

MUSICAL KEYS

UNAUDITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

MUSICAL KEYS

CONTENTS

	Page
Reference and administrative details of the charity, its Trustees and advisers	1
Trustees' report	2 - 9
Independent examiner's report	10 - 11
Statement of financial activities	12
Balance sheet	13
Notes to the financial statements	14 - 27

MUSICAL KEYS

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Trustees

Ms Hilary Clare Grant (resigned 31 January 2021)
Mr Edward Graham Jones
Ms Susan Traverso, Chair
Ms Lucy Child
Mr Christopher Alexander Towndrow (appointed 14 April 2021)
Mr Chris Bidgood (resigned 14 December 2020)
Mr Stephen Shaw (appointed 28 October 2020)
Ms Kathryn Wright
Ms Alison Ridley
Ms Amanda Reynolds (appointed 1 May 2021)

Charity registered number

1151915

Principal office

Martineau Memorial Hall, 21 Colegate, Norwich, Norfolk, NR3 1BN

Chief executive officer

Gervase Newrick

Accountants

Larking Gowen LLP, King Street House, 15 Upper King Street, Norwich, NR3 1RB

MUSICAL KEYS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the financial statements of the charity for the year 1 April 2020 to 31 March 2021.

The Trustees confirm that the Annual report and financial statements of the charity comply with the current statutory requirements, the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

Objectives and activities

a. Policies and objectives

In planning our activities for 2020/21, the Trustees kept in mind the Charity Commission's guidance on public benefit and as such Musical Keys welcomes children, young people and adults from all backgrounds. Musical Keys fully complies with all relevant Acts.

Musical Keys' vision is equal access to music and creativity by providing music and arts activities for people with disabilities and additional needs. These activities include ongoing music groups which are managed and funded by Musical Keys in response to local need; outreach activities run for the service users of another organisation such as a voluntary organisation or school; and specific funded projects which may be limited to the duration of the grant obtained to fund them.

Musical Keys' high quality music, arts and movement activities are designed to encourage the physical, mental, educational and social development of the participants as well as to provide support and involvement for parents, carers, guardians and siblings who might otherwise feel isolated or lacking support. Our unique programme is delivered across the county and uses a range of traditional and modern instrumentation and technology. Our work falls into four categories:

- Unite: sessions for 0-5 year olds and their families
- Express: work with all ages and abilities
- Evolve: work in schools and colleges
- Connect: activities for older people living with age-related illness or disability

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

MUSICAL KEYS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

b. Activities undertaken to achieve objectives

Musical Keys groups and projects

Due to the coronavirus and subsequent lockdowns, in March 2020 the majority of our services were temporarily suspended in order to protect our beneficiaries and workforce. Many of these services are yet to be reinstated and some have had to be adapted significantly.

In response to the pandemic Musical Keys developed and ran a set of digital programmes that were delivered free to participants accessing Musical Keys' services prior to the lockdown, and new participants accessing services for the first time. These digital programmes continue to be delivered as part of our core services, alongside existing physical models of delivery.

Musical Keys groups are run across the county and funding is sought for many of these to be on-going. Sessions often include a refreshment break to enable parents and carers to speak to staff and volunteers and to offer each other mutual support and build social networks.

Our volunteers are recruited and trained to support dependent participants during sessions and break times. Parents and carers can feel socially isolated when caring for an individual with special and additional needs and they tell us that it is a great relief for them to be welcomed into a non-judgemental environment.

To the best of our knowledge Musical Keys is the only Norfolk-based charity with as many years' experience of delivering this service, having been running since 1990. Over the year 2020/21, the organisation reached over 500 service users with disabilities and additional needs, with the vast majority of these interactions happening via the internet. In addition, Musical Keys' online resources have had over 2,100 unique views.

