND OUT OF HOSPITAL  
FROM AGE 15 - HAVEN'T BEEN BACK  
SINCE I STARTED COMING HERE"

STICKZ



# Financial Report



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

**Company Limited by Guarantee  
Unaudited Financial Statements**

**31 March 2022**

**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**

**Financial Statements**

**Year ended 31 March 2022**

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

## **Company Limited by Guarantee**

### **Trustees' Annual Report (Incorporating the Director's Report) *(continued)***

**Year ended 31 March 2022**

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#### **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 30 January 2023 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 2022**

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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 2022.

#### **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 2022**

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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

31 January 2023

# 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 2022

			2022		2021
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
<b>Income and endowments</b>					
Donations and legacies	5	7,630	–	7,630	39,617
Charitable activities	6	193,137	288,907	482,044	391,178
Other income	7	93	–	93	–
<b>Total income</b>		<u>200,860</u>	<u>288,907</u>	<u>489,767</u>	<u>430,795</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	5,626	–	5,626	298
Expenditure on charitable activities	9,10	<u>276,402</u>	<u>141,300</u>	<u>417,702</u>	<u>327,159</u>
<b>Total expenditure</b>		<u>282,028</u>	<u>141,300</u>	<u>423,328</u>	<u>327,457</u>
<b>Net income and net movement in funds</b>		<u>(81,168)</u>	<u>147,607</u>	<u>66,439</u>	<u>103,338</u>
<b>Reconciliation of funds</b>					
Total funds brought forward		114,394	73,618	188,012	84,674
<b>Total funds carried forward</b>		<u>33,226</u>	<u>221,225</u>	<u>254,451</u>	<u>188,012</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 18 to 30 form part of these financial statements.

# Key Changes: Positive Mental Health Through Music Limited

## Company Limited by Guarantee

### Statement of Financial Position

31 March 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible fixed assets	16	4,754	3,723
<b>Current assets</b>			
Debtors	17	92,387	81,242
Cash at bank and in hand		246,531	115,770
		<u>338,918</u>	<u>197,012</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>(35,888)</u>	<u>(12,723)</u>
<b>Net current assets</b>		<u>303,030</u>	<u>184,289</u>
<b>Total assets less current liabilities</b>		<u>307,784</u>	<u>188,012</u>
<b>Creditors: amounts falling due after more than one year</b>	19	<u>(53,333)</u>	<u>—</u>
<b>Net assets</b>		<u><u>254,451</u></u>	<u><u>188,012</u></u>
<b>Funds of the charity</b>			
Restricted funds		221,225	73,618
Unrestricted funds		<u>33,226</u>	<u>114,394</u>
<b>Total charity funds</b>	21	<u><u>254,451</u></u>	<u><u>188,012</u></u>

For the year ending 31 March 2022 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.

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

## **Company Limited by Guarantee**

### **Statement of Financial Position *(continued)***

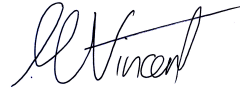
**31 March 2022**

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These financial statements were approved by the board of trustees and authorised for issue on 30 January 2023, and are signed on behalf of the board by:



Adam Thomas  
Trustee



Mark Vincent  
Trustee

**The notes on pages 18 to 30 form part of these financial statements.**

Company Registration Number: 4641867

# Key Changes: Positive Mental Health Through Music Limited

## Company Limited by Guarantee

### Statement of Cash Flows

Year ended 31 March 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Net income	66,439	103,338
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	3,306	1,861
Interest payable and similar charges	778	87
Accrued expenses/(income)	(851)	(8,984)
<i>Changes in:</i>		
Trade and other debtors	301	(54,012)
Trade and other creditors	(763)	6,154
Cash generated from operations	69,210	48,444
Interest paid	(778)	(87)
Net cash from operating activities	<u>68,432</u>	<u>48,357</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(4,337)	(5,584)
Net cash used in investing activities	<u>(4,337)</u>	<u>(5,584)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	66,666	—
Net cash from financing activities	<u>66,666</u>	<u>—</u>
<b>Net increase in cash and cash equivalents</b>	130,761	42,773
<b>Cash and cash equivalents at beginning of year</b>	115,770	72,997
<b>Cash and cash equivalents at end of year</b>	<u>246,531</u>	<u>115,770</u>



# Key Changes: Positive Mental Health Through Music Limited

## Company Limited by Guarantee

### Notes to the Financial Statements

Year ended 31 March 2022

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#### 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 Green Fish Resource Centre, 46-50 Oldham Street, Manchester, M4 1LE.

#### 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 all relevant factors, including the long-term impact of COVID-19 on the charity's activities and have concluded there is no significant impact on the Organisation.

It is therefore considered that the going concern status remains intact and 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 2022

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#### 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.

##### Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

# Key Changes: Positive Mental Health Through Music Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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#### 3. Accounting policies *(continued)*

##### **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.

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.

