

MUSIC THERAPY WORKS

England & Wales · Charity number 1126584

Details

Status Registered

Legal form Charitable company

Company number [06663759](#)

Registered 2008-11-06

Register [View on the Charity Commission register](#)

Contact

Address 105 High Street
Worcester
WR1 2HW

Phone 01905972567

Email info@musictherapyworks.co.uk

Website musictherapyworks.co.uk

Activities

Objects: (1) THE THERAPEUTIC USE OF MUSIC FOR THE RELIEF OF PHYSICAL AND MENTAL ILLNESS AND DISABILITY, THE ALLEVIATION OF DEVELOPMENTAL, EMOTIONAL, SOCIAL AND BEHAVIOURAL DIFFICULTIES AND THE PROTECTION AND PROMOTION OF GOOD HEALTH;(2) THE PROMOTION OF THE USE OF MUSIC THERAPY BY OTHER ORGANISATIONS INCLUDING BUT NOT LIMITED TO HOSPITALS, PRISONS, HOSPICES AND SCHOOLS;(3) THE PROMOTION AND PUBLICATION OF RESEARCH INTO THE THERAPEUTIC USE OF MUSIC.(4) THE EDUCATION OF MEMBERS OF THE PUBLIC CONCERNING MUSIC AS A MEANS OF THERAPY;(5) THE ESTABLISHMENT, DEVELOPMENT AND USE OF HEALTH PROFESSIONS COUNCIL APPROVED TRAINING COURSES TO TRAIN INDIVIDUALS AS MUSIC THERAPISTS;

Activities: To provide Music Therapy for children and adults of all ages in the Heart of England area

Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability
- **Who:** Children/young People, Elderly/old People, People With Disabilities

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL
- Birmingham City
- Dudley
- Herefordshire
- Sandwell
- Shropshire
- Solihull
- Staffordshire
- Walsall
- Warwickshire
- Worcestershire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£393,116	£379,523	-	-
2024-08-31	£383,311	£336,489	-	-
2023-08-31	£315,341	£299,006	-	-
2022-08-31	£258,171	£262,939	-	-
2021-08-31	£277,378	£266,545	-	-

Trustees

Name	Role	Appointed
Sandra Jayne Bristoll	Chair	2015-06-25
Dr Carrie Churnside		2021-12-13
Joanna Amelia Kowalski		2025-03-10
Joanne Elizabeth Sweet		2024-12-02
Rosemary Nicola Jennifer Howl		2025-03-10
Tina Gallagher		2025-03-10

MUSIC THERAPY WORKS

England & Wales - Charity number 1126584

Accounts



MUSIC THERAPY WORKS

**COMPANY LIMITED BY GUARANTEE NO. 6663759
REGISTERED CHARITY NO. 1126584**

**ANNUAL REPORT
AND UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR TO 31st AUGUST 2025

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

CONTENTS	Page
Reference and administrative details	3
Report of the directors	4-9
Independent examiner's report	10
Statement of financial activities	11
Balance sheet	12
Notes to the financial statements	13-18

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

REFERENCE AND ADMINISTRATIVE DETAILS

DIRECTORS:	Sandra Bristol (Chair) Carrie Churnside Matthew Stafford Joanne Sweet Joanna Kowalski Tina Gallagher Rosie Howl
REGISTERED OFFICE:	105 High Street Worcester WR1 2HW
CHIEF EXECUTIVE:	Douglas Bott
REGISTERED NUMBERS:	Company: 6663759 Charity: 1126584
INDEPENDENT EXAMINER:	Mr L E Parkes, FCA Parkes & Co 5 Crondal Place Edgbaston Birmingham B15 2LB
BANKERS:	Unity Trust Bank PO Box 7193 Planetary Road Willenhall WV1 9DG United Trust Bank One Ropemaker Street London EC2Y 9AW Redwood Bank The Nexus Building Broadway Letchworth Garden City SG6 3TA

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31st August 2025.

The financial statements have been prepared in accordance with the Charity's accounting policies set out in Note 1 and comply with the Charity's Memorandum & Articles of Association, the Companies Act 2006 and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective for accounting periods commencing from 1 January 2019)."

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a charitable Company limited by guarantee incorporated on 4 August 2008. The Charity was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association as amended by special resolutions dated 13 May 2019, 15 June 2020, and 10 July 2023. The Charity registered with the Charity Commission for England and Wales on 6 November 2008.

The directors, who are also trustees, until the signing of the financial statements, were:

Sandra Bristoll	(Chair)
Carrie Churnside	
Sue Ayres	(Resigned 31 December 2025)
Karmah Boothe	(Resigned 12 December 2025)
Joanna Kowalski	(Appointed 10 March 2025)
Tina Gallagher	(Appointed 10 March 2025)
Rosie Howl	(Appointed 10 March 2025)
Matthew Stafford	(Appointed 2 December 2024)
Joanne Sweet	(Appointed 2 December 2024)
Prof John Whenham	(Resigned 2 December 2024)
Andrea Howl	(Resigned 2 December 2024)

The company is limited by guarantee and therefore no director has any interest in the share capital of the company. The directors are usually appointed at the Annual General Meeting to ensure that the Board represents a cross section of the community.

The directors are responsible for financial controls and accounts; for developing and overseeing a reserves policy; for ensuring that all procedures and policies adhere to their legal requirements as employers; for reviewing risk management of the organisation; to ensure all aspects of charity and company law are fully and properly adhered to and generally protect the charity's property.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare accounts that give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of the charitable company's surplus or deficit for the year. In doing so, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the accounts comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2025

VISION AND MISSION

Our vision is to achieve:

- Greater wellbeing through music.

Our mission is to deliver:

- High quality Music Therapy for clients, innovative collaborations with partners and wider understanding of the benefits of music for all.

OBJECTIVES AND ACTIVITIES

The principal objective of Music Therapy Works is to provide Music Therapy for children and adults of all ages within local communities in the West and East Midlands. The charity achieves its objectives through the provision of a community-based Music Therapy service for both children and adults.

The main objects, as shown in the Memorandum and Articles of Association, are:

- The therapeutic use of music for the relief of physical and mental illness and disability, the alleviation of developmental, emotional, social, and behavioural difficulties and the protection and promotion of good health.
- The promotion of the use of Music Therapy by other organisations including but not limited to hospitals, prisons, hospices, and schools.
- The promotion and publication of research into the therapeutic use of music.
- The education of members of the public concerning music as a means of therapy.
- The establishment, development, and use of health professions council approved training courses to train individuals as music therapists.

For the future, the directors will continue to seek to expand the provision of Music Therapy and associated activities throughout the West and East Midlands.

PUBLIC BENEFIT

The trustees confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Music Therapy Works promotes the advancement of Music Therapy and is open to the majority of the public in need of Music Therapy.

FINANCIAL REVIEW

The results of the Charity for the year are shown in detail in the Statement of Financial Activities on page 11. In summary, the Charity had a surplus of income above expenditure on the unrestricted funds of £23,638 during the year. The balance on the unrestricted funds at 31st August 2025 was £254,589 (2024: £230,951). The balance on the restricted funds was £1,857 (2024: £11,835).

RESTRICTED FUNDS

The restricted funds have been donated to the Charity for specific purposes and are listed in note 10 to the accounts.

RESERVES POLICY

The Board has agreed as policy that the free reserves of the organisation, defined as net current assets that are neither restricted nor designated for specific purposes, should be sufficient to provide a reasonable working balance to meet commitments when they become due whilst recognising the possible delays in receipt of fee income due. It is considered that, given that 82% of annual turnover is used to fund staff costs, the reserves target is best expressed in terms of payroll months. The Board has assessed that, under current circumstances, the free reserves should be the equivalent of 6 months' payroll costs.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

Using the average payroll costs from the 2025/2026 budget, free reserves should be in the region of £162,404. As at 31 August 2025, non-designated free reserves (excluding functional tangible fixed assets) stood at £253,790. The stated strategy has therefore been achieved this year.

The Board's reserves policy also requires the Trustees to reassess any designated funds annually when reviewing its reserves, so that no funds are needlessly designated and excluded from the calculation of free reserves.

FINANCIAL RISK MANAGEMENT

The Charity finances its operations through the generation of cash from operating activities and has no interest rate exposure on financial liabilities. Liquidity risk is managed through forecasting the future cash flow requirements of the Charity and maintaining sufficient cash at bank.

GENERAL RISK MANAGEMENT

A Risk Register is maintained and reviewed annually by the Board of Trustees. Key risks and mitigation efforts are communicated to relevant stakeholders. A Risk Management Policy is reviewed by the Board of Trustees every 3 years, or sooner if legislation or regulatory guidance changes.

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2025

REPORT FROM THE CHAIR

Our Achievements

On behalf of the Trustees of Music Therapy Works, it gives me great pleasure to provide an update on the activities of the charity during 2024/25. I am happy to report that MTW had a successful year delivering Music Therapy across a range of settings for people of all ages whose lives are affected by disability, injury or illness, supporting their psychological, emotional, cognitive, physical, communication and social needs.

Energised by continued strong demand for Music Therapy, 2024/25 was a year in which we focussed on improving our capacity to support our therapists, to engage with new and existing clients, and to plan for the future. Our CEO, Doug Bott, led the development of a new 3-year strategic plan in partnership with trustees and staff. Through this plan, from September 2025 we will consolidate and grow our core offer of Music Therapy for clients across the Midlands. We will diversify our activities through new projects, programmes and partnerships, embracing innovation and increasing our financial resilience. In everything we do, we will seek to better understand and articulate the benefits of music and Music Therapy. This strategic plan coheres around our vision of “greater wellbeing through music”.

Hours delivered

Our dedicated team of Music Therapists delivered even more of the work that we are so passionate about in 2024/25. This was our second record year in a row, with 6,551 clinical hours delivered to 58 clients (organisations and individuals) across the West and East Midlands.

Clients	Clinical hours delivered
Schools & Colleges	5262.5
Hospitals	380
Assisted Living	371.5
Individuals	537
Total	6,551

Feedback

Despite relentless financial headwinds, our delivery of Music Therapy in schools and colleges has remained consistently in demand. We are grateful to the many school and college leaders in both SEN and ‘mainstream’ schools who so clearly value the benefits that Music Therapy affords their children and young people:

“So beneficial, enjoyable and important for the health benefits our pupils gain from these sessions. Increased engagement and concentration are often observed.”

BG, Chadsgrove School

“Pupils benefit so much from having such high-quality therapy. Music gives them opportunities to communicate their needs and have these heard, held and validated in a way that is not dependent on language.”

JW, The Beacon PRU

We have also continued to deliver hundreds of hours of Music Therapy to individual clients, funded from a range of sources including Adoption Services, Case Managers, EHCPs (Education Health and Care plans) and privately:

“Excellent service... Would recommend to any parent wanting to provide their child with a way to express and deal with their emotions in a very safe space.”

AC, mother of individual client

Our Music Therapists have supported clients in a wide range of settings including residential homes and hospitals:

“One of our residents with advanced dementia had one of her few areas of emotional respite from Music Therapy. It was one of the only times in the week where she truly relaxed, engaged and could hold focus. Alison worked with her right until she was end-of-life and provided joy not only for her but to her husband as well.”

AD, Extra Care Charitable Trust

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2025

“From our clients’ point of view, Music Therapy brings a whole new dimension to rehab, and we consistently get excellent feedback. It integrates very well within our service and contributes to positive client outcomes.”

LL, Moor Green Outpatient Brain Injury Service.

Staffing

In addition to fourteen salaried Music Therapists, MTW has for the first time recruited a pool of eight freelance Music Therapists to improve responsiveness & resilience, and to meet demand from individual clients which can be challenging to schedule within salaried caseloads.

Our Chief Executive, Doug Bott, became full-time in January 2025 which has significantly improved management capacity and productivity. Doug continues to offer valuable leadership to MTW and support to the wider team of therapists, working tirelessly to take MTW forward with our new strategic plan. The decision to increase investment in this role and that of our Clinical Lead, Kate Fawcett, has enabled greater collaboration between them on MTW’s operations and future planning and is helping to ensure we have the necessary resources to deliver a high-quality service for our clients, and a lasting legacy for the future.

Kate Fawcett has remained instrumental in overseeing and supporting our therapists as Clinical Lead. Staff training targets were met during the year, ensuring that our clients are being supported by highly qualified and skilled Music Therapists.

Doug has worked closely with MTW’s Finance Officer, Alison Dunmore, to improve MTW’s financial forecasting, management and reporting and we are grateful for all their hard work in this area.

Fundraising

Notwithstanding the positive year which MTW has had, it still remains extremely challenging to run a successful charity in the current climate, balancing the need to keep fees and overheads as low as possible, with our responsibility to strive for excellence in delivery and administration. In this endeavour we are particularly grateful to all the funders and donors whose generosity continues to provide essential financial support for our work.

Thanks to...

*The Irving Memorial Trust
Dumbreck Charity*

... for helping to fund our operational running costs.

Thanks to...

*Baron Davenport’s Charity
Edward Cadbury Charitable Trust*

... for helping to fund Music Therapy for people living with dementia.

Thanks to...

*The Rowlands Trust
Dumbreck Charity*

... for helping to fund iPads for Music Therapy.

We are particularly grateful for the heartfelt and steadfast support of the Midlands Hospitals’ Choir who regularly raise money for MTW at their wonderful concerts. Huge thanks also to the B Natural Choir and the Acocks Green Methodist Church Society for their valuable financial support. We remain fully committed to ensuring that our donated income is used responsibly, efficiently, and effectively to ensure that as many people as possible can benefit from Music Therapy.