Our activities in 2020/21 included:

- Monthly sessions via Zoom for children being cared for at the East Anglian Children's Hospice.
- Stay Tuned – a series of four thirty minute interactive video resources designed specifically for four service user groups; babies, children and young people, teenagers, and people in old age and living with dementia. These video resources were sent to care homes we had been working with prior to the pandemic, via a USB as well as being available to the general public via YouTube.
- The commissioning of a number of Coronavirus Resources consisting of a range of fun and interactive activities for people of all ages and abilities. These resources were made available via YouTube and embedded on our website via a dedicated page.
- Delivery of In My Own Time; a one-to-one service for individuals who want to learn an instrument, or experiment with music, in their own homes. In response to the coronavirus the project was adapted to be delivered online (labelled In My Own Time, Online) where we have reached an additional 50 participants, many of whom are new to our services.
- Delivery of the In Time Together project for a fifth year, enabling Musical Keys to expand our offer of music activities for people with dementia and age-related mental health. These sessions were delivered exclusively outside in two Norwich care homes.

MUSICAL KEYS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

- Working with Joyful Jams CIC to create Movement and Music Resource Boxes for use in care homes. We recognised that it would be very difficult to get inside care homes to reach those living with dementia and so created a DVD resource featuring over two hours of content, together with a small box of physical resources. The kit is designed to be used by activities coordinators within care homes to enrich existing activities whilst retaining a connection to those we had been working with prior to the pandemic.
- A project working with participants from the Sue Lambert Trust using poetry, song writing, collage and printmaking, to create a 20 page pamphlet that explores the issues around forms of abuse.
- Delivering activities in four venues in Norwich for St Martin's Housing, working with adults who are at risk of homelessness and experiencing ill mental health.
- Receiving a significant grant from the Borletti-Buitoni Trust to develop a new mental health focused research project in partnership with Norwich Mind for delivery later in the year.
- A grant from Norfolk Community Foundation's Recovery Fund enabled us to design and deliver the Headphones and Help project; we were able to purchase 60 sets of high quality headphones (with inbuilt microphones) to enhance the quality of online engagement with anyone accessing online services. The project also consisted of a help sheet to give technical advice on how to improve the quality of online interaction, which was beautifully illustrated by local designer, Mia Dunton.
- The delivery of an online forum for parents to consult with them about their needs and desires as we looked to reinstate face to face activity.
- A Big Celebration was an online event consisting of two main elements; an accessible 'open mic' platform for participants with additional needs to submit recordings and videos of their musical output, and an opportunity to celebrate Musical Keys' 30th anniversary with performances from local and internationally renowned artists.
- Working with learning disabled adults from Stepping Stones, we created the album 'I Can Hear A Bird I Can!', available on Bandcamp. The album was created by participants sending recordings they had made of their day to day life, to electronics improviser David Ross. The recordings were then processed and repurposed to create this record.

Administration

During this period both the charity's pay-rolled staff members were furloughed for extended periods, making use of the government's job retention scheme whilst ensuring the effective development of services in response to the pandemic and delivered sessions for beneficiaries in an effective and sustainable way. During this period Musical Keys' Chief Executive gave notice and so instigated the process of recruitment for a new Chief Executive.

Fundraising

Musical Keys relies on a blend of community fundraising, grants and donations to support its activities in addition to trading income. All grant application writing above £5k in value is written by Felton Fundraising, alongside a rolling programme of generic 'appeal' mailings to a large database of potential supporters. All grant application writing below £5k in value is written in house by the charity's Programme Manager and Chief Executive. The fundraising strategy is kept under regular review at Board meetings.

MUSICAL KEYS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

In addition Musical Keys have signed up to the One Lottery and are an accredited charity via the Amazon Smile programme. We have made an effort to share these fundraising opportunities among supporters.

We continue to seek and receive funds from a variety of sources, including corporate supporters, individual donors and volunteer fundraisers.

Raising the profile of Musical Keys, information sharing and training

We continue to publish a regular newsletter which is sent out electronically to over 500 readers. Alongside our website we have also developed our social media presence with over 1,000 followers on Twitter and on Facebook. We recognise social media as a useful way of sharing information about our services and fundraising efforts with our service users and other stakeholders.

We continued our presence at public facing events to raise the profile of our work among health and care professionals and potential beneficiaries.

During the pandemic we hosted two whole team get-togethers as an opportunity for our freelance workforce to share experiences and to access support from us. It was also an opportunity for us to share our plans for reinstating services and the policy implications of the coronavirus.

Safeguarding training, mandatory for all Musical Keys staff, continues to be updated on a three-year basis. Bespoke training and CPD opportunities are forwarded to staff on an ad-hoc basis and specific training is provided in response to individual need.

