CREATE ARTS.ORG.UK

# CREATE (ARTS) LIMITED FINANCIAL STATEMENTS

for the year ended

## 31 MARCH 2023

Goodman Jones

# CREATE (ARTS) LIMITED

## ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023

| | |
|---|---|
| **Company Number** | 4728145 |
| **Charity Registration Number** | 1099733 |
| **Chairman** | Eddie Donaldson OBE |
| **Chief Executive** | Nicky Goulder |
| **Company Secretary** | Vanessa Sharp |
| **Treasurer** | Paul Thimont |
| **Registered Office** | 3rd Floor<br>14 Austin Friars<br>London EC2N 2HE |
| **Email** | info@createarts.org.uk |
| **Telephone (London / Manchester)** | 020 7374 8485 / 0161 521 0033 |
| **Website** | createarts.org.uk |
| **Facebook** | facebook.com/createarts.org.uk |
| **Instagram / Twitter** | @createcharity |
| **Bankers** | The Co-operative Bank plc<br>1 Balloon Street<br>Manchester M60 4EP |
| **Auditors** | Goodman Jones LLP<br>29/30 Fitzroy Square<br>London W1T 6LQ |

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## INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023


| | Page |
|---|---|
| Directors' report | 1 |
| Statement of Directors' responsibilities | 14 |
| Auditors' report | 15 |
| Statement of financial activities | 19 |
| Balance sheet | 20 |
| Statement of cash flows | 21 |
| Notes to the financial statements | 22 |

# CREATE (ARTS) LIMITED

## Directors' Report

The Trustees, who are also Directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31 March 2023. The Trustees confirm that the report and financial statements of the charity comply with the current statutory requirements, the requirements of the company's governing document, 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 Republic of Ireland (FRS 102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

### Objectives and Activities

### Charitable objects

1) to advance and promote the education of the public in the knowledge, understanding and appreciation of the arts.

2) to promote the use of the arts, particularly the creative arts, as a way of:

    a) relieving the needs of the poor, sick, disabled, elderly and young people who are in need of care and attention;
    b) rehabilitation of offenders;
    c) relieving the needs of the unemployed.

### Vision

A society in which everyone has access to the educational, social and life-enriching benefits of the creative arts.

### Mission

To use the creative arts to connect, empower, inspire and upskill society's most disadvantaged and vulnerable people, raising aspirations, building self-esteem, reducing isolation and enhancing wellbeing.

### Core beliefs

- That People Need to Create.
- That everyone – regardless of circumstances, behaviour, age, gender, race or disability – deserves the chance to fulfil their potential.
- That high-quality creative arts activities connect, empower, inspire and upskill, raising aspirations, building self-esteem, reducing isolation and enhancing wellbeing.
- That everyone has a role to play in making society fairer, more caring more inclusive and more sustainable.

### Values

Create is a values-driven charity. Our values underpin the way we work with our participants, partners, people and community. They guide the decisions we make and the way we work.

- **Creativity** ~ encouraging a creative approach to every area of our performance
- **Excellence** ~ seeking to attain the highest standards in all activities
- **Valuing the individual** ~ recognising and nurturing each individual's unique talents
- **Passion** ~ being passionate in our motivations and performance
- **Flexibility** ~ listening and responding creatively to all stakeholders' needs
- **Integrity** ~ embedding integrity in all we do

### Aims

- To tackle inequality by giving society's most disadvantaged and vulnerable people free access to the benefits of the creative arts.
- To engage participants in tailored projects led by exceptional professional artists in areas where provision is poor and engagement is low.

- To listen to, advocate for and give a voice to participants.
- To connect, empower, inspire and upskill participants, developing creativity, raising self-esteem, enriching lives, reducing isolation and enhancing wellbeing.
- To promote the value of creative arts engagement in achieving social outcomes.
- To provide high quality, fairly paid work and CPD to a diverse pool of professional artists.
- To help create a society that is fairer, more caring, more inclusive and more sustainable.

**Create is the UK's leading charity empowering lives, reducing isolation and enhancing wellbeing through the creative arts**

People Need to Create. We are experiencing a time of unprecedented change and challenge. The impact of Brexit and the pandemic as well as the climate and cost of living crises have underlined and exacerbated the inequalities within our society as never before. Create's work has never been more important. Creativity impacts wellbeing, emotional and mental health. It builds skills, brings joy and reduces isolation. It allows us to think differently, to express ourselves and to be heard. It enables us to learn about ourselves and others in new ways. It inspires, empowers and raises aspirations. And, according to industry leaders including the World Economic Forum, it is a core skill for business.