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

## **Company Limited by Guarantee**

### **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2022**

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#### **3. Accounting policies *(continued)***

##### **Financial instruments *(continued)***

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.

##### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as an expense in the period in which it arises.

# Key Changes: Positive Mental Health Through Music Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

#### 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.

#### 5. Donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
<b>Donations</b>				
Donations	7,630	7,630	39,617	39,617

#### 6. Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Fees - Music Engagement and Recovery Services and Musical Performances	119,716	–	119,716
National Foundation of Youth Music	–	29,977	29,977
Tudor Trust	–	25,000	25,000
Lloyds Bank Foundation	–	50,000	50,000
LB Islington	19,700	–	19,700
Dutchy of Lancaster	700	–	700
Camden Giving	–	–	–
PRS Foundation	–	–	–
CRH Foundation	–	6,250	6,250
Old Oak Park	–	17,480	17,480
Postcode Community	–	19,710	19,710
The Henry Smith Foundation	–	2,500	2,500
The Pixel Fund	–	3,200	3,200
Richer Sound Foundation	10,000	–	10,000
Cultural Impact	33,334	–	33,334
Kick Start Income	9,288	–	9,288
The Swire Charitable Trust	–	24,880	24,880
Arts Council	–	47,240	47,240
Baring	–	23,940	23,940
Bupa	–	–	–
City of London	–	33,780	33,780
Garfield Weston Foundation	–	–	–
Groundwork UK	395	–	395
Mind - Coronavirus Mental Health Response Fund	–	–	–
Brook Young People	–	4,950	4,950
Other income from charitable activities – Events	4	–	4
	<u>193,137</u>	<u>288,907</u>	<u>482,044</u>



# Key Changes: Positive Mental Health Through Music Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

#### 6. Charitable activities *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Fees - Music Engagement and Recovery Services and Musical Performances	118,299	–	118,299
National Foundation of Youth Music	10,000	42,033	52,033
Tudor Trust	2,000	27,000	29,000
Lloyds Bank Foundation	10,216	–	10,216
LB Islington	19,700	–	19,700
Dutchy of Lancaster	–	–	–
Camden Giving	715	–	715
PRS Foundation	5,000	–	5,000
CRH Foundation	–	–	–
Old Oak Park	–	–	–
Postcode Community	–	–	–
The Henry Smith Foundation	–	–	–
The Pixel Fund	–	–	–
Richer Sound Foundation	–	–	–
Cultural Impact	–	–	–
Kick Start Income	–	–	–
Other income - event	–	–	–
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
Brook Young People	–	–	–
	<u>322,145</u>	<u>69,033</u>	<u>391,178</u>

#### 7. Other income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Royalty	<u>93</u>	<u>93</u>	<u>–</u>	<u>–</u>

#### 8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Costs of raising donations and legacies – fundraising costs	<u>5,626</u>	<u>5,626</u>	<u>298</u>	<u>298</u>

# Key Changes: Positive Mental Health Through Music Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

#### 9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Recovery support and artist development	208,149	129,111	337,261
Support costs	68,253	12,189	80,441
	<u>276,402</u>	<u>141,300</u>	<u>417,702</u>
	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>

#### 10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2022 £	Total fund 2021 £
	£	£	£	£
Recovery support and artist development	337,261	65,852	403,113	318,182
Governance costs	–	14,589	14,589	8,977
	<u>337,261</u>	<u>80,441</u>	<u>417,702</u>	<u>327,159</u>

#### 11. Analysis of support costs (excluding governance costs)

	Recovery, Support and Artist Development £	Total 2022 £	Total 2021 £
Staff costs	3,701	3,701	6,617
Premises	1,460	1,460	1,068
Volunteer Expenses	3,701	3,701	2,735
Office and Studio Rent	40,943	40,943	30,674
Marketing, Publicity and Website	1,864	1,864	3,804
Printing, Postage and Stationery	444	444	764
Telecommunications	1,055	1,055	1,433
Computer Expenses	2,808	2,808	3,066
Equipment	2,068	2,068	1,029
Membership and Subscription	443	443	545
Insurance	838	838	585
Miscellaneous	6,527	6,527	2,343
	<u>65,852</u>	<u>65,852</u>	<u>54,663</u>

# Key Changes: Positive Mental Health Through Music Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

#### 11a. Analysis of governance costs

	Total 2022	Total 2021
	£	£
Independent Examiners Fees	4,032	4,032
Bookkeeping-Payroll	9,719	2,295
DBS	0	631
Bank and Other Charges	0	451
AGM/Board Meeting Expenses	825	1,465
Legal and Professional Fees	13	103
	<u>14,589</u>	<u>8,977</u>

#### 12. Net income

Net income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	3,306	1,861
Operating lease rentals	<u>40,943</u>	<u>30,047</u>

#### 13. Independent examination fees

	2022	2021
	£	£
Fees payable to the independent examiner for:		
Independent examination of the financial statements	<u>4,032</u>	<u>4,032</u>

#### 14. Staff costs

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

	2022	2021
	£	£
Wages and salaries	117,261	64,809
Social security costs	4,286	3,132
Employer contributions to pension plans	927	—
	<u>122,474</u>	<u>67,941</u>

The average head count of employees during the year was 6 (2021: 2). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Number of staff	<u>6</u>	<u>2</u>

No employee received employee benefits of more than £60,000 during the year (2021: Nil).