Donors and Grants

Musical Keys gratefully thanks all donors and grant makers who have supported our work. This year these have included:

Individuals:

- A & B Rowel
- Lucy Child
- Sue Traverso
- Georgette Ward
- Mr J Mathews
- Mary Evans
- Rose Baulcombe
- Trusts and Foundations:
- Anguish Foundation
- Anne French Memorial Trust
- Aquarius Trust
- Borletti-Buitoni Trust
- Clothworkers Foundation
- DC Moncrieff
- E Slater Charitable Trust
- Edward Gostling Foundation
- Ellerdale Trust
- Fitton Trust
- Garfield Weston Foundation
- Grey Court Trust

MUSICAL KEYS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Objectives and activities (continued)

- John Risebrow's Charity
- Laura Elizabeth Stuart Memorial Trust
- Mickleham Trust
- Nichol Young Foundation
- Norfolk Community Foundation
- Paul Bassham Trust
- Pinching Family Trust
- R C Snelling Charitable Trust
- Red Sock Charitable Trust
- R S Brownless Charitable Trust
- Stephen Bloch Charitable Trust
- Strangward Trust

Community groups and businesses:

- Norwich U3A
- Francis of Lorraine Lodge
- Aylsham Singers
- Alan Boswell Group

Achievements and performance

a. Key performance indicators

As stated, the charity has a wide range of income sources and is always looking to maintain and expand these. Trustees and a Finance Sub-Committee are presented with management accounts at each 6-weekly meeting; reports consist of monitoring against budget for restricted funds and unrestricted funds which tells trustees how much income comes from which source and allows monitoring against targets for each individual income source. Information is presented on the level of restricted funds and unrestricted reserves. A report showing individual fund balances is also provided which informs trustees how long current funds enable groups to run for. Trustees are informed of the charity's bank balance and any potential cash-flow issues.

b. Investment policy and performance

Investment income represents bank interest received in the period.

Financial review

a. Going concern

The 2020/21 financial year has been impacted by the Covid-19 pandemic, as the charity temporarily ceased activities at the point of lockdown in March 2020. During the year the charity received income of £22,858 under the Coronavirus Job Retention Scheme. At present the charity has been able to resume most of its previous activities and has several new projects in development.. In addition, further unrestricted funding totalling £51,844 has been secured in response to applications made to support the charity through the pandemic. The charity also continues to benefit from the job retention scheme.

The trustees have concluded that they have a reasonable expectation that the charity will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

MUSICAL KEYS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

b. Reserves policy

Restricted funds are held for specific application in the activities to which they are intended. The Trustees are targeting a build up of sufficient unrestricted reserves to cover a minimum of three months' operating costs, in respect of the year to 31 March 2021 this equates to £15,343 of unrestricted costs (2020: £28,993). The comparative figure provided for 2020, as reported in the previous Trustee Report, includes restricted costs.

As at 31 March 2021 the charity had unrestricted reserves of £46,428 (2020: £33,099) and free reserves of £42,105 (2020: £33,099).

Structure, governance and management

a. Constitution

Musical Keys was established in 1990 and converted from an unincorporated charity to a charitable incorporated organisation (CIO) in April 2014. It is governed by its constitution dated April 2013, amended July 2014 and has the aim of benefiting individuals with special and/or additional needs and disabilities and their families through music, movement and arts activities.

b. Methods of appointment or election of Trustees

The Board of Trustees (2020/21) consists of two officers (Chairperson and Treasurer), with not less than 2 nor more than 9 elected members and up to 3 co-opted members. New Trustees are sought by the current Trustees and management. Musical Keys' constitution provides that its members are identical to its trustees. New trustees are elected by the trustee board for a term of 3 years in accordance with the constitution, and appointments can be renewed at the end of the three year period. Co-opted members may join at any time on the invitation of the Board.

The Chairperson and Chief Executive Officer meet frequently between Trustee meetings. The CEO will also meet other Trustees as appropriate.

Persons interested in becoming Trustees will have an interview with the Chairperson and CEO who will then seek approval from the Board for that person's co-option to the Board. They will often attend one or more Musical Keys sessions if they are unfamiliar with the work and aims of the charity. Candidates for the Board must confirm that they are eligible to stand according to Charity Commission guidelines. Two references are sought for new Trustees.