The Board

The Trustees met for an Away Day in April 2025, which was a valuable opportunity to discuss MTW’s priorities for the future and shape the 3-year strategic plan. It also provided a wonderful chance for our 5 new trustees to meet other members of the board. We are delighted with the impact which this intake of new trustees is having on the board as a whole and I would like to thank all of the trustees for their support and contributions during this year.

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2025

A number of subcommittees have been introduced during 2024-25 enabling trustees to dig into more detail than a full board meeting affords, while further deepening and formalising the working relationship between the board and the executive.

A robust and supportive induction process was introduced for the new trustees joining MTW this year, together with a code of conduct, role descriptions and a trustee buddying scheme and this will be reviewed as we look to seek to recruit further in 2026 as part of our succession planning.

We are working to be a board that is diverse and inclusive, including diversity of opinions. We want the board of trustees to be both supportive and constructively challenging of MTW, mixing realism and pragmatism with innovation and creativity.

Thanks

On behalf of the trustees, I would like to thank all our Music Therapists and staff for their hard work and enthusiasm which helped make 2024/25 another successful and special year for our clients. We look forward to working with them all on the clear vision and focus for MTW set out in the new 3-year strategic plan and are immensely grateful to Doug for developing this and driving it forward.

I would like to pay tribute to:

- Karmah Boothe whose term as a trustee ended in December 2025 – she brought great skills and insights to the role and was a key part of our CEO recruitment campaign;
- Sue Ayres who retired as a trustee in December 2025 - she gave many years of dedicated service to MTW and helped to guide it forward and offered great mentoring support to both therapists and fellow trustees, including myself.

The Board wishes to explore an alumni scheme for retired trustees so as to preserve the valuable knowledge, experience and networks of retiring trustees. We hope that they will be as excited as we are to see MTW grow and thrive as it takes its strategy forward seeking to deliver Music Therapy for and with a greater diversity of clients and partners, leading to greater wellbeing through music for more people.

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Signed on behalf of the Board



Sandra Bristoll - Chair

Date: 23/03/2026

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MUSIC THERAPY WORKS

I report to the trustees on my examination of the financial statements of Music Therapy Works (the Charity) for the year ended 31st August 2025, which are set out on pages 11 to 18.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the Charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination, I have followed all applicable 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 Institute of Chartered Accountants in England and Wales, 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 that in any material respect:

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 matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



L E Parkes FCA
Chartered Accountant
Parkes & Co
5 Crondal Place, Birmingham B15 2LB

Date: 31/03/2026

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 2025

	<u>Notes</u>	<u>Unrestricted</u> <u>Funds</u>	<u>Restricted</u> <u>Funds</u>	<u>2025</u> <u>Total</u> <u>Funds</u>	<u>2024</u> <u>Total</u> <u>Funds</u>
		£	£	£	£
INCOME FROM:					
Donations		3,552	5,500	9,052	21,122
Charitable Activities	2	375,583	0	375,583	355,929
Investments	3	8,481	0	8,481	6,260
TOTAL		<u>387,616</u>	<u>5,500</u>	<u>393,116</u>	<u>383,311</u>
EXPENDITURE ON:					
Charitable Activities	4	364,045	15,478	379,523	336,489
TOTAL		<u>364,045</u>	<u>15,478</u>	<u>379,523</u>	<u>336,489</u>
NET INCOME/(EXPENSE)		23,571	(9,978)	13,593	46,822
RECONCILIATION OF FUNDS					
Total Funds Brought Forward		230,951	11,835	242,786	195,964
TOTAL FUNDS CARRIED FORWARD		<u>254,522</u>	<u>1,857</u>	<u>256,379</u>	<u>242,786</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

BALANCE SHEET
AS AT 31ST AUGUST 2025

	Notes	<u>2025 Total</u> <u>Funds</u>	<u>2024 Total</u> <u>Funds</u>
		£	£
FIXED ASSETS			
Tangible Assets	6	799	0
Total Fixed Assets		799	0
CURRENT ASSETS			
Debtors	7	35,645	18,884
Prepayments		354	327
Cash at bank and in hand		233,104	232,137
Total Current Assets		269,103	251,348
CREDITORS			
Amounts falling due within one year	8	13,523	8,562
Net Current Assets		255,580	242,786
TOTAL NET ASSETS		256,379	242,786
THE FUNDS OF THE CHARITY			
Unrestricted funds	9	254,522	230,951
Restricted funds	10	1,857	11,835
Total Charity Funds		256,379	242,786

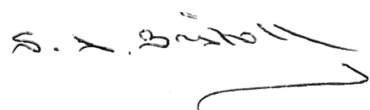
The Company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006 for the year ended 31 August 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

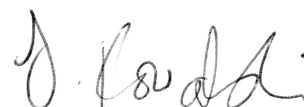
The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS102 SORP.

The financial statements were approved by the Trustees on 23 March 2026.



Sandra Bristoll – Trustee
 Company Registration No. 6663759



Joanna Kowalski – Trustee

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

1. Accounting Policies

Charity Information

Music Therapy Works is a private company limited by guarantee incorporated in England and Wales. The registered office is 105 High Street, Worcester, WR1 2HW.

Accounting Convention

The financial statements have been prepared in accordance with the Charity's accounting policies and comply with the Charity's Memorandum & Articles of Association, the Companies Act 2006 and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102)" (effective for accounting periods commencing 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are presented in Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis in preparing the financial statements.

Incoming Resources

Income is included in the Statement of Financial Activities when the charitable company is legally entitled to the income, when it is probable that the income will be received and when the monetary value of the income can be measured with sufficient reliability.

Activities

Income from therapy fees, teaching and workshops are included in incoming resources in the period in which the relevant event takes place.

Donations and Grants

Income from donations and grants is included in incoming resources when receivable, except as follows:

- where donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those accounting periods;
- when donors impose conditions that have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met,
- when donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any Value Added Tax that cannot be recovered.

Charitable activities include expenditure associated with the provision of Music Therapy and both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Tangible Fixed Assets

Tangible Fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Assets with an individual value of £500 or more are capitalised on the balance sheet. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Musical instruments	4 years
Office equipment	3 years

Depreciation is not provided on assets which have not yet been brought into use.

Pension Costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities in the period to which they relate.

Fund Accounting

Funds held by the charity are either:

- *unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees;
- *designated funds* – these are unrestricted funds designated by the trustees for a particular purpose;
- *restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

Basic financial assets

Basic Financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Significant Judgement Estimates

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.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total Funds 2025</u>	<u>Total Funds 2024</u>
	£	£	£	£
2. Income from Charitable Activities				
Other Income	123	0	123	100
Music Therapy Fees	375,460	0	375,460	355,829
	<u>375,583</u>	<u>0</u>	<u>375,583</u>	<u>355,929</u>

3. Investment Income

Deposit Account Interest	<u>8,481</u>	<u>0</u>	<u>8,481</u>	<u>6,260</u>
--------------------------	--------------	----------	--------------	--------------

4. Charitable Activities Costs

	<u>Direct Costs Therapists</u>	<u>Support Costs Administration</u>	<u>Total 2025</u>	<u>Total 2024</u>
	£	£	£	£
Salaries & NI (Note 5)	257,275	66,949	324,224	302,658
Other Staff and Equipment Costs	10,128	0	10,128	11,917
Administration Costs	0	45,171	45,171	21,914
	<u>267,403</u>	<u>112,120</u>	<u>379,523</u>	<u>336,489</u>

The Independent Examiner received £600 (including VAT) in respect of examination fees (2024: £600).

5. Staff Costs

	<u>2025</u>	<u>2024</u>
	£	£
Wages & Salaries	299,901	279,495
Social Security Costs	18,020	17,424
Pension Costs	6,303	5,739
	<u>324,224</u>	<u>302,658</u>

Total remuneration paid to key management personnel during the year was £47,812 (2024: £16,447).

During the year, the Charity employed 8 full time equivalent staff (2024: 7) of which there was 1 (2024: 1) administrative staff and 7 (2024: 6) therapy staff.

None of the directors received any emolument or reimbursement of expenses in respect of their services as Trustees of the charity. No individual received emoluments equal to, or in excess of, £60,000.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

6. Fixed Assets

	<u>Musical Instruments</u>	<u>Computers & Equipment</u>	<u>Total</u>
	£	£	£
Cost at 1 September 2024	1,409	3,563	4,972
Additions	0	1,198	1,198
Cost at 31 August 2025	<u>1,409</u>	<u>4,761</u>	<u>6,170</u>
Depreciation at 1 September 2024	1,409	3,563	4,972
Charge for the Year	0	399	399
Depreciation at 31 August 2025	<u>1,409</u>	<u>3,962</u>	<u>5,371</u>
Net Book Value at 31 August 2025	<u>0</u>	<u>799</u>	<u>799</u>
Net Book Value at 31 August 2024	<u>0</u>	<u>0</u>	<u>0</u>

7. Debtors: amounts falling due within one year

	<u>2025</u>	<u>2024</u>
	£	£
Debtors for Therapy Fees	27,577	11,784
Accrued Income	8,068	7,100
	<u>35,645</u>	<u>18,884</u>

8. Creditors: amount falling due within one year

	<u>2025</u>	<u>2024</u>
	£	£
Taxation and Social Security	7,141	4,386
Other Creditors	5,782	3,329
Accruals	600	847
	<u>13,523</u>	<u>8,562</u>

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2025

9. Unrestricted Funds

	<u>2025</u>	<u>2024</u>
	£	£
General Fund	254,522	230,951

10. Restricted Funds

	<u>Instruments</u>	<u>Subsidised Therapy</u>	<u>Retirement Village Project</u>	<u>IT</u>	<u>Total</u>	<u>2024</u>
	£	£	£	£	£	£
Incoming Resources	0	0	3,000	2,500	5,500	2,731
Resources Expended	28	1,760	11,560	2,130	15,478	14,600
Net Inflow/(Outflow) of Funds	(28)	(1,760)	(8,560)	370	(9,978)	(11,869)
Funds at 1 September 2024	31	3,244	8,560	0	11,835	23,704
Funds at 31 August 2025	3	1,484	0	370	1,857	11,835

11. Analysis of Net Assets between Funds

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>	<u>2024</u>
	£	£	£	£
Fund Balances at August 31, 2025 are represented by:				
Tangible Assets	799	0	799	0
Current Assets	253,723	1,857	255,580	242,786
	254,522	1,857	256,379	242,786

12. Related Party Transactions

There were no disclosable related party transactions during the year (2024 – None).

13. Capital Commitments

Amounts contracted for but not provided in the financial statements amounted to £0 (2024: £0).

14. Taxation

Music Therapy Works is a registered charity and, therefore, is not liable to income tax or corporation tax on income and gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

MUSIC THERAPY WORKS

England & Wales - Charity number 1126584

Accounts



MUSIC THERAPY WORKS

**COMPANY LIMITED BY GUARANTEE NO. 6663759
REGISTERED CHARITY NO. 1126584**

**ANNUAL REPORT
AND UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR TO 31st AUGUST 2024

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

CONTENTS	Page
Reference and administrative details	3
Report of the directors	4-9
Independent examiner's report	9
Statement of financial activities	10
Balance sheet	11
Notes to the financial statements	12-17

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

REFERENCE AND ADMINISTRATIVE DETAILS

DIRECTORS:	Sandra Bristol (Chair) Sue Ayres Carrie Churnside Karmah Boothe Matthew Stafford Joanne Sweet
REGISTERED OFFICE:	5 Deansway Worcester WR1 2JG
CHIEF EXECUTIVE:	Douglas Bott (Appointed 25 April 2024)
REGISTERED NUMBERS:	Company: 6663759 Charity: 1126584
INDEPENDENT EXAMINER:	Mr L E Parkes, FCA Parkes & Co 5 Crondal Place Edgbaston Birmingham B15 2LB
BANKERS:	Unity Trust Bank PO Box 7193 Planetary Road Willenhall WV1 9DG United Trust Bank One Ropemaker Street London EC2Y 9AW Redwood Bank The Nexus Building Broadway Letchworth Garden City SG6 3TA

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2024

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31st August 2024.

The financial statements have been prepared in accordance with the Charity's accounting policies set out in Note 1 and comply with the Charity's Memorandum & Articles of Association, the Companies Act 2006 and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective for accounting periods commencing from 1 January 2019)."

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a charitable Company limited by guarantee incorporated on 4 August 2008. The Charity was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association as amended by special resolutions dated 13 May 2019, 15 June 2020, and 10 July 2023. The Charity registered with the Charity Commission for England and Wales on 6 November 2008.

The directors, who are also trustees, until the signing of the financial statements, were:

Sandra Bristoll	(Appointed Chair 11 December 2023)
Sue Ayres	
Carrie Churnside	
Karmah Boothe	
Matthew Stafford	(Appointed 2 December 2024)
Joanne Sweet	(Appointed 2 December 2024)
Prof John Whenham	(Resigned 2 December 2024)
Andrea Howl	(Resigned 2 December 2024)
John Clemson MBE	(Chair - resigned 11 December 2023)
Saima Suleman	(Resigned 6 November 2023)
Dee Manning	(Resigned 3 November 2023)

The company is limited by guarantee and therefore no director has any interest in the share capital of the company. The directors are usually appointed at the Annual General Meeting to ensure that the Board represents a cross section of the community.

The directors are responsible for financial controls and accounts; for developing and overseeing a reserves policy; for ensuring that all procedures and policies adhere to their legal requirements as employers; for reviewing risk management of the organisation; to ensure all aspects of charity and company law are fully and properly adhered to and generally protect the charity's property.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare accounts that give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of the charitable company's surplus or deficit for the year. In doing so, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the accounts comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2024

MISSION STATEMENT

The overall mission of Music Therapy Works is:

- To deliver an excellent and comprehensive Music Therapy service in a cohesive and locally appropriate manner, accessible to all who need it.
- To develop and support the widest possible application of Music Therapy.
- To maintain the high quality of the therapy provided through regular monitoring and review.
- To be recognised as a leading provider of Music Therapy.
- To contribute to Music Therapy provision, training, and research.