We know that unleashing creativity ignites imaginations, develops confidence and builds relationships. Like setting off a firework, our professional artists light the touch paper and our participants discover newfound self-belief and a desire to try more, do more and be more.

We are a national charity that champions local priorities by collaborating with our partners to tailor every project to each individual's needs. We believe that everyone – regardless of circumstances, behaviour, age, gender, race or disability – deserves the chance to fulfil their potential. Most projects are collaborations with community partners, which have specialist knowledge of local priorities and the participants that they exist to serve.

Our focus is on engaging the most marginalised participants in inspiring, sustainable arts programmes – delivered in familiar settings where they feel comfortable and safe – in areas where provision is poor and engagement in the arts is low. We prioritise our work with seven participant groups: young psychiatric patients; disabled children and adults; young and adult carers; schoolchildren (and their teachers) in areas of deprivation; vulnerable older people; young and adult prisoners (and their families); and marginalised children and adults (eg homeless people, LGBTQ+ older people, young refugees and asylum seekers).

Since Create was founded in July 2003, we have run 13,319 creative arts workshops that have delivered 351,802 contact hours as part of sustained, life-changing programmes with 43,678 participants.

Some of our programmes are developed and delivered in partnership with the business community, helping to meet their Responsible Business priorities. Every programme we deliver is rigorously evaluated because we're passionate about providing inspiring and empowering creative experiences that have a lasting impact. Additionally, in 2022/23 we commissioned consultancy Partnership First to undertake two independent assessments: the first a review of Create's work, leadership and impact since the charity's formation in 2003; the second, a review identifying and evaluating Create's social value through its workshop programme and wider engagement with stakeholders during 2021/22. Both included desk research using the charity's historical data; a survey of key stakeholders; and in-depth interviews.

We know from experience that drama can build an isolated young carer's self-esteem, that storytelling can strengthen the bond between a young offender and the loved ones waiting for him at home, and that music can provide an important means of self-expression for a young person experiencing anxiety or depression.

One spark of creative energy opens up a world of positive opportunities.

Create lights that spark.