# Key Changes: Positive Mental Health Through Music Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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#### 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 £56,060 (2021: £48,330).

#### 15. 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 Johnny Brown, both had expenses to the value of £265 and £22 respectively, being reimbursed to them to cover the trustee meeting costs (2021: Adam Thomas £461 and Andrew Denney £13).

#### 16. Tangible fixed assets

	<b>Fixtures and fittings £</b>
<b>Cost</b>	
At 1 April 2021	5,584
Additions	4,337
<b>At 31 March 2022</b>	<u>9,921</u>
<b>Depreciation</b>	
At 1 April 2021	1,861
Charge for the year	3,306
<b>At 31 March 2022</b>	<u>5,167</u>
<b>Carrying amount</b>	
<b>At 31 March 2022</b>	<u>4,754</u>
At 31 March 2021	<u>3,723</u>

# Key Changes: Positive Mental Health Through Music Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

Year ended 31 March 2022

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#### 17. Debtors

	2022	2021
	£	£
Trade debtors	51,479	50,742
Prepayments and accrued income	37,380	26,084
Other debtors	3,528	4,416
	<u>92,387</u>	<u>81,242</u>

#### 18. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	13,333	–
Trade creditors	4,773	300
Accruals and deferred income	15,000	4,405
Social security and other taxes	2,782	8,018
	<u>35,888</u>	<u>12,723</u>

#### 19. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	<u>53,333</u>	<u>–</u>



# Key Changes: Positive Mental Health Through Music Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2022

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#### 20. Pensions and other post-retirement benefits

##### Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £927 (2021: £Nil).

#### 21. Analysis of charitable funds

##### Unrestricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
General funds	114,394	200,860	(282,028)	—	33,226
	<u>114,394</u>	<u>200,860</u>	<u>(282,028)</u>	<u>—</u>	<u>33,226</u>

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	At 31 March 2021 £
General funds	36,943	361,762	(284,311)	—	114,394
	<u>36,943</u>	<u>361,762</u>	<u>(284,311)</u>	<u>—</u>	<u>114,394</u>

# Key Changes: Positive Mental Health Through Music Limited

## Company Limited by Guarantee

### Notes to the Financial Statements *(continued)*

#### Year ended 31 March 2022

#### 21. Analysis of charitable funds *(continued)*

##### Restricted funds

	At 1 April 2021 £	Income £	Expenditure £	Transfers £	At 31 March 2022 £
Hospital Programme	–	55,047	(27,931)	9,400	36,516
Community Programme	26,618	233,860	(113,369)	37,600	184,709
Lloyds Bank Foundation	20,000	–	–	(20,000)	–
Tudor Trust	27,000	–	–	(27,000)	–
	<u>73,618</u>	<u>288,907</u>	<u>(141,300)</u>	<u>–</u>	<u>221,225</u>

	At 1 April 2020 £	Income £	Expenditure £	Transfers £	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>–</u>	<u>73,618</u>

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 - The funding was to facilitate salary costs.

Tudor Trust - The funding was 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 2022

#### 22. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	4,754	–	4,754
Current assets	117,693	221,225	338,918
Creditors less than 1 year	(35,888)	–	(35,888)
Creditors greater than 1 year	(53,333)	–	(53,333)
<b>Net assets</b>	<b>33,226</b>	<b>221,225</b>	<b>254,451</b>

	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)
Creditors greater than 1 year	–	–	–
<b>Net assets</b>	<b>114,394</b>	<b>73,618</b>	<b>188,012</b>

#### 23. Analysis of changes in net debt

	At 1 Apr 2021 £	Cash flows £	At 31 Mar 2022 £
Cash at bank and in hand	115,770	130,761	246,531
Debt due within one year	–	(13,333)	(13,333)
Debt due after one year	–	(53,333)	(53,333)
	<b>115,770</b>	<b>64,095</b>	<b>179,865</b>

#### 24. Operating lease commitments

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

	2022 £	2021 £
Not later than 1 year	40,690	41,220
Later than 1 year and not later than 5 years	11,760	24,450
	<b>52,450</b>	<b>65,670</b>

#### 25. Post balance sheet events

There are no post balance events to disclose.

#### 26. Related parties

During the year £1,586 was paid to M Vincent (trustee) for mentoring costs, this equates to less than 1% of the total mentoring costs of the charity. Apart from those the only other related party transactions was for the reimbursement of trustee expenses, as disclosed in note 15. There were no other related party transactions during the year.