OBJECTIVES AND ACTIVITIES

The principal objective of Music Therapy Works is to provide Music Therapy for children and adults of all ages within local communities in the Heart of England area. The charity achieves its objective through the provision of a community-based Music Therapy service for both children and adults.

The main objects, as shown in the Memorandum and Articles of Association, are:

- The therapeutic use of music for the relief of physical and mental illness and disability, the alleviation of developmental, emotional, social, and behavioural difficulties and the protection and promotion of good health.
- The promotion of the use of Music Therapy by other organisations including but not limited to hospitals, prisons, hospices, and schools.
- The promotion and publication of research into the therapeutic use of music.
- The education of members of the public concerning music as a means of therapy.
- The establishment, development, and use of health professions council approved training courses to train individuals as music therapists.

For the future, the directors will continue to seek to expand the provision of Music Therapy and associated activities throughout the Heart of England region.

PUBLIC BENEFIT

The trustees confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Music Therapy Works promotes the advancement of Music Therapy and is open to the majority of the public in need of Music Therapy.

FINANCIAL REVIEW

The results of the Charity for the year are shown in detail in the Statement of Financial Activities on page 10. In summary, the Charity had a surplus of income above expenditure on the unrestricted funds of £58,691 during the year. The balance on the unrestricted funds at 31st August 2024 was £230,951 (2023: £172,260). The balance on the restricted funds was £11,835 (2023: £23,704).

RESTRICTED FUNDS

The restricted funds have been donated to the Charity for specific purposes and are listed in note 10 to the accounts.

RESERVES POLICY

The Board has agreed as policy that the free reserves of the organisation, defined as net current assets that are neither restricted nor designated for specific purposes, should be sufficient to provide a reasonable working balance to meet commitments when they become due whilst recognising the possible delays in receipt of fee income due. It is considered that, given that 83% of annual turnover is used to fund staff costs, the reserves target is best expressed in

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

terms of payroll months. The Board has assessed that, under current circumstances, the free reserves should be the equivalent of 6 months' payroll costs.

Using the average payroll costs from the 2024/2025 budget, free reserves should be in the region of £165,319. As at 31 August 2024, non-designated free reserves (excluding functional tangible fixed assets) stood at £230,951. The stated strategy has therefore been achieved this year.

The Board's reserves policy also requires the Trustees to reassess any designated funds annually when reviewing its reserves, so that no funds are needlessly designated and excluded from the calculation of free reserves.

FINANCIAL RISK MANAGEMENT

The Charity finances its operations through the generation of cash from operating activities and has no interest rate exposure on financial liabilities. Liquidity risk is managed through forecasting the future cash flow requirements of the Charity and maintaining sufficient cash at bank.

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2024

REPORT FROM THE CHAIR

On behalf of the Trustees of Music Therapy Works, it gives me great pleasure to provide you with an update on the activities of MTW during 2023/24. I am happy to report that MTW had a successful year delivering Music Therapy for people whose lives are affected by disability, injury or illness, supporting their psychological, emotional, cognitive, physical, communication and social needs.

In line with our strategic objectives, our dedicated team of therapists delivered even more of the work that we are so passionate about in 2023/24. It was a record year, with the highest number of therapy hours ever delivered by MTW.

Clients	Hours delivered
Schools & Colleges	5,180.5
Hospitals	253.5
Assisted Living	427.5
Individuals	617
Total	6,523.5

This strong performance is up 2% from our second highest year (2018/19), demonstrating a full recovery to pre-pandemic activity levels. Although most of our delivery continued across the West Midlands, we further developed our presence in the East Midlands, supporting clients in areas such as Nottingham, Mansfield and Loughborough.

Despite challenging circumstances due to the cost-of-living crisis, our delivery of Music Therapy in schools and colleges has remained consistently in demand. We are grateful to the many school and college leaders who so clearly value the Music Therapy we provide for their children and young people:

"I would just like to say a huge thank you for the service N has delivered... this academic year, it has been outstanding."

"MTW is so valuable to the learners."

We have also continued to deliver hundreds of hours of Music Therapy for individual clients, funded via a range of sources including Adoption Services, Case Managers, EHCPs (Education Health and Care plans) and privately:

"It's an amazing service that you provide..."

"It's clearly helping, she has a good relationship with you."

"Music Therapy has been life changing for X in so many ways and we are thankful for you being an important person in his life."

As well as recruiting several music therapists this year, MTW also recruited a new CEO, Doug Bott, in April 2024. Doug has been able to offer valuable leadership to MTW and support to the team. He has worked tirelessly to consolidate our position and develop the underlying organisational structure to maximise what we can offer. Looking to the future, Doug has also been leading the development of a new strategic plan, which we aim to deliver from September 2025.

Following the retirement of Sophia Parker as Finance Officer in July 2024, we recruited Alison Bevins to the role. Alison has maintained responsible and stable stewardship of our finances, while delivering a number of improvements.

Our Clinical Lead, Kate Fawcett, has remained instrumental in overseeing our team of Music Therapists. Staff training targets were met during the year, ensuring that our clients are served by highly qualified and skilled therapists. The Board has extended the hours of the Clinical Lead since November 2024 to ensure that the team is even better supported, and to enable greater collaboration between the Clinical Lead and the CEO on both operations and future planning.

Notwithstanding the positive reports above, it remains extremely challenging to run a successful charity in the current climate, balancing the need to keep fees and overheads as low as possible, with our responsibility to strive for excellence in delivery. In this endeavour we are particularly grateful to the funders and donors whose generosity continues to provide essential financial support for our work.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

Thanks to...

The Irving Memorial Trust

Dumbreck Charity

The Patrick Trust

The Edward Gostling Foundation

... for helping to fund our operational running costs.

Thanks to...

Baron Davenport's Charity

The Edward and Dorothy Cadbury Trust

... for helping to fund Music Therapy for people living with dementia

MTW was fortunate again to be the chosen charity for collections at concerts given by The Midlands Hospitals' Choir and by the B Natural Choir. We would like to record our special thanks to both choirs and to all our donors for their generosity despite challenging economic times. We remain fully committed to ensuring that our donated income is used responsibly, efficiently, and effectively.

As well as recruiting a new CEO this year, Trustees have focussed on succession planning for the Board and have recruited 5 new trustees, who will all be in post by spring 2025. We are enthused by the potential that lies ahead for MTW and recognise the need to ensure that the Board remains primed and energised to deliver its role alongside the staff team.

The Trustees and CEO met for an Away Day in August 2024, which provided a valuable opportunity to discuss MTW's priorities for the future and undertake EDI training provided by one of our trustees, Karmah Boothe.

Significant work has been done to develop a robust and supportive induction process for new trustees, together with a code of conduct, role descriptions and a trustee buddying scheme. We are working to be a Board that is diverse and inclusive, including diversity of opinions. We want the Board of MTW to be both supportive and constructively challenging of MTW, mixing realism and pragmatism with innovation and creativity.

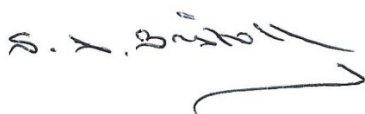
On behalf of the Trustees, I would like to thank our music therapists and staff for their hard work and enthusiasm which helped make 2023/24 another successful and special year for our clients. I thank our former Finance Officer, Sophia Parker for her years of loyal service and the Board wishes her a happy retirement.

I would also like to pay tribute to MTW's former Chair, John Clemson, who retired as a trustee and Chair in December 2023 and to Andrea Howl and John Whenham who retired as trustees in December 2024, all of whom gave many years of dedicated service to MTW and helped to guide it forward. The Board wish to explore an alumni scheme for retired trustees to preserve the valuable knowledge, experience and networks of retiring trustees.

The Board of Trustees is immensely grateful to Doug Bott for all the hard work which he has put in to stabilising MTW since taking over as Chief Executive in April 2024 and the Board is delighted that, as of January 2025, he is working full-time for MTW. The decision to invest in his role and that of the Clinical Lead reflects the Board's desire to ensure that MTW has the resources required to develop its new strategy and to build a legacy for the future. We look forward to working with them to define and deliver a fresh vision and focus for MTW.

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Signed on behalf of the Board



Sandra Bristoll - Chair

Date: 11/03/2025

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MUSIC THERAPY WORKS

I report to the trustees on my examination of the financial statements of Music Therapy Works (the Charity) for the year ended 31st August 2024, which are set out on pages 10 to 17.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the Charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination, I have followed all applicable 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 Institute of Chartered Accountants in England and Wales, 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 that in any material respect:

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 matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



L E Parkes FCA
Chartered Accountant
Parkes & Co
5 Crondal Place, Birmingham B15 2LB

Date: 08/04/2025

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST
2024**

	<u>Notes</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>2024 Total Funds</u>	<u>2023 Total Funds</u>
		£	£	£	£
INCOME FROM:					
Donations		18,391	2,731	21,122	20,736
Charitable Activities	2	355,929	0	355,929	290,873
Investments	3	6,260	0	6,260	3,732
TOTAL		<u>380,580</u>	<u>2,731</u>	<u>383,311</u>	<u>315,341</u>
EXPENDITURE ON:					
Charitable Activities	4	321,889	14,600	336,489	299,006
TOTAL		<u>321,889</u>	<u>14,600</u>	<u>336,489</u>	<u>299,006</u>
NET INCOME/(EXPENSE)		58,691	(11,869)	46,822	16,335
RECONCILIATION OF FUNDS					
Total Funds Brought Forward		172,260	23,704	195,964	179,629
TOTAL FUNDS CARRIED FORWARD		<u>230,951</u>	<u>11,835</u>	<u>242,786</u>	<u>195,964</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

BALANCE SHEET
AS AT 31ST AUGUST 2024

	Notes	<u>2024</u> <u>Total</u> <u>Funds</u> £	<u>2023</u> <u>Total</u> <u>Funds</u> £
FIXED ASSETS			
Tangible Assets	6	0	124
Total Fixed Assets		0	124
CURRENT ASSETS			
Debtors	7	18,884	21,954
Prepayments		327	
Cash at bank and in hand		232,137	179,600
Total Current Assets		251,348	201,554
CREDITORS			
Amounts falling due within one year	8	8,562	5,714
Net Current Assets		242,786	195,840
TOTAL NET ASSETS		242,786	195,964
THE FUNDS OF THE CHARITY			
Unrestricted funds	9	230,951	172,260
Restricted funds	10	11,835	23,704
Total Charity Funds		242,786	195,964

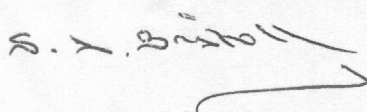
The Company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006 for the year ended 31 August 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

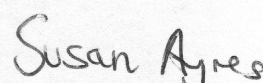
The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS102 SORP.

The financial statements were approved by the Trustees on 10 March 2025



Sandra Bristoll – Trustee
 Company Registration No. 6663759


Sue Ayres – Trustee

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

1. Accounting Policies

Charity Information

Music Therapy Works is a private company limited by guarantee incorporated in England and Wales. The registered office is 5 Deansway, Worcester, WR1 2JG.

Accounting Convention

The financial statements have been prepared in accordance with the Charity's accounting policies and comply with the Charity's Memorandum & Articles of Association, the Companies Act 2006 and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102)" (effective for accounting periods commencing 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are presented in Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis in preparing the financial statements.

Incoming Resources

Income is included in the Statement of Financial Activities when the charitable company is legally entitled to the income, when it is probable that the income will be received and when the monetary value of the income can be measured with sufficient reliability.

Activities

Income from therapy fees, teaching and workshops are included in incoming resources in the period in which the relevant event takes place.

Donations and Grants

Income from donations and grants is included in incoming resources when receivable, except as follows:

- where donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those accounting periods;
- when donors impose conditions that have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met,
- when donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any Value Added Tax that cannot be recovered.

Charitable activities include expenditure associated with the provision of Music Therapy and both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Tangible Fixed Assets

Tangible Fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Assets with an individual value of £500 or more are capitalised on the balance sheet. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Musical instruments	4 years
Office equipment	3 years

Depreciation is not provided on assets which have not yet been brought into use.

Pension Costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities in the period to which they relate.

Fund Accounting

Funds held by the charity are either:

- *unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees;
- *designated funds* – these are unrestricted funds designated by the trustees for a particular purpose;
- *restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

Basic financial assets

Basic Financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Significant Judgement Estimates

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.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total Funds 2024</u>	<u>Total Funds 2023</u>
	£	£	£	£
2. Income from Charitable Activities				
Other Income	100		100	0
Music Therapy Fees	355,829	0	355,829	290,873
	<u>355,929</u>	<u>0</u>	<u>355,929</u>	<u>290,873</u>

3. Investment Income

Deposit Account Interest	<u>6,260</u>	<u>0</u>	<u>6,260</u>	<u>3,732</u>
--------------------------	--------------	----------	--------------	--------------

4. Charitable Activities Costs

	<u>Direct Costs Therapists</u>	<u>Support Costs Administration</u>	<u>Total 2024</u>	<u>Total 2023</u>
	£	£	£	£
Salaries & NI (Note 5)	253,523	49,135	302,658	263,294
Other Staff and Equipment Costs	11,917	0	11,917	8,275
Administration Costs	0	21,914	21,914	27,437
	<u>265,440</u>	<u>71,049</u>	<u>336,489</u>	<u>299,006</u>

The Independent Examiner received £600 (including VAT) in respect of examination fees (2023: £550).