Each new Trustee is given an induction pack which includes a copy of the charity's constitution, a brief history of the charity, a copy of the most recent report and accounts, copies of minutes of recent Board meetings, dates of forthcoming meetings, contact details of other Trustees and Charity Commission instructions "The Essential Trustee: What you need to know". Trustees undergo mandatory training in Safeguarding and attend other appropriate courses as they become available.

MUSICAL KEYS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

Trustees meet six-weekly. Separate Finance and Policy Sub-Committees, each chaired by a Trustee, and including additional trustees when required plus any relevant staff members, also meet regularly and report back at full Trustee meetings.

The CEO attends all full Trustee meetings to report and receive direction and support. The Programme Manager are also invited to meetings as appropriate.

During 2020/21 the staffing structure consisted of the CEO, who reports to Trustees and who manages the following office-based staff:

- Programme Manager, who oversees the charity's programme of activities, manages projects and music staff and volunteers, and is also the deputy Child Protection Officer.
- 1 Kickstart employee employed as part of the govt Kickstart programme as a 'videographer / outcomes co-ordinator'. This is a temporary, fully govt funded position for 6 months. Start date: 22/11/2021.
- 1 Kickstart employee employed as part of the govt Kickstart programme as a 'Marketing / Communications Officer'. This is a temporary, fully govt funded position for 6 months. Start date: 06/12/2021.

Workshop Facilitators deliver Musical Keys' sessions, often with support from volunteers. During 2020/21 there was one Facilitator directly employed and a pool of around 20 freelance Facilitators delivering the Musical Keys sessions. This enables the charity to benefit from an expansive skills mix, with flexibility to respond to demand.

The role of Musical Keys volunteers is crucial in supporting families and carers as well as service users attending our groups. Volunteers are retained through a programme of induction and training, pastoral support via the Programme Manager and satisfaction from the activity itself.

d. Risk management

The organisation continued to perform risk assessment on all activities and proposals throughout 2020/21, and at all venues used.

Plans for future periods

Musical Keys trustees and staff recognise a commitment to help the charity continue to fulfil its core purpose whilst continuing to secure financial sustainability.

In the next year it will be necessary to continue to maintain and diversify income streams and to plan for, adapt to, and continue to work with changes that are brought about by the continuing effects of the pandemic on our beneficiaries and the ongoing changes in social welfare.

MUSICAL KEYS

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Memorandum of Association. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on their behalf by:



.....
Ms Susan Traverso
(Chair of Trustees)
Date: 11/01/2022



.....
Mr Stephen Shaw
(Trustee)

MUSICAL KEYS

INDEPENDENT EXAMINER'S REPORT FOR THE YEAR ENDED 31 MARCH 2021

Independent examiner's report to the Trustees of Musical Keys ('the charity')

I report to the charity Trustees on my examination of the accounts of the charity for the year ended 31 March 2021.

Responsibilities and basis of report

As the Trustees of the charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the 2011 Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared the accounts in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 130 of the 2011 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 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.

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

MUSICAL KEYS

INDEPENDENT EXAMINER'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

This report is made solely to the charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for my work or for this report.

Signed: *Larking Gowen LLP*

Christopher Yeates

FCA DChA

Larking Gowen LLP
Chartered Accountants
Norwich

11 January 2022

MUSICAL KEYS

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	3	68,817	78,251	147,068	99,556
Charitable activities	4	5,759	-	5,759	30,305
Other trading activities	5	126	-	126	5,544
Total income		74,702	78,251	152,953	135,405
Expenditure on:					
Raising funds	6	9,849	-	9,849	10,781
Charitable activities	7	51,524	35,250	86,774	105,192
Total expenditure		61,373	35,250	96,623	115,973
Net income before net gains on investments		13,329	43,001	56,330	19,432
Net movement in funds before other recognised gains		13,329	43,001	56,330	19,432
Net movement in funds		13,329	43,001	56,330	19,432
Reconciliation of funds:					
Total funds brought forward		33,099	56,128	89,227	69,795
Net movement in funds		13,329	43,001	56,330	19,432
Total funds carried forward		46,428	99,129	145,557	89,227

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

The notes on pages 14 to 27 form part of these financial statements.

