

COMPANY REGISTRATION NUMBER: 06559536
CHARITY REGISTRATION NUMBER: 1124102

**Key Changes Music Therapy
Company Limited by Guarantee
Unaudited Financial Statements
30 September 2022**

WALTER HUNTER & CO LIMITED

Chartered accountants
24 Bridge Street
Newport
South Wales
NP20 4SF

Key Changes Music Therapy

Company Limited by Guarantee

Financial Statements

Year ended 30 September 2022

	Page
Trustees' annual report (incorporating the director's report)	1
Independent examiner's report to the trustees	9
Statement of financial activities (including income and expenditure account)	10
Statement of financial position	11
Notes to the financial statements	12

Key Changes Music Therapy

Company Limited by Guarantee

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

Year ended 30 September 2022

The trustees, who are also the directors for the purposes of company law, present their report and the unaudited financial statements of the charity for the year ended 30 September 2022.

Reference and administrative details

Registered charity name Key Changes Music Therapy

Charity registration number 1124102

Company registration number 06559536

Principal office and registered office Winnall Community Centre
Garbett Road
Winchester
SO23 0NY
Hampshire

The trustees

J Squire
N Dunne (Resigned 29 March 2022)
S Lewin
J Mullineaux-Davis
D Porter
Kate Palmer (Appointed 29 March 2022)

Independent examiner Mr Jonathan Rhodes BSc BFP FCA
Walter Hunter & Co. Limited
24 Bridge Street
Newport
South Wales
NP20 4SF

Introduction from the Chair of Trustees:

On behalf of the trustees, I present our report and accounts for the year ended 30 September 2022. It contains a directors' report as required by company law.

During the year under review, despite considerable residual impact of the pandemic, Key Changes Music Therapy continued to deliver the required constitutional objectives, with a focus on delivering services of the highest professional standards to clients wherever and however our therapists were able to, within some ongoing restrictions imposed on their access to the people and organisations who are our beneficiaries.

The whole team continued to work together with a common purpose to continue having positive impact on our clients, their families, the care teams, and the communities in which they live and work:

- Our trustees continued to build their skills and experience as a team and evolved their aspirational, strategic targets for the long term alongside operational plans to maintain a robust foundation for the charity.
 - Our core staff were flexible and agile in achieving challenging shorter-term plans and worked with long-standing clients to change the way we fund our services.
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Key Changes Music Therapy

Company Limited by Guarantee

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

Year ended 30 September 2022

- Our therapy team showed enormous dedication and brought its caring and innovative nature to the fore by creating new ways of delivering impact to as many people as we can, whilst pushing the boundaries of how to make music therapy improve the lives of the people we support.
- Our volunteers and interns provided invaluable support and helped us to expand what we can achieve by collating pertinent research, presenting ourselves professionally to a wider audience and by improving our computing and information infrastructure.

Constitution:

Key Changes Music Therapy was incorporated on 8 April 2008 as a company limited by guarantee (registration number 6559536). The company operates as a registered charity (registration number 1124102) and is governed by its memorandum and articles of association. The Key Changes Handbook provides staff, trustees, and volunteers with information on Policies, Processes and Guidance required to deliver operations efficiently, effectively, economically, and safely.

Objectives of the charity have public benefit and, as stated in the memorandum of association, are:

- The relief of physical and mental illness and disability, congenital or acquired, by providing or assisting in providing music.
- The protection and promotion of good health, both physical and mental, by the use of music.
- The alleviation of developmental, emotional, and social difficulties by the use of music.
- The advancement of the education of the public concerning music as a means of therapy for physical and mental illness and disability, and for developmental, emotional, and social difficulties.
- The promotion and publication of research concerning the therapeutic use of music as set out in these objectives.

Governance, structure, and management:

One new, additional trustee has been appointed and one trustee has resigned. The board team have taken significant steps to strengthen governance, including:

- Regular review of policies, processes and guidance for staff, volunteers, and trustees.
- Pro-Bono legal advice has been used to update the employment contracts of permanent staff.
- Maintenance of an appropriate balance of skills and expertise of the trustees.
- A review of the skills and experience of the current trustees with a view to appointing an additional trustee with marketing experience.
- Stock-takes of strategic progress and direction.
- Regular reviews of risk identification and mitigation.