5. Staff Costs

	<u>2024</u>	<u>2023</u>
	£	£
Wages & Salaries	279,495	244,869
Social Security Costs	17,424	13,968
Pension Costs	5,739	4,457
	<u>302,658</u>	<u>263,294</u>

Total remuneration paid to key management personnel during the year was £16,447 (2023: £22,447).

During the year, the Charity employed 7 full time equivalent staff (2023: 7) of which there was 1 (2023: 1) administrative staff and 6 (2023: 6) therapy staff.

None of the directors received any emolument or reimbursement of expenses in respect of their services as Trustees of the charity. No individual received emoluments equal to, or in excess of, £60,000.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

6. Fixed Assets

	<u>Musical Instruments</u>	<u>Computers & Equipment</u>	<u>Total</u>
	£	£	£
Cost at 1 September 2023	1,409	3,563	4,972
Additions	0	0	0
Cost at 31 August 2024	<u>1,409</u>	<u>3,563</u>	<u>4,972</u>
Depreciation at 1 September 2023	1,409	3,439	4,848
Charge for the Year	0	124	124
Depreciation at 31 August 2024	<u>1,409</u>	<u>3,563</u>	<u>4,972</u>
Net Book Value at 31 August 2024	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
Net Book Value at 31 August 2023	<u><u>0</u></u>	<u><u>124</u></u>	<u><u>124</u></u>

7. Debtors: amounts falling due within one year

	<u>2024</u>	<u>2023</u>
	£	£
Debtors for Therapy Fees	11,784	19,033
Accrued Income	7,100	2,921
	<u>18,884</u>	<u>21,954</u>

8. Creditors: amount falling due within one year

	<u>2024</u>	<u>2023</u>
	£	£
Taxation and Social Security	4,386	4,379
Other Creditors	3,329	51
Accruals	847	1,284
Deferred Sales Income	0	0
	<u>8,562</u>	<u>5,714</u>

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2024

9. Unrestricted Funds

	<u>2024</u>	<u>2023</u>
	£	£
General Fund	230,951	172,260

10. Restricted Funds

	<u>Instruments</u>	<u>Subsidised Therapy</u>	<u>Retirement Village Project</u>	<u>Total</u>	<u>2023</u>
	£	£	£	£	£
Incoming Resources	1,031		1700	2,731	16,630
Resources Expended	1,000	760	12840	14,600	4,298
Net Inflow/(Outflow) of Funds	31	(760)	# (11,140)	(11,869)	12,332
Funds at 1 September 2023	0	4,004	19700	23,704	11,372
Funds at 31 August 2024	31	3,244	8560	11,835	23,704

11. Analysis of Net Assets between Funds

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>	<u>2023</u>
	£	£	£	£
Fund Balances at August 31, 2024 are represented by:				
Tangible Assets	0	0	0	124
Current Assets	230,951	11,835	242,786	195,840
	230,951	11,835	242,786	195,964

12. Related Party Transactions

There were no disclosable related party transactions during the year (2023 – None).

13. Capital Commitments

Amounts contracted for but not provided in the financial statements amounted to £0 (2023: £0).

14. Taxation

Music Therapy Works is a registered charity and, therefore, is not liable to income tax or corporation tax on income and gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

MUSIC THERAPY WORKS

England & Wales - Charity number 1126584

Accounts



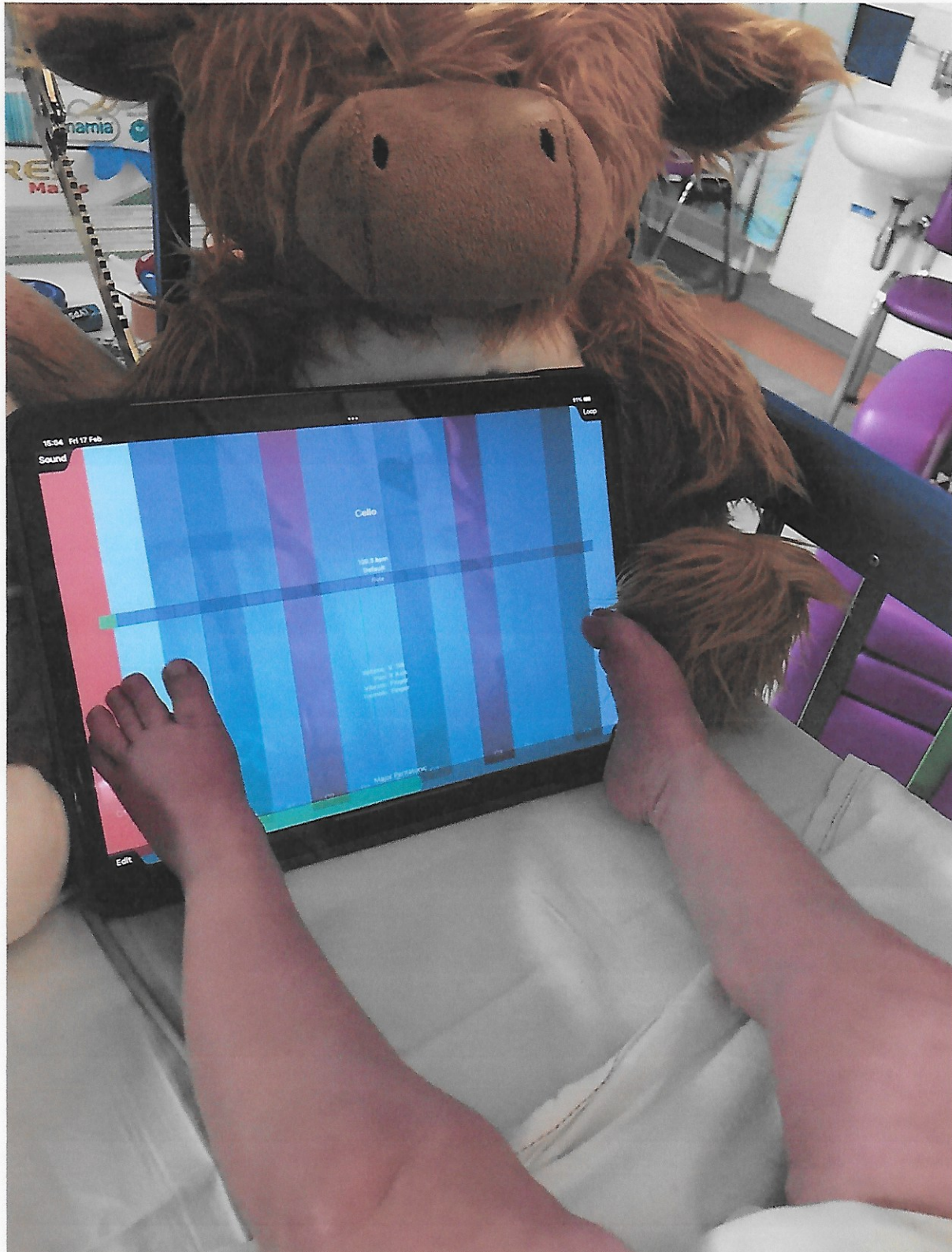
MUSIC THERAPY WORKS

**COMPANY LIMITED BY GUARANTEE NO. 6663759
REGISTERED CHARITY NO. 1126584**

**ANNUAL REPORT
AND UNAUDITED FINANCIAL STATEMENTS**

FOR THE YEAR TO 31ST AUGUST 2023

For the very young



And the very old



MTW provides music therapy services that are accessible and uses music making to help people communicate and express themselves.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

CONTENTS

	Page
Reference and administrative details	5
Report of the directors	6-12
Independent examiner's report	13
Statement of financial activities	14
Balance sheet	15
Notes to the financial statements	16-21

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

REFERENCE AND ADMINISTRATIVE DETAILS

DIRECTORS:	John Clemson MBE (Resigned 11 December 2023) Allan Craig (Resigned 27 February 2023) Prof John Whenham Andrea Howl Sandra Bristoll (Chair) Sue Ayres Carrie Churnside Karmah Boothe (Appointed 12 December 2022) Dee Manning (Appointed 12 December 2022, Resigned 3 November 2023) Saima Suleman (Appointed 27 February 2023, Resigned 6 November 2023)
COMPANY SECRETARY:	Sophia Parker
REGISTERED OFFICE:	5 Deansway Worcester WR1 2JG
CHIEF EXECUTIVE:	Vacant (Simon Murphy Resigned 29 September 2023)
REGISTERED NUMBERS:	Company: 6663759 Charity: 1126584
INDEPENDENT EXAMINER:	Mr L E Parkes, FCA Parkes & Co 5 Crondal Place Edgbaston Birmingham B15 2LB
BANKERS:	Unity Trust Bank PO Box 7193 Planetary Road Willenhall WV1 9DG United Trust Bank One Ropemaker Street London EC2Y 9AW Redwood Bank The Nexus Building Broadway Letchworth Garden City SG6 3TA

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2023

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31st August 2023.

The financial statements have been prepared in accordance with the Charity's accounting policies set out in Note 1 and comply with the Charity's Memorandum & Articles of Association, the Companies Act 2006 and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective for accounting periods commencing from 1 January 2019)."

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a charitable Company limited by guarantee incorporated on 4 August 2008. The Charity was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association as amended by special resolutions dated 13 May 2019, 15 June 2020, and 10 July 2023. The Charity registered with the Charity Commission for England and Wales on 6 November 2008.

The directors, who are also trustees, during the period under review, were:

John Clemson MBE	(Resigned 11 December 2023)
Allan Craig	(Resigned 27 February 2023)
Prof John Whenham	
Andrea Howl	
Sandra Bristoll	(Appointed Chair 11 December 2023)
Sue Ayres	
Carrie Churnside	
Karmah Boothe	(Appointed 12 December 2022)
Dee Manning	(Appointed 12 December 2022 & Resigned 3 November 2023)
Saima Suleman	(Appointed 27 February 2023 & Resigned 6 November 2023)

The company is limited by guarantee and therefore no director has any interest in the share capital of the company. The directors are usually appointed at the Annual General Meeting to ensure that the Board represents a cross section of the community.

The directors are responsible for financial controls and accounts; for developing and overseeing a reserves policy; for ensuring that all procedures and policies adhere to their legal requirements as employers; for reviewing risk management of the organisation; to ensure all aspects of charity and company law are fully and properly adhered to and generally protect the charity's property.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare accounts that give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of the charitable company's surplus or deficit for the year. In doing so, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2023

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the accounts comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MISSION STATEMENT

The overall mission of Music Therapy Works is:

- To deliver an excellent and comprehensive music therapy service in a cohesive and locally appropriate manner, accessible to all who need it.
- To develop and support the widest possible application of music therapy.
- To maintain the high quality of the therapy provided through regular monitoring and review.
- To be recognised as a leading provider of music therapy.
- To contribute to music therapy provision, training, and research.

OBJECTIVES AND ACTIVITIES

The principal objective of Music Therapy Works is to provide music therapy for children and adults of all ages within local communities in the Heart of England area. The charity achieves its objective through the provision of a community-based music therapy service for both children and adults.

The main objects, as shown in the Memorandum and Articles of Association, are:

- The therapeutic use of music for the relief of physical and mental illness and disability, the alleviation of developmental, emotional, social, and behavioural difficulties and the protection and promotion of good health.
- The promotion of the use of music therapy by other organisations including but not limited to hospitals, prisons, hospices, and schools.
- The promotion and publication of research into the therapeutic use of music.
- The education of members of the public concerning music as a means of therapy.
- The establishment, development, and use of health professions council approved training courses to train individuals as music therapists.

For the future, the directors will continue to seek to expand the provision of music therapy and associated activities throughout the Heart of England region.

PUBLIC BENEFIT

The trustees confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Music Therapy Works promotes the advancement of music therapy and is open to the majority of the public in need of music therapy.

FINANCIAL REVIEW

The results of the Charity for the year are shown in detail in the Statement of Financial Activities on page 13. In summary, the Charity had a surplus of income above expenditure on the unrestricted funds of £4,003 during the year.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

The balance on the unrestricted funds at 31st August 2023 was £172,260 (2022: £168,257). The balance on the restricted funds was £23,704 (2022: £11,372).

RESTRICTED FUNDS

The restricted funds have been donated to the Charity for specific purposes and are listed in note 10 to the accounts.

RESERVES POLICY

The Board has agreed as policy that the free reserves of the organisation, defined as net current assets that are neither restricted nor designated for specific purposes, should be sufficient to provide a reasonable working balance to meet commitments when they become due whilst recognising the possible delays in receipt of fee income due. It is considered that, given that 83% of annual turnover is used to fund staff costs, the reserves target is best expressed in terms of payroll months. The Board has assessed that, under current circumstances, the free reserves should be the equivalent of 6 months' payroll costs.

Using the average payroll costs from the 2023/2024 budget, free reserves should be in the region of £167,318. As at 31 August 2023, non-designated free reserves (excluding functional tangible fixed assets) stood at £172,136. The stated strategy has therefore been achieved this year.

The Board's reserves policy also requires the Trustees to reassess any designated funds annually when reviewing its reserves, so that no funds are needlessly designated and excluded from the calculation of free reserves.

FINANCIAL RISK MANAGEMENT

The Charity finances its operations through the generation of cash from operating activities and has no interest rate exposure on financial liabilities. Liquidity risk is managed through forecasting the future cash flow requirements of the Charity and maintaining sufficient cash at bank.

REPORT FROM THE CHAIR

Our Achievements

On behalf of the Trustees of Music Therapy Works, it gives me great pleasure to provide you with an update on the activities of MTW during 2022/23. I am happy to report that MTW had a successful year delivering music therapy sessions to those with physical, psychological, behavioural, or emotional difficulties.