MUSICAL KEYS

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Tangible assets	11	4,323	-
		<u>4,323</u>	<u>-</u>
Current assets			
Debtors	12	6,763	21,044
Cash at bank and in hand		143,613	73,473
		<u>150,376</u>	<u>94,517</u>
Creditors: amounts falling due within one year	13	(9,142)	(5,290)
Net current assets		<u>141,234</u>	<u>89,227</u>
Total net assets		<u><u>145,557</u></u>	<u><u>89,227</u></u>
Charity funds			
Restricted funds	14	99,129	56,128
Unrestricted funds	14	46,428	33,099
Total funds		<u><u>145,557</u></u>	<u><u>89,227</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



.....
Ms Susan Traverso
(Chair of Trustees)
Date: 11/01/2022



.....
Mr Stephen Shaw
(Trustee)

The notes on pages 14 to 27 form part of these financial statements.

MUSICAL KEYS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Musical Keys is a charitable incorporated organisation (CIO), charity number 1151915. The registered office is Martineau Memorial Hall, 21 Colegate, Norwich, Norfolk, NR3 1BN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Musical Keys meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The 2020/21 financial year has been impacted by the Covid-19 pandemic, as the charity temporarily ceased activities at the point of lockdown in March 2020. During the year the charity received income of £22,858 under the Coronavirus Job Retention Scheme. At present the charity has been able to resume most of its previous activities and has several new projects in development. In addition, further unrestricted funding totalling £51,844 has been secured in response to applications made to support the charity through the pandemic. The charity also continues to benefit from the job retention scheme.

The trustees have concluded that they have a reasonable expectation that the charity will have adequate resources to continue in operational existence for the foreseeable future, and at least twelve months from the date of signing these financial statements. They therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

2.3 Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

MUSICAL KEYS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the charity's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £250 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33% Straight-line basis
------------------	---	-------------------------

2.7 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

MUSICAL KEYS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.9 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.10 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. Income from donations and grants

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Donations and grants	45,959	78,251	124,210
Government grants	22,858	-	22,858
	<u>68,817</u>	<u>78,251</u>	<u>147,068</u>

During the year the Charity received £22,858 (2020: £Nil) exceptional government funding as part of the Coronavirus Job Retention Scheme. Funding represents some of the costs of employing certain staff unable to carry out their duties as a result of the coronavirus crisis.

MUSICAL KEYS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

3. Income from donations and grants (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations and grants	40,572	58,984	99,556

4. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Fees and session fees	5,759	5,759

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Fees and session fees	29,055	1,250	30,305

MUSICAL KEYS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £
Other fundraising income	126	126

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Other fundraising income	5,544	5,544

6. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £
Fundraising costs	9,849	9,849

Costs of raising voluntary income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Fundraising costs	10,758	23	10,781

MUSICAL KEYS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £
Music, movement and arts based activities	29,186	57,588	86,774

	<i>Activities undertaken directly 2020 £</i>	<i>Support costs 2020 £</i>	<i>Total funds 2020 £</i>
Music, movement and arts based activities	46,667	58,525	105,192

Analysis of direct costs

	Fees and session fees 2021 £	Total funds 2021 £
Wages and salaries	21,802	21,802
Room Hire	389	389
Insurance	1,492	1,492
Equipment	5,363	5,363
Travel	140	140
	<hr/> 29,186 <hr/>	<hr/> 29,186 <hr/>

MUSICAL KEYS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Analysis of expenditure by activities (continued)

Analysis of direct costs (continued)

	<i>Fees and session fees 2020 £</i>	<i>Total funds 2020 £</i>
Wages and salaries	32,539	32,539
Room Hire	3,408	3,408
Insurance	1,415	1,415
Equipment	1,216	1,216
Travel	7,284	7,284
Project Partners & Care Workers	300	300
Bad debt write off	505	505
	<hr/> 46,667 <hr/>	<hr/> 46,667 <hr/>