Trustees (who are also directors for the purposes of company law) are responsible for the overall operation of the company, ensuring that the objectives are maintained and for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
 - Observe the methods and principles in the Charities SORP.
 - Make judgments and estimates that are reasonable and prudent.
 - State whether applicable UK Accounting Standards have been followed, subject to any material
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Key Changes Music Therapy

Company Limited by Guarantee

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

Year ended 30 September 2022

departures disclosed and explained in the financial statements.

- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the trustees are aware:

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

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

Trustees have been and will continue to be recruited, using a combination of inviting expressions of interest (using for example Reach Volunteering, The Young Trustees Movement, LinkedIn) and via existing personal and professional networks, from people with the skills and experience needed to strengthen the team. Prior to appointment, candidates will be interviewed by at least one trustee and member of staff, two references will be taken and candidates offered the chance to observe a board meeting and talk informally with members of the team. Trustees are expected to adhere to the Trustees Basics, Code of Conduct, and declare any Conflicts of Interest.

In addition to Sarah Lewin (Board Secretary), Jim Squire (Chair), Jordan Mullineaux-Davis (Vice-Chair) and Darrell Porter (Treasurer) who all continue as trustees, Kate Palmer was appointed as a trustee on 29th March 2022. Nial Dunne resigned as trustee on 29th March 2022 and the trustees would like to record their gratitude in this report for the contribution Nial made during the pandemic to support the growth of the charity. The trustees share responsibilities of Company Secretary, supported by core team staff.

The company employs four part-time staff based in our small, rented office / therapy space in Winchester and between 10 & 15 contracted music therapists who deliver therapy sessions with clients either 1:1 or in small groups. Each music therapist has a master's degree in music therapy and is registered with The Health and Care Professions Council. Beccy Read (Lead Therapy Coordinator) provides day to day management and leadership, supervised by The Chair of Trustees. Reporting to Beccy are Julie Fullstone (Finance Administrator), Claire Simmons (Fundraising and Finance Support) and Leigh Warren-Thomas (Dementia Therapy Coordinator).

Our team of self-employed therapists continue to show huge loyalty and dedication to Key Changes and trustees would like to thank them for their enthusiasm and innovative approach to ensuring we maintain the highest standards of care and professionalism.

The Board met monthly during school term times via remote platforms and once face to face, in August 2022, for an extended stocktake and strategy refresh session. An Annual General Meeting took place as required in March 2022 where we presented our strategy and plan to members.

We are also grateful for the ongoing voluntary support to our information and communications technology from Ben Williams and from Jess Ryall who supports our weekly social media 'drumbeat.'

Key Changes Music Therapy
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 30 September 2022

Activities during the year include:

1. The ongoing provision of music therapy services.

See '**Achievements and Performance**' for more details.

2. The ongoing raising of funds via direct client payments, grant-making bodies, events, and donations.

See '**Funders, donors, events, and financial supporters**' for more details.

3. Maintaining strategic direction.

The trustees maintained their focus on the strategic priorities and planning activities that were set at the start of the reporting period (and updated at the end of it). We expect these targets to guide our decision making for the next 3-5 years and will keep them under review as part of our regular cycle of business.

- Enable new clients to understand the value of music therapy and help them make an ongoing commitment to provide the benefits music therapy offers.
 - Build our presence in areas of greatest need.
 - Proactively promote & market existing strengths.
 - Aspire to develop regional, cross-sector growth.
 - Seek to create new opportunities by raising the awareness of music therapy and of Key Changes Music Therapy.
4. Enacting the first phase of the emerging strategic plan with the key aspects of this plan being:
 - Seek to broaden our self-funded client base.
 - Bid for grants and raise funds focussed on providing access to music therapy for potential new clients in mainstream primary schools, dementia care and mental health services.
 - Develop the right sized and shaped Key Changes Headquarters in Winchester to enable growth and succession planning.
 - Promote our annual conference nationally.
 - Create and develop a diverse network of Members and Patrons across sectors.
 - Market our brand and raise visibility by refreshing our website and social media presence and enabling our Patrons and Members to raise awareness and advocate music therapy.