Music Therapy Delivery in Numbers

- **5599** Hours of Music Therapy Sessions Delivered to:
- **1** Hospital
- **3** Assisted Living Facilities
- **15** Individual Residences
- **26** Educational Establishments
- **236** People of All Ages

In line with our strategic objectives, MTW increased the number of hours of music therapy sessions delivered by 18% and, although our stronghold remains in the West Midlands, started to develop our presence in the East Midlands.

Despite the challenging circumstances due to the cost-of-living crisis, our delivery of music therapy sessions to both primary and secondary schools remained strong. Positive feedback from schools included:

It helps our young learner to communicate in a way that he may not be able to otherwise ...

It enables our pupils with complex, social, emotional, and mental health needs to express themselves through the medium of music in a safe therapeutic space.

It gives our pupils the opportunity to explore and express their feelings and emotions through the medium of music.

A longer-term strategic objective is the diversification of our delivery service to ensure MTW's financial stability and sustainability. During the year under review, MTW secured a contract to deliver music therapy sessions at a children's hospital. This is just one of the first steps on the road to diversification.

As well as recruiting several music therapists this year, MTW also recruited a new clinical lead officer in May 2023, who has been able to offer valuable, specialist clinical insight and support to the wider team of

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2023

therapists. The clinical lead officer has been instrumental in the delivery of staff training and staff training targets were met during the year, ensuring that our clients are being supported by highly qualified and skilled music therapists. During this year, MTW's dedicated team of therapists has been able to do more of the work, which we are all so passionate about.

Satisfaction with Our Service

In 2023, questionnaires were sent to the family members, carers and professionals who support our clients. This is a summary of their responses:

- ✚ 80% were very happy with the service and 20% mostly happy.
- ✚ 90% would definitely recommend MTW.
- ✚ 90% felt the service represented very good or reasonable value for money.

Overall, responses indicated a high level of satisfaction with the service provided. Consistency of service was identified as a key factor. This is something that MTW will continue to do our utmost to maintain.

Fundraising

Further to the purchase of iPads and supporting accessories, in the previous financial year, as a means to use innovation to enhance the effectiveness of our music therapy delivery, I report back on the overwhelming success of this addition to the therapists' 'tool kit'. Using the iPads in their daily work, the team have given the following feedback on the difference that has been made to both them and their clients:

Using ThumbJam with the sensory speaker a....deaf baby was getting so excited by the multi-sensory experience of the speaker through her mattress - it was so wonderful to watch her and her families' expressions! She started to vocalise, and Dad said she was still vocalising 30minutes after the session.

I use the ThumbJam app and recently discovered that it can be used just by voice which my clients with limited movement in their hands love to use. I have used the groove pad app to support mainstream school clients and they love being able to create something different every time they use it. I have also used GarageBand for clients to record their own songs.

I think the iPad is fantastic! It was a lovely surprise when I joined the team that we all have such a snazzy piece of tech. Thank you for such an amazing resource.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

We are immensely grateful to the following funders whose generous donations allowed us to purchase the iPads, hardware accessories, and software:

The Edward Gostling Foundation

The Rowlands Trust

The Roger & Douglas Turner Charitable Trust

Baron Davenport's Charity

MTW was fortunate to be the chosen charity for the collection at the **Midlands Hospital Choir** concerts and by **GBP Partnerships Foundation** for their community funding. We would like to record our special thanks to them and to all our donors for their generosity despite the challenging economic times. We are committed to ensuring that our donated income is used responsibly, efficiently, and effectively.

Plans for Future Periods

MTW is committed to growing our workforce and providing opportunities for career progression within the organisation and creating sustainable roles for the future development of the charity. The Trustees met for an Away Day in February 2023, which provided a valuable opportunity to discuss MTW's priorities for the future. The mentoring scheme has continued to develop mutual understanding and support between the Trustees and the MTW team.

Our plans to increase business over the next few years will focus on diversifying our income and offer by:

- Increasing our delivery of online music therapy services to reach those we might not otherwise be able to work with.
- Exploring the possibility of supporting mental health with music therapy.
- Further expanding our services to those living with dementia.

A successful fundraising campaign to support dementia work will see two of our therapists begin to deliver sessions in four Extra Care Charitable Trust Villages in the West Midlands in September 2023. We are extremely grateful to the following organisations for their generous donations to facilitate this project:

The McLay Dementia Trust

The D'Oyly Carte Charitable Trust

George Fentham Birmingham Charity

Baron Davenport's Charity

The Eveson Trust

On behalf of the Trustees, I would like to thank our music therapists and support staff for their hard work and enthusiasm during the year which helped make 2022/23 another successful and special year for our clients. I would also like to pay tribute to MTW's former Chair, John Clemson, who retired as a trustee and

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

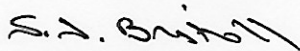
as Chair in December 2023 and to Allan Craig, who retired as a trustee in February 2023, both of whom gave many years of dedicated service to MTW and helped to guide it forward.

The Board of Trustees is also grateful to Simon Murphy, MTW's former chief executive, for all the hard work and dedication, which he put in to stabilising MTW during his tenure after the pandemic.

We as a Board have taken all steps to manage the interim period and the recruitment of a new CEO as smoothly as possible. We are grateful to the other members of the senior leadership team and to the therapists for their support during this period and look forward to the fresh vision and focus which MTW's new CEO will bring to the role.

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Signed on behalf of the Board



Sandra Bristoll - Chair
29th April 2024

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MUSIC THERAPY WORKS

I report to the trustees on my examination of the financial statements of Music Therapy Works (the Charity) for the year ended 31st August 2023, which are set out on pages 14 to 21.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the Charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination, I have followed all applicable 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 Institute of Chartered Accountants in England and Wales, 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 that in any material respect:

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 matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



L E Parkes FCA
Chartered Accountant
Parkes & Co
5 Crondal Place, Birmingham B15 2LB

Date: 1 May 2024

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 2023

	<u>Notes</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>2023 Total Funds</u>	<u>2022 Total Funds</u>
		£	£	£	£
INCOME FROM:					
Donations		4,106	16,630	20,736	29,797
Charitable Activities	2	290,873	0	290,873	227,050
Investments	3	3,732	0	3,732	1,324
TOTAL		<u>298,711</u>	<u>16,630</u>	<u>315,341</u>	<u>258,171</u>
EXPENDITURE ON:					
Charitable Activities	4	294,708	4,298	299,006	262,939
TOTAL		<u>294,708</u>	<u>4,298</u>	<u>299,006</u>	<u>262,939</u>
NET INCOME/(EXPENSE)		4,003	12,332	16,335	(4,768)
RECONCILIATION OF FUNDS					
Total Funds Brought Forward		168,257	11,372	179,629	184,397
TOTAL FUNDS CARRIED FORWARD		<u>172,260</u>	<u>23,704</u>	<u>195,964</u>	<u>179,629</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

BALANCE SHEET

AS AT 31ST AUGUST 2023

	Notes	<u>2023</u> <u>Total</u> <u>Funds</u> £	<u>2022</u> <u>Total</u> <u>Funds</u> £
FIXED ASSETS			
Tangible Assets	6	124	524
Total Fixed Assets		124	524
CURRENT ASSETS			
Debtors	7	21,954	11,685
Cash at bank and in hand		<u>179,600</u>	<u>172,793</u>
Total Current Assets		<u>201,554</u>	<u>184,478</u>
CREDITORS			
Amounts falling due within one year	8	<u>5,714</u>	<u>5,373</u>
Net Current Assets		<u>195,840</u>	<u>179,105</u>
TOTAL NET ASSETS		<u>195,964</u>	<u>179,629</u>
THE FUNDS OF THE CHARITY			
Unrestricted funds	9	172,260	168,257
Restricted funds	10	<u>23,704</u>	<u>11,372</u>
Total Charity Funds		<u>195,964</u>	<u>179,629</u>

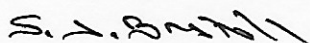
The Company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006 for the year ended 31 August 2023.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

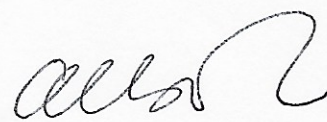
The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS102 SORP.

The financial statements were approved by the Trustees on 29 April 2024



Sandra Bristoll – Trustee
Company Registration No. 6663759



Andrea Howl – Trustee

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

1. Accounting Policies

Charity Information

Music Therapy Works is a private company limited by guarantee incorporated in England and Wales. The registered office is 5 Deansway, Worcester, WR1 2JG.

Accounting Convention

The financial statements have been prepared in accordance with the Charity's accounting policies and comply with the Charity's Memorandum & Articles of Association, the Companies Act 2006 and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102)" (effective for accounting periods commencing 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are presented in Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis in preparing the financial statements.

Incoming Resources

Income is included in the Statement of Financial Activities when the charitable company is legally entitled to the income, when it is probable that the income will be received and when the monetary value of the income can be measured with sufficient reliability.

Activities

Income from therapy fees, teaching and workshops are included in incoming resources in the period in which the relevant event takes place.

Donations and Grants

Income from donations and grants is included in incoming resources when receivable, except as follows:

- where donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those accounting periods;
- when donors impose conditions that have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met,

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

- when donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any Value Added Tax that cannot be recovered.

Charitable activities include expenditure associated with the provision of music therapy and both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Tangible Fixed Assets

Tangible Fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Assets with an individual value of £500 or more are capitalised on the balance sheet. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Musical instruments	4 years
Office equipment	3 years

Depreciation is not provided on assets which have not yet been brought into use.

Pension Costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities in the period to which they relate.

Fund Accounting

Funds held by the charity are either:

- *unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees;
- *designated funds* – these are unrestricted funds designated by the trustees for a particular purpose;
- *restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic Financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Significant Judgement Estimates

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.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total Funds</u> <u>2023</u> £	<u>Total Funds</u> <u>2022</u> £
2. Income from Charitable Activities				
Music Therapy Fees	<u>290,873</u>	<u>0</u>	<u>290,873</u>	<u>227,050</u>
3. Investment Income				
Deposit Account Interest	<u>3,732</u>	<u>0</u>	<u>3,732</u>	<u>1,324</u>
4. Charitable Activities Costs				
	<u>Direct Costs</u> <u>Therapists</u> £	<u>Support Costs</u> <u>Administration</u> £	<u>Total 2023</u> £	<u>Total 2022</u> £
Salaries & NI (Note 5)	218,777	44,517	263,294	227,278
Other Staff and Equipment Costs	8,275	0	8,275	9,065
Administration Costs	<u>0</u>	<u>27,437</u>	<u>27,437</u>	<u>26,596</u>
	<u>227,052</u>	<u>71,954</u>	<u>299,006</u>	<u>262,939</u>

The Independent Examiner received £550 (including VAT) in respect of examination fees (2022: £550).

5. Staff Costs

	<u>2023</u> £	<u>2022</u> £
Wages & Salaries	244,869	215,424
Social Security Costs	13,968	8,031
Pension Costs	<u>4,457</u>	<u>3,823</u>
	<u>263,294</u>	<u>227,278</u>

Total remuneration paid to key management personnel during the year was £22,447 (2022: £23,150).

During the year, the Charity employed 7 full time equivalent staff (2022: 6) of which there was 1 (2022: 1) administrative staff and 6 (2022: 5) therapy staff.

None of the directors received any emolument or reimbursement of expenses in respect of their services as Trustees of the charity. No individual received emoluments equal to, or in excess of, £60,000.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

6. Fixed Assets

	<u>Musical Instruments</u>	<u>Computers & Equipment</u>	<u>Total</u>
	£	£	£
Cost at 1 September 2022	1,409	3,563	4,972
Additions	0	0	0
Cost at 31 August 2023	<u>1,409</u>	<u>3,563</u>	<u>4,972</u>
Depreciation at 1 September 2022	1,409	3,039	4,448
Charge for the Year	0	400	400
Depreciation at 31 August 2023	<u>1,409</u>	<u>3,439</u>	<u>4,848</u>
Net Book Value at 31 August 2023	<u>0</u>	<u>124</u>	<u>124</u>
Net Book Value at 31 August 2022	<u>0</u>	<u>524</u>	<u>524</u>

7. Debtors: amounts falling due within one year

	<u>2023</u>	<u>2022</u>
	£	£
Debtors for Therapy Fees	19,033	10,726
Accrued Income	2,921	959
	<u>21,954</u>	<u>11,685</u>

8. Creditors: amount falling due within one year

	<u>2023</u>	<u>2022</u>
	£	£
Taxation and Social Security	4,379	3,803
Other Creditors	51	150
Accruals	1,284	1,296
Deferred Sales Income	0	124
	<u>5,714</u>	<u>5,373</u>

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2023

9. Unrestricted Funds

	<u>2023</u>	<u>2022</u>
	£	£
General Fund	<u>172,260</u>	<u>168,257</u>

10. Restricted Funds

	<u>Good Vibes</u>	<u>Subsidised</u>	<u>IT</u>	<u>Retirement</u>	<u>Total</u>	<u>2022</u>
	<u>Drumming</u>	<u>Therapy</u>		<u>Village</u>		
	£	£	£	£	£	£
Incoming Resources	(3,070)	0	0	19700	16,630	19,881
Resources Expended	1,253	2,640	405	0	4,298	14,136
Net Inflow/(Outflow) of Funds	<u>(4,323)</u>	<u>(2,640)</u>	<u>(405)</u>	<u>19700</u>	<u>12,332</u>	<u>5,745</u>
Funds at 1 September 2022	4,323	6,644	405	0	11,372	5,627
Funds at 31 August 2023	<u>0</u>	<u>4,004</u>	<u>0</u>	<u>19700</u>	<u>23,704</u>	<u>11,372</u>

11. Analysis of Net Assets between Funds

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>2022</u>
	<u>Funds</u>	<u>Funds</u>		
	£	£	£	£
Fund Balances at August 31, 2023 are represented by:				
Tangible Assets	124	0	124	524
Current Assets	<u>172,136</u>	<u>23,704</u>	<u>195,840</u>	<u>179,105</u>
	<u>172,260</u>	<u>23,704</u>	<u>195,964</u>	<u>179,629</u>

13. Related Party Transactions

There were no disclosable related party transactions during the year (2022 – None).