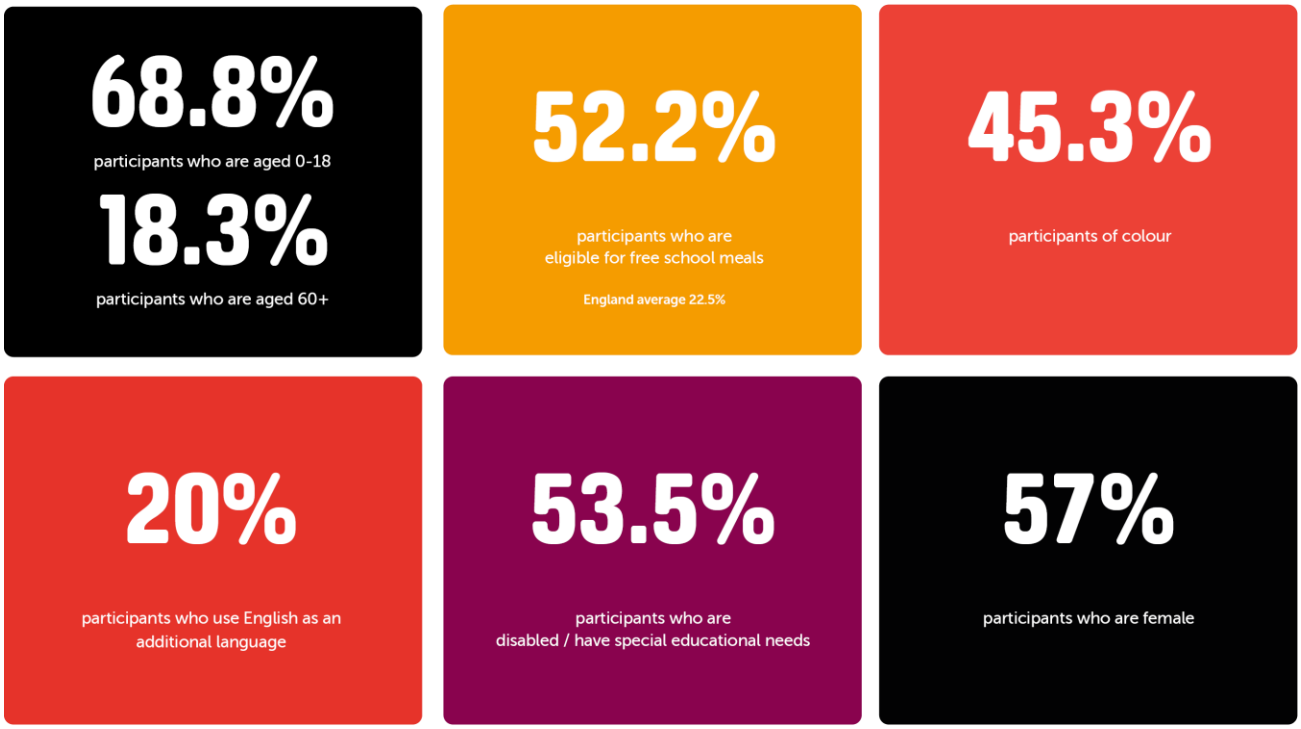
### Public Benefit

In setting Create's objectives and planning its activities, the Trustees have considered the Charity Commission's general guidance on public benefit. As noted throughout this report, the charity's work is directed towards the most disadvantaged and vulnerable people in society and outcomes for the public benefit are recorded here in detail.

### Project participants

To fulfil Create's commitment to working with the most disadvantaged and vulnerable people, each potential community partner is carefully researched to assess the extent to which it enables the charity to meet this objective. Where applicable, Create uses poverty indices and government statistics on areas of deprivation, together with the government's levelling up / Arts Council England's under-provided priority places, to find the geographical areas of greatest need. When choosing schools, it also considers the percentage of children who bring pupil premium / are entitled to free school meals (key poverty indicators), use English as an additional language or have special educational needs. The level of vulnerability of the participants is always a key consideration, as is the extent to which the community partner already benefits from provision by other external agencies. Create's preference is to work with organisations that are under-served.

In 2022/23, 2,139 participants directly benefited from Create's projects. These included: young psychiatric hospital patients; young, young adult and adult carers; children and adults with mental ill-health; disabled children and adults; young asylum seekers and refugees; LGBTQ+ older people; homeless adults; prisoners; inner-city schoolchildren; and isolated older people. Create worked with (where data provided):




### Volunteers

81 volunteers donated 695 hours of their time to Create: using their skills and enthusiasm to support participants in Create workshops; and providing expert guidance as Trustees or Advisory, Communications, Creative or Development Council members. Pro bono HR software was donated by Breathe; legal advice by Reed Smith LLP; meeting rooms by Barnett Waddingham LLP / Simply Business.

**Achievements and Performance**

Fifty-three professional Create artists ran 19 programmes (an umbrella body of work) within which 97 projects (a series of workshops with one or more community partners) were designed. These delivered 1,262 workshops/20,858 contact hours with 2,139 participants; and were rated "successful overall" by 99% of community partner staff.

Our Manchester hub, launched in 2021, has enabled Create to expand its work across the North West and beyond. During the year, Create built partnerships with 21 delivery partners and delivered 236 workshops against a target of 193.