Following the stock-take of progress in August 2022, the Chair of Trustees on behalf of The Board, wrote to our members, patrons, and supporters to report good progress against these plans, pertinent aspects of which are discussed in more detail below. Annual updates to both the strategic priorities and the plans derived from these will be reported in next year's trustees report.

Achievements and performance – our service users and beneficiaries

We have maintained service to over 158 clients and our therapists have provided their clinical expertise into more than 23 organisations including care homes for adults with profound multiple disabilities, mainstream and special educational needs schools and nurseries and to more than 17 families contracting our services directly. In addition, the core team has continued to work around on-going access limitations to 6 dementia services, towards delivering up to 12 hours or more per week of therapy, working in groups, once these limitations are lifted.

Key Changes Music Therapy

Company Limited by Guarantee

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

Year ended 30 September 2022

Music therapy does not just provide benefit directly to our clients; our beneficiaries also include the friends, close and extended families of clients, the care teams providing the day-to-day care, the organisations, and establishments we work in and the broader local communities in which our clients live, work, and learn. All these extended groups of people benefit from the improved communication with and well-being of our clients.

A short precis of a case study follows to illustrate how our services have impact.

Rosewood Free School, Southampton caters for children and young people with Profound and Multiple Learning Disabilities, Severe Learning Disabilities, and complex physical, medical, and learning difficulties. This outstanding provision offers a truly personalised approach to learning, as illustrated by this summary from a music therapy case study - the impact on one student's well-being and engagement. This is provided by Tom Barber – teacher & Owain Clarke – music therapist. *The student's name has been changed.*

Tom introduces Jane:

Jane is 15 years of age, with complex physical, communication and learning difficulties. She has a visual impairment and epilepsy and is non-verbal. She had responded positively to musical activities in class which led to her being referred for music therapy.

During music therapy Jane consistently leaned in and towards the therapist when engaged. As the tempo of each session became established, Jane's movements appeared to become more rhythmical. When Jane was highly involved, she would remain engaged, and her well-being levels would remain high for some time afterwards.

Owain summarises:

When I first met Jane she seemed inward looking, she would self-stimulate (e.g.: rocking, biting the backs of her hands) seeming to attempt to shut out the world and to help her to deal with the physical pain she was in. At times she would hyper-ventilate, and this along with the rocking led me to feel shut out as well. However, these also provided a way to begin working with her musically. So, I framed these behaviours as musical ones, and synchronised my music-making with her breathing and rocking to help her to develop an interest in what was going on.

Often, she would be rocking when she arrived in her wheelchair. As I played music with her the quality of the rocking would change, becoming less chaotic, as if it was a way of dancing for her. She showed an interest in instruments and became still when given instruments such as bells or tambourine.

She explored these instruments both for their sounds and their physical feeling. Her head often turned to me, and she smiled in response to the music making. She liked to vocalise with me, sometimes almost in a "question and answer" way. Another aspect of the session I feel was useful for her was that as a non-verbal therapy Jane was freed from the struggle of making sense of words, especially as English is not her native language.

Tom summarises:

Music therapy allowed Jane the opportunity to celebrate and develop her innate musicality. It provided a framework to encourage her to regulate her emotions and express shared enjoyment and pleasure. It permitted her to explore novel ways to express a communicative intent, using her body movements and vocalisations. Most importantly, it allowed her the opportunity to develop agency - Jane learnt that if she modified her vocal responses or speed of movement then the therapist would in turn change his response. These 2 aspects of enjoyment and agency were the most beneficial for Jane, clearly improving her quality of life.

Thank you to our funders for helping to support this valued input for children at Rosewood.

Key Changes Music Therapy

Company Limited by Guarantee

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

Year ended 30 September 2022

Raising awareness – promotion and marketing

Our website (www.keychanges.org) now provides a stable, professional, and engaging 'front door' to access information about who we are, what we do, why we do it, the impact we have and how to support our work. Aligned with the new website, we continue a weekly "Beating the Drum for Key Changes" social media campaign, that raises awareness more broadly and with immediacy about how we are taking forward our plans and introduces members of the team and the events we are planning. A regular newsletter is also circulated to our growing mailing list with updates and news of what's happening at Key Changes.