14. Capital Commitments

Amounts contracted for but not provided in the financial statements amounted to £0 (2022: £0).

15. Taxation

Music Therapy Works is a registered charity and, therefore, is not liable to income tax or corporation tax on income and gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

MUSIC THERAPY WORKS

England & Wales - Charity number 1126584

Accounts



MUSIC THERAPY WORKS

**COMPANY LIMITED BY GUARANTEE NO. 6663759
REGISTERED CHARITY NO. 1126584**

**REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR TO 31st AUGUST 2022

The Music Therapy Works Model of Music Therapy

Music therapy is a state registered profession governed by the Health and Care Professions Council. The MTW Model of Music Therapy is an evidence based and outcomes led intervention delivered by specialist music therapists who practise within a clear psychotherapeutic framework.

This enables the work to go beyond a simple musical intervention, providing clarity and support in processing trauma, attachment, bereavement, developmental issues, life limiting illness and/or mental health concerns.

The Music Therapy Works model is often used as a lead onsite health provision linking to both internal and external agencies.

Structured music provides familiarity, a sense of safety, connection and routine. MTW music therapy is accessible to every individual: no musical ability is necessary.



How Does Music Therapy Work?

Music therapy engages and connects people. It encourages social and communication skills, emotional expression and cognition. It has a profound neurological impact which assists physical and psychological change.

Sound is a physical vibration resonating with every individual regardless of circumstances. Music therapy creates a space in which feelings can be processed and new ideas formed, using both verbal and non-verbal clinical techniques.

MTW work with vulnerable clients, whose ages range from 2-3 years old to the very elderly, providing clinical interventions which assist with mental health and well-being; attachment difficulties; bereavement issues; social and emotional issues; acquired brain injury; dementia; and children and adults at the end of life.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

CONTENTS

	Page
Reference and administrative details	4
Report of the directors	5-9
Independent examiner's report	10
Statement of financial activities	11
Balance sheet	12
Notes to the financial statements	13-18

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

REFERENCE AND ADMINISTRATIVE DETAILS

DIRECTORS: John Clemson MBE (Chair)
Allan Middleton Craig
Prof John Whenham
Andrea Howl
Sandra Bristoll
Sue Ayres
Carrie Churnside (Appointed 13.12.21)

COMPANY SECRETARY: Sophia Parker

REGISTERED OFFICE: 5 Deansway
Worcester
WR1 2JG

CHIEF EXECUTIVE: Simon Murphy

REGISTERED NUMBERS: Company: 6663759
Charity: 1126584

INDEPENDENT EXAMINER: Mr L E Parkes, FCA
Parkes & Co
5 Crondal Place
Edgbaston
Birmingham
B15 2LB

BANKERS: Unity Trust Bank
PO Box 7193
Planetary Road
Willenhall
WV1 9DG

United Trust Bank
One Ropemaker Street
London
EC2Y 9AW

Redwood Bank
The Nexus Building
Broadway
Letchworth Garden City
SG6 3TA

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31st August 2022.

The financial statements have been prepared in accordance with the Charity's accounting policies set out in Note 1 and comply with the Charity's Memorandum & Articles of Association, the Companies Act 2006 and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective for accounting periods commencing from 1 January 2019)."

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a charitable Company limited by guarantee incorporated on 4 August 2008. The Charity was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association as amended by special resolutions dated 13 May 2019 and 15 June 2020. The Charity registered with the Charity Commission for England and Wales on 6 November 2008.

The directors, who are also trustees, during the period under review, were:

John Clemson MBE (Chair)
Allan Middleton Craig
Prof John Whenham
Andrea Howl
Sandra Bristol
Sue Ayres
Carrie Churnside (Appointed 13 December 2021)

The company is limited by guarantee and therefore no director has any interest in the share capital of the company. The directors are usually appointed at the Annual General Meeting to ensure that the Board represents a cross section of the community.

The directors are responsible for financial controls and accounts; for developing and overseeing a reserves policy; for ensuring that all procedures and policies adhere to their legal requirements as employers; for reviewing risk management of the organisation; to ensure all aspects of charity and company law are fully and properly adhered to and generally protect the charity's property.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare accounts that give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of the charitable company's surplus or deficit for the year. In doing so, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the accounts comply with

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2022

the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MISSION STATEMENT

The overall mission of Music Therapy Works is:

- To deliver an excellent and comprehensive music therapy service in a cohesive and locally appropriate manner, accessible to all who need it.
- To develop and support the widest possible application of music therapy.
- To maintain the high quality of the therapy provided through regular monitoring and review.
- To be recognised as a leading provider of music therapy.
- To contribute to music therapy provision, training, and research.

OBJECTIVES AND ACTIVITIES

The principal objective of Music Therapy Works is to provide music therapy for children and adults of all ages within local communities in the Heart of England area. The charity achieves its objective through the provision of a community-based music therapy service for both children and adults.

The main objects, as shown in the Memorandum and Articles of Association, are:

- The therapeutic use of music for the relief of physical and mental illness and disability, the alleviation of developmental, emotional, social, and behavioural difficulties and the protection and promotion of good health.
- The promotion of the use of music therapy by other organisations including but not limited to hospitals, prisons, hospices, and schools.
- The promotion and publication of research into the therapeutic use of music.
- The education of members of the public concerning music as a means of therapy.
- The establishment, development and use of health professions council approved training courses to train individuals as music therapists.

For the future, the directors will continue to seek to expand the provision of music therapy and associated activities throughout the Heart of England region.

PUBLIC BENEFIT

The trustees confirm that they have complied with their duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Music Therapy Works promotes the advancement of music therapy and is open to the majority of the public in need of music therapy.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

FINANCIAL REVIEW

The charity had a deficit of income below expenditure on the unrestricted funds of £10,513 during the year. The balance on the unrestricted funds at 31st August 2022 was £168,257 (2021: £178,770). The balance on the restricted funds was £11,372 (2021: £5,627).

RESTRICTED FUNDS

The restricted funds have been donated to the Charity for specific purposes and are listed in note 11 to the accounts.

RESERVES POLICY

The Board has agreed as policy that the free reserves of the organisation, defined as net current assets that are neither restricted nor designated for specific purposes, should be sufficient to provide a reasonable working balance to meet commitments when they become due whilst recognising the possible delays in receipt of fee income due. It is considered that, given that 86% of annual turnover is used to fund staff costs, the reserves target is best expressed in terms of payroll months. The Board has assessed that, under current circumstances, the free reserves should be the equivalent of 6 months' payroll costs.

Using the average payroll costs from the 2022/2023 budget, free reserves should be in the region of £156,195. At 31 August 2022, non-designated free reserves (excluding functional tangible fixed assets) stood at £167,733. The stated strategy has therefore been achieved this year.

The Board's reserves policy also requires the Trustees to reassess any designated funds annually when reviewing its reserves, so that no funds are needlessly designated and excluded from the calculation of free reserves.

FINANCIAL RISK MANAGEMENT

The Charity finances its operations through the generation of cash from operating activities and has no interest rate exposure on financial liabilities. Liquidity risk is managed through forecasting the future cash flow requirements of the Charity and maintaining sufficient cash at bank.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

REPORT FROM THE CHAIR

I am pleased to present our annual report for the year ended 31 August 2022.

Our Achievements in 2021/22

Music Therapy

Our talented team of therapists delivered 4,753 hours of music therapy from 1st September 2021 to 31st August 2022. There was a strong focus on schools and colleges that support children and young adults with Special Education Needs and Disabilities, although the charity worked in several other schools too. Music therapy was also provided to adults in supported living, a small number of adults with acquired brain injury, and individuals with Profound and Multiple Learning Disabilities.

Only limited progress was made to address the current heavy reliance on the education sector which was identified as an objective in the 2021/22 Business Plan. New opportunities with a local hospital Trust, as well as with a large charity that builds and maintains retirement villages were developed.

In May a Purchaser Satisfaction Survey was conducted. There were no negative or critical responses, with the majority reflected by the following quotes;

“X is extremely flexible and adaptable to the needs of our school and pupils. She is able to build positive relationships quickly with complex and often difficult to reach children”.

“Y has really gone above and beyond in this role, and she is an extremely valuable member of our team”.

“Z also introduced online music therapy during lockdown to some of the students that was brilliant and well received by the families”.

All staff training targets were met during the year. This has ensured that our clients are being supported by highly qualified and skilled music therapists who are being kept up to date with the latest developments and thinking within the profession. All staff had an annual performance appraisal in the year, along with regular 1-2-1 meetings with the Chief Executive Officer (CEO).

The Business Plan identified a 15% increase in the number of people supported each week by Music Therapy Works (MTW) on 31st August 2022 compared to that on 31st August 2019 (i.e., pre the Coronavirus pandemic). The target figure of 265 was not achieved with 179 people being supported weekly. This failure was due in part to staff illness, and more so to the historic high levels of staff turnover which led to the suspension of a number of contracts. 3 members of staff left for music therapy posts in the NHS, 2 resigned due to increasing travel costs, and 1 due to a family illness requiring relocation away from the Midlands. This was balanced by the recruitment of 3 staff in year, with a further 3 starting work in early September 2022.

As a result of a successful fundraising campaign sufficient grant income was secured to purchase iPads and supporting equipment for all music therapists. This has allowed many of the team to explore new methods of music creation which has benefitted a large number of the charity's clients.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

Governance

There were no resignations of Trustees during the year. Dr Carrie Churnside was appointed to the Board on 13th December 2021.

On 2nd April 2022 Trustees and staff met for a MTW Away Day at the Midlands Arts Centre, Edgbaston, Birmingham. This created an opportunity for all those involved with MTW to discuss how the charity operates, and what its priorities should be in the future. It was also the first time since the Covid pandemic that Trustees and therapists were able to meet face-to-face.

At its meeting on 6th June 2022 the Board agreed to the introduction of a reciprocal mentor scheme which pairs a Trustee with one or more music therapists. This has increased the mutual understanding across MTW.

Fundraising concerts by the Printempo Orchestra from the Royal Birmingham Conservatoire in April, and the Midlands Hospitals' Choir in July raised £307 and £570 respectively. In July MTW received an unsolicited grant of £4000 from the Rowan Trust.

The Future

The charity has a robust and realistic 2022/23 Business Plan in place. The Plan's targets include further developing staff and their health and wellbeing, along with creating more capacity to meet the continuing new demand for our services; increasing diversity and the delivery of services to underrepresented groups; the maintenance of financial stability and sustainability; diversifying service delivery beyond education, and continuing to consult with purchasers, service users, and stakeholders. The CEO will continue to participate in the online Provider Forum meetings being run by the British Association of Music Therapists (BAMT).

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Signed on behalf of the Board



John Clemson - Chair
27th February 2023

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MUSIC THERAPY WORKS

I report to the trustees on my examination of the financial statements of Music Therapy Works (the Charity) for the year ended 31st August 2022, which are set out on pages 11 to 18.

Responsibilities and basis of report

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

Having satisfied myself that the financial statements of the Charity 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 financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination, I have followed all applicable 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 Institute of Chartered Accountants in England and Wales, 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 that in any material respect:

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 matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



L E Parkes FCA
Chartered Accountant
Parkes & Co
5 Crondal Place, Birmingham B15 2LB

Date: 3 March 2023

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 2022**

	<u>Notes</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>2022 Total Funds</u>	<u>2021 Total Funds</u>
		£	£	£	£
INCOME FROM:					
Donations and legacies		9,916	19,881	29,797	8,217
Charitable Activities	2	227,050	0	227,050	241,370
Investments	3	1,324	0	1,324	1,327
CJRS Grant	4	0	0	0	26,464
TOTAL		<u>238,290</u>	<u>19,881</u>	<u>258,171</u>	<u>277,378</u>
EXPENDITURE ON:					
Charitable Activities	5	248,803	14,136	262,939	266,545
TOTAL		<u>248,803</u>	<u>14,136</u>	<u>262,939</u>	<u>266,545</u>
NET INCOME/(EXPENSE)		(10,513)	5,745	(4,768)	10,833
RECONCILIATION OF FUNDS					
Total Funds Brought Forward		178,770	5,627	184,397	173,564
TOTAL FUNDS CARRIED FORWARD		<u>168,257</u>	<u>11,372</u>	<u>179,629</u>	<u>184,397</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

BALANCE SHEET
AS AT 31ST AUGUST 2022

	Notes	<u>2022</u> <u>Total</u> <u>Funds</u> £	<u>2021</u> <u>Total</u> <u>Funds</u> £
FIXED ASSETS			
Tangible Assets	7	524	1,068
Total Fixed Assets		524	1,068
CURRENT ASSETS			
Debtors	8	11,685	12,742
Cash at bank and in hand		<u>172,793</u>	<u>174,962</u>
Total Current Assets		<u>184,478</u>	<u>187,704</u>
CREDITORS			
Amounts falling due within one year	9	<u>5,373</u>	<u>4,375</u>
Net Current Assets		<u>179,105</u>	<u>183,329</u>
TOTAL NET ASSETS		<u><u>179,629</u></u>	<u><u>184,397</u></u>
THE FUNDS OF THE CHARITY			
Unrestricted funds	10	168,257	178,770
Restricted funds	11	<u>11,372</u>	<u>5,627</u>
Total Charity Funds		<u><u>179,629</u></u>	<u><u>184,397</u></u>

The Company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006 for the year ended 31 August 2022.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of financial statements.