Analysis of support costs

	Fees and session fees 2021 £	Total funds 2021 £
Wages and Salaries	43,611	43,611
Depreciation	2,162	2,162
Stationery	511	511
Office Hire	2,568	2,568
Staff Training	2,308	2,308
Refreshments and Cleaning	5	5
Training and Expenses	472	472
Sundry	17	17
Accountancy Fees	5,388	5,388
Bank charges	33	33
Recruitment	513	513
	<hr/> 57,588 <hr/>	<hr/> 57,588 <hr/>

MUSICAL KEYS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

	<i>Fees and session fees 2020 £</i>	<i>Total funds 2020 £</i>
Wages and Salaries	41,236	41,236
Stationery	1,066	1,066
Office Hire	6,060	6,060
Staff Training	1,419	1,419
Refreshments & Cleaning	162	162
Training and Expenses	2,517	2,517
Professional Fees	259	259
Legal fees	35	35
Accountancy Fees	5,633	5,633
Bank charges	138	138
	<u>58,525</u>	<u>58,525</u>

8. Independent examiner's remuneration

The independent examiner's remuneration amounts to an independent examiner fee of £1,500 (2020: £1,450).

9. Staff costs

	2021 £	2020 £
Wages and salaries	65,413	73,775
	<u>65,413</u>	<u>73,775</u>

Wages and salaries include freelance facilitator costs.

MUSICAL KEYS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

9. Staff costs (continued)

The average number of persons employed by the charity during the year was as follows:

	2021 No.	2020 No.
Administration and support of groups	3	2
Group facilitators	1	1
	<hr/>	<hr/>
	4	3
	<hr/>	<hr/>

No employee received remuneration amounting to more than £60,000 in either year.

In addition to the one group facilitator employed, Musical Keys works with a pool of freelance facilitators.

The charity considers its key management personnel to consist of the Trustees of the charity and the Chief Executive Officer. The total employment benefits including employer national insurance contributions of the key management personnel were £22,351 (2020: £20,828).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

MUSICAL KEYS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. Tangible fixed assets

	Office equipment £
Cost or valuation	
Additions	6,485
At 31 March 2021	<u>6,485</u>
Depreciation	
Charge for the year	2,162
At 31 March 2021	<u>2,162</u>
Net book value	
At 31 March 2021	<u><u>4,323</u></u>
At 31 March 2020	<u><u>-</u></u>

12. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	2,392	2,039
Other debtors	-	17,098
Prepayments and accrued income	4,371	1,907
	<u>6,763</u>	<u>21,044</u>

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	4,582	3,550
Accruals and deferred income	4,560	1,740
	<u>9,142</u>	<u>5,290</u>

MUSICAL KEYS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds	28,348	73,117	(59,581)	-	41,884
Innovation fund	3,000	-	-	-	3,000
In My Own Time	1,488	1,455	(1,792)	-	1,151
Short Breaks - Creative Connections	263	130	-	-	393
	<u>33,099</u>	<u>74,702</u>	<u>(61,373)</u>	<u>-</u>	<u>46,428</u>
Restricted funds					
Stay Tuned Video Project	-	6,800	(4,680)	-	2,120
Headphone Project	-	3,049	(3,025)	-	24
Clothworkers IT Fund	-	8,700	(2,435)	-	6,265
Striking A Cord	-	27,650	-	-	27,650
Bursary fund	2,343	-	-	2,004	4,347
Express Programme	10,000	-	-	(4,498)	5,502
GMSN	7,817	7,552	(1,516)	(2,200)	11,653
In Time, Together	16,646	5,000	(5,284)	-	16,362
Bronze Arts Awards	172	-	(172)	-	-
Digital Project	-	18,500	(12,799)	6,620	12,321
Pilot Projects	1,753	-	(277)	-	1,476
Unite	1,500	1,000	(995)	-	1,505
Equipment	500	-	(85)	-	415
Discovery Centre KL	2,102	-	(661)	-	1,441
Library	1,368	-	(373)	-	995
Bailey Thomas Fund	1,926	-	-	(1,926)	-
Norwich Equaliser (NAS)	1,841	-	-	-	1,841
Sue Lambert Trust Pilot	5,500	-	(2,148)	-	3,352
Music on the Water	1,860	-	-	-	1,860
Accessible Open Mic	800	-	(800)	-	-
	<u>56,128</u>	<u>78,251</u>	<u>(35,250)</u>	<u>-</u>	<u>99,129</u>
Total of funds	<u>89,227</u>	<u>152,953</u>	<u>(96,623)</u>	<u>-</u>	<u>145,557</u>