We continue to welcome the advocacy of and support from our two Patrons, Professor Helen Odell-Miller OBE, who is Professor of Music Therapy and Director of the Cambridge Institute for Music Therapy Research; and renowned baritone and composer Roderick Williams OBE who recorded an inspiring and enthusiastic video to introduce our annual conference in November 2021 where he shared his reflections on the importance of music to support health and well-being during the pandemic. We are looking forward to working with both our Patrons in future and record our gratitude to them for their support as part of this report.

We have maintained our membership numbers during the year in order to gain the benefit of their knowledge, support, advocacy, and advice as we set our aspirations for the future. A number of the members took an active part in our Annual General Meeting and we welcome their ongoing input and enthusiastic engagement.

Funders, donors, events, and financial supporters

Key Changes is enabled to meet our objective to advance the education concerning music as a means of therapy by the generosity and philanthropy of grant-makers and donors. Their support creates opportunities for us to deliver services to new clients and organisations and to support areas of profound need not able to directly fund our services.

The continued impact of the pandemic impacted negatively on donations in particular, but we remain committed to reach out to new and more diverse beneficiaries by investing grants and donations and in this reporting year, we are grateful to our regular donors, one-off donations from individuals and organisations and support from other music and arts organisations.

We have benefited from and are grateful for ongoing grant funding from Aviva Community Fund, Hampshire and Isle of Wight Community Fund and Arnold Clarke and received new grant funding from Edward Gostling, Hampshire County Council, and the Foyle Foundation.

An active series of fundraising events continued during the reporting year, including the annual carol concert and a sponsored walk.

Research and education of the public

We have continued our commitment to support the continuing professional development of our therapists, hosting a regular series of 'learning from experience' sessions open to all the team and sharing in particular the innovative and agile new ways of delivering therapy services necessitated by the pandemic restrictions to face to face engagement with clients. This year has seen a focus on maintaining the wellbeing of the therapists themselves as well as the quality of the service we provide to clients.

This year saw the return of an in person annual conference in November 2021 which attracted an excellent group of presenters and a healthy audience of therapists (as part of their continued

Key Changes Music Therapy

Company Limited by Guarantee

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

Year ended 30 September 2022

professional development) and students (as part of their education). The theme this year was "Opportunities from Crisis" and reflected the determination of the whole team to emerge stronger from the challenges we have dealt with as a result of the pandemic. Our 4 external presenters included Keynote presenter Dr Catherine Warner, programme leader, MA in Music Therapy, at The University of the West of England, on *Music Therapy International Skill-Sharing in relationship to childhood trauma*.

Partnerships

The Board wish to formally record their gratitude to:

- Winnall Community Centre which continues to provide our premises and meeting spaces.
- The University of Southampton Careers and Employability Service Team for securing three funded summer internships that enabled a meta-analysis of the music therapy body of research knowledge to support impactful grant submissions.
- The Careers and Employability Services of both the University of Winchester and the University of Portsmouth who have been proactive in supporting our ambitions to build our voluntary team, providing additional horsepower to the core team to provide some marketing advice and a stocktake of our outreach activities and internet presence.

Financial review and performance

During the year under review, the company received income of £186,309 (2021: £152,268) and recorded a surplus of £3,161 (2021: £1,277). Our activities continue to be impacted by COVID but overhead costs remain closely managed and signs of regrowth are starting to emerge.

The charity's total reserves at 30 September 2022 were £71,622 (2021: £68,461) of which £24,396 (2021: £20,907) is restricted. The trustees aim to hold sufficient reserves to be able to finance the charity's commitments for a period of 6 months.