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 of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS102 SORP.

The financial statements were approved by the Trustees on 27 February 2023



John Clemson – Trustee
Company Registration No. 6663759



Andrea Howl – Trustee

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

1. Accounting Policies

Charity Information

Music Therapy Works is a private company limited by guarantee incorporated in England and Wales. The registered office is 5 Deansway, Worcester, WR1 2JG.

Accounting Convention

The financial statements have been prepared in accordance with the Charity's accounting policies and comply with the Charity's Memorandum & Articles of Association, the Companies Act 2006 and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102)" (effective for accounting periods commencing 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are presented in Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis in preparing the financial statements.

Incoming Resources

Income is included in the Statement of Financial Activities when the charitable company is legally entitled to the income, when it is probable that the income will be received and when the monetary value of the income can be measured with sufficient reliability.

Activities

Income from therapy fees, teaching and workshops are included in incoming resources in the period in which the relevant event takes place.

Donations and Grants

Income from donations and grants is included in incoming resources when receivable, except as follows:

- where donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those accounting periods;
- when donors impose conditions that have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met,

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2022

- when donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any Value Added Tax that cannot be recovered.

Charitable activities include expenditure associated with the provision of music therapy and both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Tangible Fixed Assets

Tangible Fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Assets with an individual value of £500 or more are capitalised on the balance sheet. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Musical instruments	4 years
Office equipment	3 years

Depreciation is not provided on assets which have not yet been brought into use.

Pension Costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities in the period to which they relate.

Fund Accounting

Funds held by the charity are either:

- *unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees;
- *designated funds* – these are unrestricted funds designated by the trustees for a particular purpose;
- *restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic Financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Significant Judgement Estimates

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.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total Funds</u> <u>2022</u> £	<u>Total Funds</u> <u>2021</u> £
2. Income from Charitable Activities				
Music Therapy Fees	<u>227,050</u>	<u>0</u>	<u>227,050</u>	<u>241,370</u>
3. Investment Income				
Deposit Account Interest	<u>1,324</u>	<u>0</u>	<u>1,324</u>	<u>1,327</u>
4. Government Grants				
Coronavirus Job Retention Scheme Grant	<u>0</u>	<u>0</u>	<u>0</u>	<u>26,464</u>
5. Charitable Activities Costs				
	<u>Direct Costs</u> <u>Therapists</u> £	<u>Support Costs</u> <u>Administration</u> £	<u>Total 2022</u> £	<u>Total 2021</u> £
Salaries & NI (Note 6)	181,451	45,827	227,278	250,084
Other Staff and Equipment Costs	9,065	0	9,065	7,751
Administration Costs	<u>0</u>	<u>26,596</u>	<u>26,596</u>	<u>8,710</u>
	<u>190,516</u>	<u>72,423</u>	<u>262,939</u>	<u>266,545</u>

The Independent Examiner received £550 (including VAT) in respect of examination fees (2021: £550).

6. Staff Costs

	<u>2022</u> £	<u>2021</u> £
Wages & Salaries	215,424	234,950
Social Security Costs	8,031	10,546
Pension Costs	<u>3,823</u>	<u>4,588</u>
	<u>227,278</u>	<u>250,084</u>

Total remuneration paid to key management personnel during the year was £23,150 (2021: £28,750).

During the year, the Charity employed 6 full time equivalent staff (2021: 7) of which there was 1 (2021: 1) administrative staff and 5 (2021: 6) therapy staff.

None of the directors received any emolument or reimbursement of expenses in respect of their services as Trustees of the charity. No individual received emoluments equal to, or in excess of, £60,000.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

7. Fixed Assets

	<u>Musical Instruments</u>	<u>Computers & Equipment</u>	<u>Total</u>
	£	£	£
Cost at 1 September 2021	1,409	3,563	4,972
Additions	<u>0</u>	<u>0</u>	<u>0</u>
Cost at 31 August 2022	<u>1,409</u>	<u>3,563</u>	<u>4,972</u>
Depreciation at 1 September 2021	1,409	2,495	3,904
Charge for the Year	<u>0</u>	<u>544</u>	<u>544</u>
Depreciation at 31 August 2022	<u>1,409</u>	<u>3,039</u>	<u>4,448</u>
Net Book Value at 31 August 2022	<u><u>0</u></u>	<u><u>524</u></u>	<u><u>524</u></u>
Net Book Value at 31 August 2021	<u><u>0</u></u>	<u><u>1,068</u></u>	<u><u>1,068</u></u>

8. Debtors: amounts falling due within one year

	<u>2022</u>	<u>2021</u>
	£	£
Debtors for Therapy Fees	10,726	11,937
Accrued Income	<u>959</u>	<u>805</u>
	<u><u>11,685</u></u>	<u><u>12,742</u></u>

9. Creditors: amount falling due within one year

	<u>2022</u>	<u>2021</u>
	£	£
Taxation and Social Security	3,803	3,351
Other Creditors	150	109
Accruals	1,296	621
Deferred Sales Income	<u>124</u>	<u>294</u>
	<u><u>5,373</u></u>	<u><u>4,375</u></u>

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2022

10. Unrestricted Funds

	<u>2022</u>	<u>2021</u>
	£	£
General Fund	<u>168,257</u>	<u>178,770</u>

11. Restricted Funds

	<u>Good Vibes</u>	<u>Subsidised</u>		<u>Total</u>	<u>2021</u>
	<u>Drumming</u>	<u>Therapy</u>	<u>IT</u>	£	£
	£	£	£	£	£
Incoming Resources	5,364	1,017	13,500	19,881	2,400
Resources Expended	1,041	0	13,095	14,136	4,559
Net Inflow/(Outflow) of Funds	4,323	1,017	405	5,745	(2,159)
Funds at 1 September 2021	0	5,627	0	5,627	7,786
Funds at 31 August 2022	<u>4,323</u>	<u>6,644</u>	<u>405</u>	<u>11,372</u>	<u>5,627</u>

12. Analysis of Net Assets between Funds

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>	<u>2021</u>
	<u>Funds</u>	<u>Funds</u>	£	£
	£	£	£	£
Fund Balances at August 31, 2022 are represented by:				
Tangible Assets	524	0	524	1,068
Current Assets	167,733	11,372	179,105	183,329
	<u>168,257</u>	<u>11,372</u>	<u>179,629</u>	<u>184,397</u>

13. Related Party Transactions

There were no disclosable related party transactions during the year (2021 – None).

14. Capital Commitments

Amounts contracted for but not provided in the financial statements amounted to £0 (2021: £0).

15. Taxation

Music Therapy Works is a registered charity and, therefore, is not liable to income tax or corporation tax on income and gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.

MUSIC THERAPY WORKS

England & Wales - Charity number 1126584

Accounts



MUSIC THERAPY WORKS

**COMPANY LIMITED BY GUARANTEE NO. 6663759
REGISTERED CHARITY NO. 1126584**

**REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR TO 31st AUGUST 2021

The Music Therapy Works Model of Music Therapy

Music therapy is a state registered profession governed by the Health and Care Professions Council. The MTW Model of Music Therapy is an evidence based and outcomes led intervention delivered by specialist music therapists who practise within a clear psychotherapeutic framework.

This enables the work to go beyond a simple musical intervention, providing clarity and support in processing trauma, attachment, bereavement, developmental issues, life limiting illness and/or mental health concerns.

The Music Therapy Works model is often used as a lead onsite health provision linking to both internal and external agencies.

Structured music provides familiarity, a sense of safety, connection and routine. MTW music therapy is accessible to every individual: no musical ability is necessary.



How Does Music Therapy Work?

Music therapy engages and connects people. It encourages social and communication skills, emotional expression and cognition. It has a profound neurological impact which assists physical and psychological change.

Sound is a physical vibration resonating with every individual regardless of circumstances. Music therapy creates a space in which feelings can be processed and new ideas formed, using both verbal and non-verbal clinical techniques.

MTW work with vulnerable clients, whose ages range from 2-3 years old to the very elderly, providing clinical interventions which assist with mental health and well-being; attachment difficulties; bereavement issues; social and emotional issues; acquired brain injury; dementia; and children and adults at the end of life.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2021

CONTENTS

	Page
Reference and administrative details	4
Report of the directors	5-9
Independent examiner's report	10
Statement of financial activities	11
Balance sheet	12
Notes to the financial statements	13-18

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2021

REFERENCE AND ADMINISTRATIVE DETAILS

DIRECTORS: John Clemson MBE (Chair)
Allan Middleton Craig
Prof John Whenham
Andrea Howl
Sandra Bristoll
Sue Ayres
Carrie Churnside (Appointed 13 December 2021)

COMPANY SECRETARY: Sophia Parker

REGISTERED OFFICE: 5 Deansway
Worcester
WR1 2JG

CHIEF EXECUTIVE: Simon Murphy

REGISTERED NUMBERS: Company: 6663759
Charity: 1126584

INDEPENDENT EXAMINER: Mr L E Parkes, FCA
Parkes & Co
5 Crondal Place
Edgbaston
Birmingham
B15 2LB

BANKERS: Unity Trust Bank
PO Box 7193
Planetary Road
Willenhall
WV1 9DG

United Trust Bank
One Ropemaker Street
London
EC2Y 9AW

Redwood Bank
The Nexus Building
Broadway
Letchworth Garden City
SG6 3TA

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2021

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31st August 2021.

The financial statements have been prepared in accordance with the Charity's accounting policies set out in Note 1 and comply with the Charity's Memorandum & Articles of Association, the Companies Act 2006 and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective for accounting periods commencing from 1 January 2019)."

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a charitable Company limited by guarantee incorporated on 4 August 2008. The Charity was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association as amended by special resolutions dated 13 May 2019 and 15 June 2020. The Charity registered with the Charity Commission for England and Wales on 6 November 2008.

The directors, who are also trustees, during the period under review, were:

John Clemson MBE (Chair)
Allan Middleton Craig
Prof John Whenham
Andrea Howl
Sandra Bristol
Sue Ayres

The company is limited by guarantee and therefore no director has any interest in the share capital of the company. The directors are usually appointed at the Annual General Meeting to ensure that the Board represents a cross section of the community.

The directors are responsible for financial controls and accounts; for developing and overseeing a reserves policy; for ensuring that all procedures and policies adhere to their legal requirements as employers; for reviewing risk management of the organisation; to ensure all aspects of charity and company law are fully and properly adhered to and generally protect the charity's property.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Company law requires the Trustees to prepare accounts that give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of the charitable company's surplus or deficit for the year. In doing so, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the accounts comply with

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2021

the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MISSION STATEMENT

The overall mission of Music Therapy Works is:

- To deliver an excellent and comprehensive music therapy service in a cohesive and locally appropriate manner, accessible to all who need it.
- To develop and support the widest possible application of music therapy.
- To maintain the high quality of the therapy provided through regular monitoring and review.
- To be recognised as a leading provider of music therapy.
- To contribute to music therapy provision, training, and research.

OBJECTIVES AND ACTIVITIES

The principal objective of Music Therapy Works is to provide music therapy for children and adults of all ages within local communities in the Heart of England area. The charity achieves its objective through the provision of a community-based music therapy service for both children and adults.

The main objects, as shown in the Memorandum and Articles of Association, are:

- The therapeutic use of music for the relief of physical and mental illness and disability, the alleviation of developmental, emotional, social, and behavioural difficulties and the protection and promotion of good health.
- The promotion of the use of music therapy by other organisations including but not limited to hospitals, prisons, hospices, and schools.
- The promotion and publication of research into the therapeutic use of music.
- The education of members of the public concerning music as a means of therapy.
- The establishment, development and use of health professions council approved training courses to train individuals as music therapists.

For the future, the directors will continue to seek to expand the provision of music therapy and associated activities throughout the Heart of England region.

PUBLIC BENEFIT

The trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission. Music Therapy Works promotes the advancement of music therapy and is open to the majority of the public in need of music therapy.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2021

FINANCIAL REVIEW

The charity had a surplus of income above expenditure on the unrestricted funds of £12,992 during the year. The balance on the unrestricted funds at 31st August 2021 was £178,770. The balance on the restricted funds was £5,627.

RESTRICTED FUNDS

The restricted funds have been donated to the Charity for specific purposes and are listed in note 11 to the accounts.

RESERVES POLICY

The Board has agreed as policy that the free reserves of the organisation, defined as net current assets that are neither restricted nor designated for specific purposes, should be sufficient to provide a reasonable working balance to meet commitments when they become due whilst recognising the possible delays in receipt of fee income due. It is considered that, given that 85% of annual turnover is used to fund staff costs, the reserves target is best expressed in terms of payroll months. The Board has assessed that, under current circumstances, the free reserves should be the equivalent of 6 months' payroll costs.

Using the average payroll costs from the 2021/2022 budget, free reserves should be in the region of £124,257. At 31 August 2021, non-designated free reserves (excluding functional tangible fixed assets) stood at £177,702. The stated strategy has therefore been achieved this year.

The Board's reserves policy also requires the Trustees to reassess any designated funds annually when reviewing its reserves, so that no funds are needlessly designated and excluded from the calculation of free reserves.

FINANCIAL RISK MANAGEMENT

The Charity finances its operations through the generation of cash from operating activities and has no interest rate exposure on financial liabilities. Liquidity risk is managed through forecasting the future cash flow requirements of the Charity and maintaining sufficient cash at bank.

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2021

REPORT FROM THE CHAIR

I am pleased to present our annual report for the year ended 31 August 2021.