MUSICAL KEYS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2020 £</i>
Unrestricted funds					
General Funds	18,914	69,762	(57,328)	(3,000)	28,348
Innovation fund	-	-	-	3,000	3,000
In My Own Time	-	4,099	(2,611)	-	1,488
Short Breaks - Creative Connections	-	1,310	(1,047)	-	263
	<u>18,914</u>	<u>75,171</u>	<u>(60,986)</u>	<u>-</u>	<u>33,099</u>
Restricted funds					
Bursary fund	-	5,000	(2,657)	-	2,343
Express Programme	-	10,000	-	-	10,000
GMSN	47,377	200	(39,760)	-	7,817
In Time, Together	683	20,641	(4,678)	-	16,646
Bronze Arts Awards	1,254	-	(1,082)	-	172
Pilot Projects	1,567	1,750	(1,564)	-	1,753
Unite	-	1,500	-	-	1,500
Equipment	-	500	-	-	500
Discovery Centre KL	-	4,644	(2,542)	-	2,102
Library	-	3,741	(2,373)	-	1,368
Bailey Thomas Fund	-	2,000	(74)	-	1,926
Norwich Equaliser (NAS)	-	2,098	(257)	-	1,841
Sue Lambert Trust Pilot	-	5,500	-	-	5,500
Music on the Water	-	1,860	-	-	1,860
Accessible Open Mic	-	800	-	-	800
	<u>50,881</u>	<u>60,234</u>	<u>(54,987)</u>	<u>-</u>	<u>56,128</u>
Total of funds	<u><u>69,795</u></u>	<u><u>135,405</u></u>	<u><u>(115,973)</u></u>	<u><u>-</u></u>	<u><u>89,227</u></u>

MUSICAL KEYS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

14. Statement of funds (continued)

Restricted funds

Restricted funds represent monies received from external bodies who have stipulated the use of these funds for a specific project or Musical Keys group.

Funding from **Global Media Group (GMSN)** supported seven of our regular groups for children and young people plus a contribution to overhead salary costs.

In Time Together is a project delivering therapeutic music and reminiscence activities for people with dementia and age-related mental health issues. It is funded by grants from a number of trusts.

Striking a Chord is a project to develop and deliver a programme of community-based music activities for people who need support to overcome mental health challenges.

Digital Project was devised as a direct response to the coronavirus pandemic, connecting Musical Keys to service users unable to access face to face sessions. It comprises of bespoke music activity on a 1:1 basis, delivered remotely, as well as the commissioning of a series of online interactive content.

Transfers

As a result of the coronavirus pandemic, transfers were made between restricted funds to support the delivering of remote music activity to service users who were otherwise unable to access sessions. Prior consent was sought from the original donors.

Unrestricted funds

In addition to the general unrestricted fund, the following projects are accounted for as separate unrestricted funds. These funds represent various sold services which are intended to generate income for Musical Keys. At year-end, any positive balance from these projects is moved into the general unrestricted fund.

Creative Connections is made available through Norfolk County Council's Short Breaks framework, with service users paying for sessions from personal budgets and direct payments. The project enables 12-25 year olds to take part in inclusive, progressive music and arts activities ranging from the traditional (eg song-writing) to cutting edge (eg green screen film-making).

In My Own Time is a one-to-one service of bespoke music activity and tuition which Musical Keys offers for clients with additional needs and disabilities in their own homes. It was established in January 2017 to meet demand and the client base continues to increase.

MUSICAL KEYS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

15. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	4,323	-	4,323
Current assets	51,247	99,129	150,376
Creditors due within one year	(9,142)	-	(9,142)
Total	46,428	99,129	145,557

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Current assets	38,389	56,128	94,517
Creditors due within one year	(5,290)	-	(5,290)
Total	33,099	56,128	89,227

16. Related party transactions

The charity has not entered into any related party transaction during the year, nor are there any outstanding balances owing between related parties and the charity at 31 March 2021.