Future strategy and plans

In alignment with the plans derived from our 3-5 year strategy described previously and updated in August 2022, in the coming 12 months we aspire to:

1. *Build stronger relationships between our team and clients, to influence them to make an enduring commitment to music therapy.* We want to free up capacity and potential to grow services into new areas of therapy provision and aim therefore to increase the proportion of unrestricted funding we secure, work with existing clients to increase the volume of provision and move towards a joint funding model wherever possible.
 2. *Build a strong brand that makes the case for music therapy and for the Key Changes offering, with a focus on areas with greatest need.* In order to build on the foundations we have built with respect to the professional way we speak to more people via various communications channels, we aim to secure a trustee with marketing expertise to develop a marketing plan to improve the impact and reach of our activities.
 3. *Build a resilient and professional organisation, including our team of therapists, of core staff and trustees, with strong governance and reliable infrastructure.* Long-term planning now includes proactive risk identification and management and our focus will shift towards managing these priority risks. This will involve having succession plans for key roles and will consider further improvements to governance with regular review of non-core policy and procedure alongside a specific plan for our future approach to fundraising.
 4. *Raise funds to enable agility and growth.* Our fundraising plan seeks to enable growth in volume
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Key Changes Music Therapy

Company Limited by Guarantee

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

Year ended 30 September 2022

and coverage in service and to enable us to respond in a more agile way to emerging areas of need, with, if necessary taster sessions being offered without the need for specific bids for funding being made.

5. *Take opportunities as they arise to raise the national profile of music therapy and of Key Changes.* Trustees recognise the most powerful way to influence and have impact is to broadcast the stories, so we help our beneficiaries to talk about the positive effects of music therapy. We aim to share more case studies and make a personal commitment to act as advocates for the power of music therapy wherever opportunities to do so present themselves.

Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities.

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 21 February 2022 and signed on behalf of the board of trustees by:



J Squire
Trustee



J Squire
Trustee

Key Changes Music Therapy

Company Limited by Guarantee

Independent Examiner's Report to the Trustees of Key Changes Music Therapy

Year ended 30 September 2022

I report to the trustees on my examination of the financial statements of Key Changes Music Therapy ('the charity') for the year ended 30 September 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

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).

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.



Mr Jonathan Rhodes BSc BFP FCA
Independent Examiner

Walter Hunter & Co. Limited
24 Bridge Street
Newport
South Wales
NP20 4SF

21 February 2022

Key Changes Music Therapy
Company Limited by Guarantee
Statement of Financial Activities
(including income and expenditure account)
Year ended 30 September 2022

		Unrestricted funds	2022 Restricted funds	Total funds	2021 Total funds
	Note	£	£	£	£
Income and endowments					
Donations and legacies	5	4,535	25,987	30,522	32,438
Charitable activities	6	155,707	–	155,707	119,826
Investment income	7	80	–	80	4
Total income		<u>160,322</u>	<u>25,987</u>	<u>186,309</u>	<u>152,268</u>
Expenditure					
Expenditure on charitable activities	8,9	161,339	21,809	183,148	150,991
Total expenditure		<u>161,339</u>	<u>21,809</u>	<u>183,148</u>	<u>150,991</u>
Net income and net movement in funds		<u>(1,017)</u>	<u>4,178</u>	<u>3,161</u>	<u>1,277</u>
Reconciliation of funds					
Total funds brought forward		48,243	20,218	68,461	67,184
Total funds carried forward		<u>47,226</u>	<u>24,396</u>	<u>71,622</u>	<u>68,461</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 12 to 23 form part of these financial statements.

Key Changes Music Therapy

Company Limited by Guarantee

Statement of Financial Position

30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	15	396	–
Current assets			
Debtors	16	19,118	30,312
Cash at bank and in hand		65,121	53,540
		<u>84,239</u>	<u>83,852</u>
Creditors: amounts falling due within one year	17	13,013	15,391
Net current assets		<u>71,226</u>	<u>68,461</u>
Total assets less current liabilities		<u>71,622</u>	<u>68,461</u>
Net assets		<u>71,622</u>	<u>68,461</u>
Funds of the charity			
Restricted funds		24,396	20,218
Unrestricted funds		<u>47,226</u>	<u>48,243</u>
Total charity funds	20	<u>71,622</u>	<u>68,461</u>

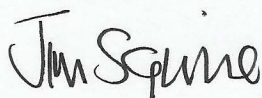
For the year ending 30 September 2022 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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.