Our Achievements in 2021

Music Therapy

Our talented team of therapists delivered 5,277 hours of music therapy from 1st September 2020 to 31st August 2021. There was a strong focus on schools and colleges that support children and young adults with Special Education Needs and Disabilities, although the charity worked in several other schools too. Music therapy was also provided to individuals with Profound and Multiple Learning Disabilities, as well older people in one care home.

In May a Purchaser Satisfaction Survey was conducted. There were no negative or critical responses, with the majority reflected by the following quotes;

“X is extremely flexible and adaptable to the needs of our school and pupils. She is able to build positive relationships quickly with complex and often difficult to reach children”.

“Y has really gone above and beyond in this role, and she is an extremely valuable member of our team”.

“Z also introduced online music therapy during lockdown to some of the students that was brilliant and well received by the families”.

The Covid Pandemic

The charity continued the process of reintroducing face-to-face services following the restrictions imposed during the first lockdown. This was a gradual phased process with risk assessments being undertaken, therapists regularly taking lateral flow tests (LFTs), being vaccinated, and personal protective equipment (PPE) being used as and when required by purchasers and clients. As the year progressed there were occasional interruptions to the delivery of music therapy caused by outbreaks of the virus that were well managed by the team of therapists.

One consequence of the pandemic was the introduction of virtual, online music therapy. Virtual song-making sessions were delivered in association with St Martin’s in the Bullring, Birmingham. Virtual community drumming was made possible with financial support from the Baron Davenport Charity, and the Edward Gostling Foundation. This is an area of our activities that has the potential to grow as enquiries for these services continue to be received.

Human Resources

This year saw the departure of our long standing and widely respected Chief Executive Officer (CEO), Eleanor Tingle on 31 December 2020. Eleanor was the charity’s first CEO in 2008 having been a hugely influential figure in the establishment of Music Therapy Works (MTW). She is now the Chair of the British Association of Music Therapists (BAMT). Laurie Clarke took over the reins as CEO on 1 January 2021 but unfortunately this proved to be a short-lived appointment and he resigned on 30 April 2021. A recruitment process was initiated, and one of our long-standing therapists, Abby Stain, stepped up as interim CEO from

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2021

1 May to 31st August. From a strong field of candidates, we were delighted to appoint Dr Simon Murphy who took up post as CEO with effect from 1st September 2021.

Citrus HR was appointed in May 2021 to provide advice and support to the charity. One of their earliest actions was to draft new contracts of employment for all our staff.

A recurring challenge has been the availability of qualified music therapists. This is a problem that continues to be experienced across the whole music therapy profession. The charity maintains good relations with the institutions that provide the Master's degree in music therapy and as a result regularly employs those recently qualified in their first professional roles. A key feature of MTW is that all therapists are on contracts of employment which means that they receive a range of benefits. For all new staff this also means that they benefit from our strong peer support network that includes therapists with many years of experience and expertise.

Governance

There were no resignations or new appointments of Trustees during the year.

Trustees continue to actively seek to increase the diversity of the Board in 2021/22 to better reflect the varied individuals and communities that the charity supports.

Finance

Income for the year was almost exactly as forecast notwithstanding the challenges of the pandemic, at £277,378 against an expected £277,457. Expenditure was lower than forecast with the charity recording a £10,833 surplus by year end.

The Future

The charity has a robust and realistic 2021/22 Business Plan in place. The Plan's targets include further developing staff and their health and wellbeing, along with creating more capacity to meet the continuing new demand for our services; increase diversity and the delivery of services to underrepresented groups; create an objective and empirical tool to assess the impact and value of music therapy; maintain financial stability and sustainability; securing grant funding to upgrade and standardise IT hardware and software; diversifying service delivery beyond education, along with the increase in the ability of the charity to provide Neurologic Music Therapy; and continuing to consult with purchasers, service users, and stakeholders. The CEO will continue to participate in the online Provider Forum meetings being run by the British Association of Music Therapists (BAMT).

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Signed on behalf of the Board



John Clemson - Chair
16th March 2022

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2021

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF MUSIC THERAPY WORKS

I report on the accounts of the company for the year ended 31st August 2021, which are set out on pages 11 to 18.

Respective responsibilities of trustee and examiner

The trustees (who are also the directors of the company for the purpose of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (1) which gives me reasonable cause to believe that in any material respect the requirements:
- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



L E Parkes FCA
Chartered Accountant
Parkes & Co
5 Crondal Place, Birmingham B15 2LB

Date: 6 April 2022

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2021

**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 2021**

	<u>Notes</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>2021 Total Funds</u>	<u>2020 Total Funds</u>
		£	£	£	£
INCOME FROM:					
Donations		5,817	2,400	8,217	1,571
Charitable Activities	2	241,370	0	241,370	187,305
Investments	3	1,327	0	1,327	1,837
CJRS Grant	4	26,464	0	26,464	61,475
TOTAL		<u>274,978</u>	<u>2,400</u>	<u>277,378</u>	<u>252,188</u>
EXPENDITURE ON:					
Charitable Activities	5	261,986	4,559	266,545	263,873
TOTAL		<u>261,986</u>	<u>4,559</u>	<u>266,545</u>	<u>263,873</u>
NET INCOME/(EXPENSE)		12,992	(2,159)	10,833	(11,685)
RECONCILIATION OF FUNDS					
Total Funds Brought Forward		165,778	7,786	173,564	185,249
TOTAL FUNDS CARRIED FORWARD		<u>178,770</u>	<u>5,627</u>	<u>184,397</u>	<u>173,564</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The Statement of Financial Activities also complies with the requirements for an Income and Expenditure Account under the Companies Act 2006.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2021

BALANCE SHEET
AS AT 31ST AUGUST 2021

	Notes	<u>2021</u> <u>Total</u> <u>Funds</u> £	<u>2020</u> <u>Total</u> <u>Funds</u> £
FIXED ASSETS			
Tangible Assets	7	1,068	643
Total Fixed Assets		1,068	643
CURRENT ASSETS			
Debtors	8	12,742	2,788
Cash at bank and in hand		<u>174,962</u>	<u>173,616</u>
Total Current Assets		<u>187,704</u>	<u>176,404</u>
CREDITORS			
Amounts falling due within one year	9	<u>4,375</u>	<u>3,483</u>
Net Current Assets		<u>183,329</u>	<u>172,921</u>
TOTAL NET ASSETS		<u>184,397</u>	<u>173,564</u>
THE FUNDS OF THE CHARITY			
Unrestricted funds	10	178,770	165,778
Restricted funds	11	<u>5,627</u>	<u>7,786</u>
Total Charity Funds		<u>184,397</u>	<u>173,564</u>

The Company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006 for the year ended 31 August 2021.

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 of the Companies Act 2006.

The Trustees acknowledge their responsibilities for:

- a) complying with the requirements of the Act with respect to accounting records and
- b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to small companies subject to the small companies' regime and in accordance with FRS102 SORP.

Approved by the trustees on 16th March 2022 and signed on their behalf by:



John Clemson – Trustee
Company Registration No. 6663759



Andrea Howl – Trustee

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2021

1. Accounting Policies

Charity Information

Music Therapy Works is a private company limited by guarantee incorporated in England and Wales. The registered office is 5 Deansway, Worcester, WR1 2JG.

Basis of Accounting

The financial statements have been prepared in accordance with the charity's accounting policies and comply with the Charity's Memorandum & Articles of Association, the Companies Act 2006 and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The Charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are presented in Sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity will have adequate resources to continue in operational existence for the foreseeable future and that there are no material risks or uncertainties which would necessitate departure from preparing accounts under the going concern principle. Thus, the Trustees continue to adopt the going concern basis in preparing its financial statements.

Incoming Resources

Income is included in the Statement of Financial Activities when the charitable company is legally entitled to the income, when it is probable that the income will be received and when the monetary value of the income can be measured with sufficient reliability.

Activities

Income from therapy fees, teaching and workshops are included in incoming resources in the period in which the relevant event takes place.

Donations and Grants

Income from donations and grants is included in incoming resources when receivable, except as follows:

- where donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those accounting periods;
- when donors impose conditions that have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met,

Music Therapy Works

Annual Report and Financial Statements for the year ended 31st August 2021

- when donors specify that donations and grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any Value Added Tax that cannot be recovered.

Charitable activities include expenditure associated with the provision of music therapy and both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

Tangible Fixed Assets

Tangible Fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Assets with an individual value of £500 or more are capitalised on the balance sheet. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Musical instruments	4 years
Office equipment	3 years

Depreciation is not provided on assets which have not yet been brought into use.

Pension Costs

The charity operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the charity. The annual contributions payable are charged to the statement of financial activities in the period to which they relate.

Fund Accounting

Funds held by the charity are either:

- *unrestricted general funds* – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees;
- *designated funds* – these are unrestricted funds designated by the trustees for a particular purpose;
- *restricted funds* – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

6

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2021

Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic Financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Significant Judgement Estimates

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.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2021

	<u>Unrestricted</u> <u>Funds</u> £	<u>Restricted</u> <u>Funds</u> £	<u>Total Funds</u> <u>2021</u> £	<u>Total Funds</u> <u>2020</u> £
2. Income from Charitable Activities				
Music Therapy Fees	241,370	0	241,370	187,305
3. Investment Income				
Deposit Account Interest	1,327	0	1,327	1,837
4. Government Grants				
Coronavirus Job Retention Scheme Grant	26,464	0	26,464	61,475
5. Charitable Activities Costs				
	<u>Direct Costs</u> <u>Therapists</u> £	<u>Support Costs</u> <u>Administration</u> £	<u>Total 2021</u> £	<u>Total 2020</u> £
Salaries & NI (Note 6)	200,120	49,964	250,084	247,241
Other Staff and Equipment Costs	7,751	0	7,751	9,445
Administration Costs	0	8,710	8,710	7,187
	<u>207,871</u>	<u>58,674</u>	<u>266,545</u>	<u>263,873</u>

The Independent Examiner received £550 (including VAT) in respect of examination fees (2020: £500).

6. Staff Costs

	<u>2021</u> £	<u>2020</u> £
Wages & Salaries	234,950	230,219
Social Security Costs	10,546	12,461
Pension Costs	4,588	4,561
	<u>250,084</u>	<u>247,241</u>

Total remuneration paid to key management personnel during the year was £28,750 (2020: £27,162).

During the year, the Charity employed 7 full time equivalent staff (2020: 7) of which there was 1 (2020: 1) administrative staff and 6 (2020: 6) therapy staff.

None of the directors received any emolument or reimbursement of expenses in respect of their services as Trustees of the charity. No individual received emoluments equal to, or in excess of, £60,000.

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2021

7. Fixed Assets

	<u>Musical Instruments</u>	<u>Computers & Equipment</u>	<u>Total</u>
	£	£	£
Cost at 1 September 2020	1,409	2,673	4,082
Additions	<u>0</u>	<u>890</u>	<u>890</u>
Cost at 31 August 2021	<u>1,409</u>	<u>3,563</u>	<u>4,972</u>
Depreciation at 1 September 2020	1,365	2,074	3,439
Charge for the Year	<u>44</u>	<u>421</u>	<u>465</u>
Depreciation at 31 August 2021	<u>1,409</u>	<u>2,495</u>	<u>3,904</u>
Net Book Value at 31 August 2021	<u>0</u>	<u>1,068</u>	<u>1,068</u>
Net Book Value at 31 August 2020	<u>44</u>	<u>599</u>	<u>643</u>

8. Debtors: amounts falling due within one year

	<u>2021</u>	<u>2020</u>
	£	£
Debtors for Therapy Fees	11,937	1,530
Accrued Income	<u>805</u>	<u>1,258</u>
	<u>12,742</u>	<u>2,788</u>

9. Creditors: amount falling due within one year

	<u>2021</u>	<u>2020</u>
	£	£
Taxation and Social Security	3,351	2,871
Other Creditors	109	52
Accruals	621	560
Deferred Sales Income	<u>294</u>	<u>0</u>
	<u>4,375</u>	<u>3,483</u>

Music Therapy Works
Annual Report and Financial Statements for the year ended 31st August 2021

10. Unrestricted Funds

	<u>2021</u>	<u>2020</u>
	£	£
General Fund	<u>178,770</u>	<u>165,778</u>

11. Restricted Funds

	<u>Instruments</u>	<u>Subsidised Therapy</u>	<u>Advertising</u>	<u>Total</u>	<u>2020</u>
	£	£		£	£
Incoming Resources	1,000	600	800	2,400	0
Resources Expended	<u>1,000</u>	<u>2,759</u>	<u>800</u>	<u>4,559</u>	<u>2,361</u>
Net Inflow/(Outflow) of Funds	0	(2,159)	0	(2,159)	(2,361)
Funds at 1 September 2020	0	7,786	0	7,786	10,147
Funds at 31 August 2021	<u>0</u>	<u>5,627</u>	<u>0</u>	<u>5,627</u>	<u>7,786</u>

12. Analysis of Net Assets between Funds

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total</u>	<u>2020</u>
	£	£	£	£
Fund Balances at August 31, 2021 are represented by:				
Tangible Assets	1,068	0	1,068	643
Current Assets	<u>177,702</u>	<u>5,627</u>	<u>183,329</u>	<u>172,921</u>
	<u>178,770</u>	<u>5,627</u>	<u>184,397</u>	<u>173,564</u>

13. Related Party Transactions

There were no disclosable related party transactions during the year (2020 – None).

14. Capital Commitments

Amounts contracted for but not provided in the financial statements amounted to £0 (2020: £0).

15. Taxation

Music Therapy Works is a registered charity and, therefore, is not liable to income tax or corporation tax on income and gains derived from its charitable activities, as they fall within the various exemptions available to registered charities.