These financial statements were approved by the board of trustees and authorised for issue on 21 February 2022, and are signed on behalf of the board by:



J Squire
Trustee

The notes on pages 12 to 23 form part of these financial statements.

Key Changes Music Therapy

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 30 September 2022

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 Winnall Community Centre, Garbett Road, Winchester, SO23 0NY, Hampshire.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

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

Going concern

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.

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 Music Therapy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

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.

Key Changes Music Therapy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

3. Accounting policies *(continued)*

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:

Office Equipment - 33% p.a. Straight Line

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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.

4. Limited by guarantee

The charity is incorporated under the Companies Act 2006 and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding ten pounds as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter. There are 18 members of the company (2021: 18).

Key Changes Music Therapy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Donations			
Gift Aid Rebates	—	—	—
Donations and Friends	772	—	772
Virgin Giving	1,961	—	1,961
John Terry Funeral Director	—	—	—
Morrisons	—	—	—
Martin Read Fund for Young People	—	216	216
Greville School Advance	—	—	—
IBM	379	—	379
Sponsored Walk	283	—	283
Portsmouth Choral Society	286	—	286
Adult Wellbeing Donation	20	—	20
Ukukaladies	—	90	90
Take Note Concert	834	—	834
Grants			
Julia & Hans Rausing Trust	—	—	—
HCC Grant for Adult Mental Health	—	—	—
Arnold Clarke Community Fund	—	1,000	1,000
Round Table	—	—	—
Amanda Lapping	—	—	—
Hedley Foundation	—	—	—
Radcliffe Trust	—	—	—
Albert Hunt Trust	—	—	—
Edward Gostling Foundation	—	7,500	7,500
Waitrose	—	350	350
HIWCF	—	4,925	4,925
HCC Grant - Refugee therapy	—	4,360	4,360
Aviva Community Fund	—	2,546	2,546
Foyle Foundation	—	5,000	5,000
	<u>4,535</u>	<u>25,987</u>	<u>30,522</u>

Key Changes Music Therapy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Donations			
Gift Aid Rebates	786	—	786
Donations and Friends	2,093	—	2,093
Virgin Giving	160	—	160
John Terry Funeral Director	225	—	225
Morrisons	—	435	435
Martin Read Fund for Young People	—	290	290
Greville School Advance	—	2,349	2,349
IBM	—	—	—
Sponsored Walk	—	—	—
Portsmouth Choral Society	—	—	—
Adult Wellbeing Donation	—	—	—
Ukukaladies	—	—	—
Take Note Concert	—	—	—
Grants			
Julia & Hans Rausing Trust	12,000	—	12,000
HCC Grant for Adult Mental Health	—	5,000	5,000
Arnold Clarke Community Fund	—	500	500
Round Table	—	2,500	2,500
Amanda Lapping	—	1,000	1,000
Hedley Foundation	—	1,100	1,100
Radcliffe Trust	—	3,000	3,000
Albert Hunt Trust	—	1,000	1,000
Edward Gostling Foundation	—	—	—
Waitrose	—	—	—
HIWCF	—	—	—
HCC Grant - Refugee therapy	—	—	—
Aviva Community Fund	—	—	—
Foyle Foundation	—	—	—
	<u>15,264</u>	<u>17,174</u>	<u>32,438</u>

6. Charitable activities

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Therapy	154,792	154,792	119,826	119,826
Annual Conference	915	915	—	—
	<u>155,707</u>	<u>155,707</u>	<u>119,826</u>	<u>119,826</u>

Key Changes Music Therapy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

7. Investment income

	Unrestricted Funds £	Total Funds 2022 £	Unrestricted Funds £	Total Funds 2021 £
Bank interest receivable	80	80	4	4

8. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Therapy	125,094	21,809	146,903
Salaries and related expenses	25,548	—	25,548
Office expenses	9,347	—	9,347
Governance - Accountancy	1,350	—	1,350
	<u>161,339</u>	<u>21,809</u>	<u>183,148</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Therapy	93,702	21,982	115,684
Salaries and related expenses	24,654	—	24,654
Office expenses	9,152	—	9,152
Governance - Accountancy	1,501	—	1,501
	<u>129,009</u>	<u>21,982</u>	<u>150,991</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Total funds 2022 £	Total fund 2021 £
Therapy	146,903	146,903	115,684
Salaries and related expenses	25,548	25,548	24,654
Office expenses	9,347	9,347	9,152
Governance - Accountancy	1,350	1,350	1,501
	<u>183,148</u>	<u>183,148</u>	<u>150,991</u>

10. Taxation

As a charity, Key Changes Music Therapy is exempt from tax on income and gains, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charges have arisen in the charity.

Key Changes Music Therapy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

11. Net income

Net income is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation of tangible fixed assets	49	284

12. Independent examination fees

	2022	2021
	£	£
Fees payable to the independent examiner for: Independent examination of the financial statements	1,350	1,500

13. Staff costs

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

	2022	2021
	£	£
Wages and salaries	25,144	24,242
Social security costs	—	221
Employer contributions to pension plans	404	191
	<u>25,548</u>	<u>24,654</u>

The average head count of employees during the year was 4 (2021: 4). The average number of full-time equivalent employees during the year is analysed as follows:

	2022	2021
	No.	No.
Management and administration	4	4

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

14. Trustee remuneration and expenses

No remuneration or expenses or other benefits from employment with the charity or a related entity were received by the trustees.

Key Changes Music Therapy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

15. Tangible fixed assets

	Equipment £
Cost	
At 1 October 2021	1,394
Additions	445
At 30 September 2022	1,839
Depreciation	
At 1 October 2021	1,394
Charge for the year	49
At 30 September 2022	1,443
Carrying amount	
At 30 September 2022	396
At 30 September 2021	–

16. Debtors

	2022 £	2021 £
Trade debtors	17,988	29,832
Prepayments and accrued income	720	70
Other debtors	410	410
	19,118	30,312

17. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	8,385	10,279
Accruals and deferred income	4,598	4,832
Social security and other taxes	30	204
Other creditors	–	76
	13,013	15,391

18. Deferred income

	2022 £	2021 £
Amount deferred in year	3,248	3,032

Deferred income contains payments from clients in advance held at the year end.

Key Changes Music Therapy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

19. 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 £404 (2021: £191).

20. Analysis of charitable funds

Unrestricted funds

	At 1 October 20 21 £	Income £	Expenditure £	Transfers £	At 30 September 2022 £
General funds	45,782	156,560	(156,436)	(786)	45,120
Julia & Hans Rausing Trust	—	—	—	—	—
National Lottery	—	—	—	—	—
Virgin Giving	160	1,961	(2,121)	—	—
Winchester Collections	74	—	(74)	—	—
IBM	1,236	378	(1,236)	—	378
Flautissimo Concert	298	—	(150)	—	148
Southampton University Orchestra	252	—	(252)	—	—
Madding Crowd	181	—	(181)	—	—
John Terry Funeral Directors	225	—	—	—	225
Folks In Harmony	35	—	(35)	—	—
Sponsored Walk	—	283	—	—	283
Portsmouth Choral Society	—	286	—	—	286
Adult Wellbeing Donation	—	20	(20)	—	—
Take Note Concert	—	834	(834)	—	—
Gift Aid	—	—	—	786	786
	<u>48,243</u>	<u>160,322</u>	<u>(161,339)</u>	<u>—</u>	<u>47,226</u>

	At 1 October 20 20 £	Income £	Expenditure £	Transfers £	At 30 September 2021 £
General funds	29,758	122,709	(106,685)	—	45,782
Julia & Hans Rausing Trust	—	12,000	(12,000)	—	—
National Lottery	10,000	—	(10,000)	—	—
Virgin Giving	—	160	—	—	160
Winchester Collections	74	—	—	—	74
IBM	1,560	—	(324)	—	1,236

Key Changes Music Therapy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

Flautissimo Concert	298	—	—	—	298
Southampton University Orchestra	252	—	—	—	252
Madding Crowd	181	—	—	—	181
John Terry Funeral Directors	—	225	—	—	225
Folks In Harmony	35	—	—	—	35
Sponsored Walk	—	—	—	—	—
Portsmouth Choral Society	—	—	—	—	—
Adult Wellbeing Donation	—	—	—	—	—
Take Note Concert	—	—	—	—	—
Gift Aid	—	—	—	—	—
	<u>42,158</u>	<u>135,094</u>	<u>(129,009)</u>	<u>—</u>	<u>48,243</u>

Restricted funds

	At 1 October 2021	Income	Expenditure	Transfers	At 30 September 2022
	£	£	£	£	£
Morrison Foundation	40	—	(40)	—	—
Martin Read Fund	3,395	216	(538)	—	3,073
Winchester Rotary	412	—	(412)	—	—
D'Oyly Carte	512	—	(512)	—	—
Eight Foundation	1,244	—	(1,244)	—	—
St. James' Place Foundation	731	—	(731)	—	—
HCC Grant	5,000	—	(2,126)	—	2,874
Arnold Clarke Community Fund	500	1,000	—	—	1,500
Greville School Advance	423	—	—	—	423
Round Table	2,500	—	(2,500)	—	—
Baily Thomas	200	—	(200)	—	—
Amanda Lapping	1,000	—	(1,000)	—	—
Hedley Foundation	575	—	—	—	575
Radcliffe Trust	2,686	—	(2,686)	—	—
Albert Hunt Trust	1,000	—	—	—	1,000

Key Changes Music Therapy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

20. Analysis of charitable funds *(continued)*

Edward Gostling Foundation	—	7,500	(1,968)	—	5,532
Waitrose Grant	—	350	—	—	350
Ukukaladies	—	90	—	—	90
HIWCF	—	4,925	(279)	—	4,646
HCC - Refugee funds	—	4,360	(27)	—	4,333
Aviva Community Fund	—	2,546	(2,546)	—	—
Foyle Foundation	—	5,000	(5,000)	—	—
	<u>20,218</u>	<u>25,987</u>	<u>(21,809)</u>	<u>—</u>	<u>24,396</u>

	At 1 October 2020	Income	Expenditure	Transfers	At 30 September 2021
	£	£	£	£	£
Morrison Foundation	—	435	(395)	—	40
Martin Read Fund	3,297	290	(192)	—	3,395
Winchester Rotary	1,034	—	(622)	—	412
D'Oyly Carte	1,862	—	(1,350)	—	512
Eight Foundation	7,353	—	(6,109)	—	1,244
St. James' Place Foundation	9,293	—	(8,562)	—	731
HCC Grant	—	5,000	—	—	5,000
Arnold Clarke Community Fund	—	500	—	—	500
Greville School Advance	1,298	2,349	(3,224)	—	423
Round Table	—	2,500	—	—	2,500
Baily Thomas	889	—	(689)	—	200
Amanda Lapping	—	1,000	—	—	1,000
Hedley Foundation	—	1,100	(525)	—	575
Radcliffe Trust	—	3,000	(314)	—	2,686
Albert Hunt Trust	—	1,000	—	—	1,000
Edward Gostling Foundation	—	—	—	—	—
Waitrose Grant	—	—	—	—	—
Ukukaladies	—	—	—	—	—
HIWCF	—	—	—	—	—
HCC - Refugee funds	—	—	—	—	—
Aviva Community Fund	—	—	—	—	—
Foyle Foundation	—	—	—	—	—
	<u>25,026</u>	<u>17,174</u>	<u>(21,982)</u>	<u>—</u>	<u>20,218</u>

Key Changes Music Therapy

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

21. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Tangible fixed assets	396	–	396
Current assets	59,843	24,396	84,239
Creditors less than 1 year	(13,013)	–	(13,013)
Net assets	<u>47,226</u>	<u>24,396</u>	<u>71,622</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Tangible fixed assets	–	–	–
Current assets	63,634	20,218	83,852
Creditors less than 1 year	(15,391)	–	(15,391)
Net assets	<u>48,243</u>	<u>20,218</u>	<u>68,461</u>

22. Related parties

There are no related party transactions in the reporting period that require disclosure.