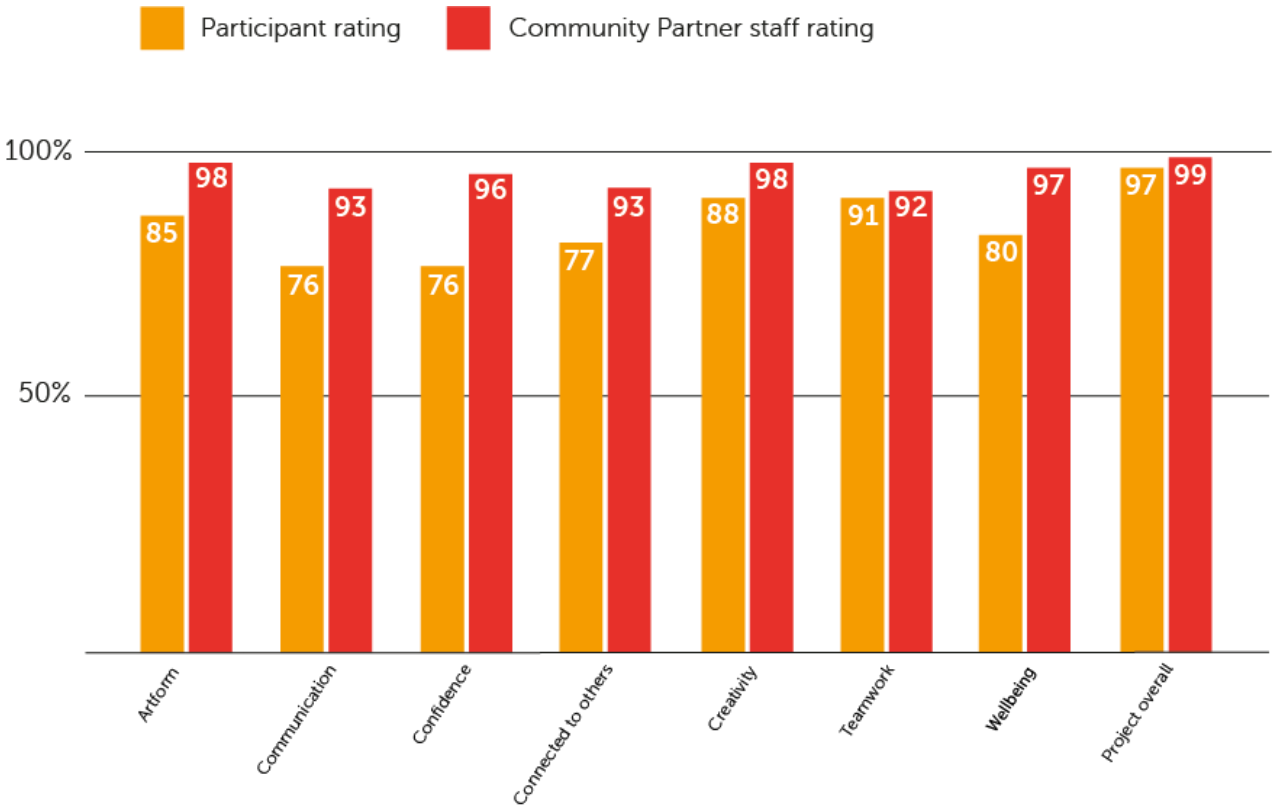
In October 2022, *creative:connection* brought together 61 disabled and non-disabled young people from four schools in Manchester and Salford with four of the charity's professional musicians. On 21 October 2022, the environment-themed project - inspired by David Attenborough and Greta Thunberg - culminated in a concert of their newly created music and songs at Manchester Central Library as part of Manchester Literature Festival. This was attended by an in-venue audience of around 60 family, friends and Create/ school staff, and a remote audience via Zoom.

During the February 2023 half term, Create delivered a Young Carers Action Day (YCAD) programme across the UK's four nations, a partnership with Carers Trust for the third year running. Projects took place in Belfast (Create's first ever project in Northern Ireland), Dumfries and Galloway, Swansea and Wigan, upskilling young carers in filmmaking, 3D model making, photography and visual art. The projects culminated in a YCAD online Showcase on 15 March 2023, putting young carers' voices at the heart of the event. Participants shared the artwork they had created with an audience of parents and guardians, staff and Trustees from Carers Trust, Create and their carer services, and other invited guests.

Create is committed at all levels to rigorous, honest evaluation. Each project is individually designed to meet partners' unique needs; clear, relevant intended outputs/outcomes are agreed; and programmes are then evaluated against these. Planning and debrief meetings start and conclude each project and Create has a 100% feedback policy, with feedback being collected wherever possible from all participants, community partner staff, volunteers and Create artists. Projects are monitored through verbal feedback circles, communication, observation of workshops and written response through questionnaires; and qualitative and quantitative feedback is used by Create to produce an evaluation report that assesses the extent to which the intended outputs/outcomes have been met. This is the primary means by which formal feedback from each programme is disseminated, reports being sent to the community partners, artists and funders, and used by Create in the planning of all future projects.

As part of the evaluation process, community partner staff and participants are asked to rate the success of Create's projects in enabling the participants to develop a range of key skills and enhanced wellbeing, and to appraise the success/enjoyment of their project overall. The results across all projects during the year, shown in the graph below, demonstrate that participants' skill development was rated successful by between 92% and 98% of community partner staff and by 76% and 91% of participants.

## Participant skill development / wellbeing / overall project rating (%)



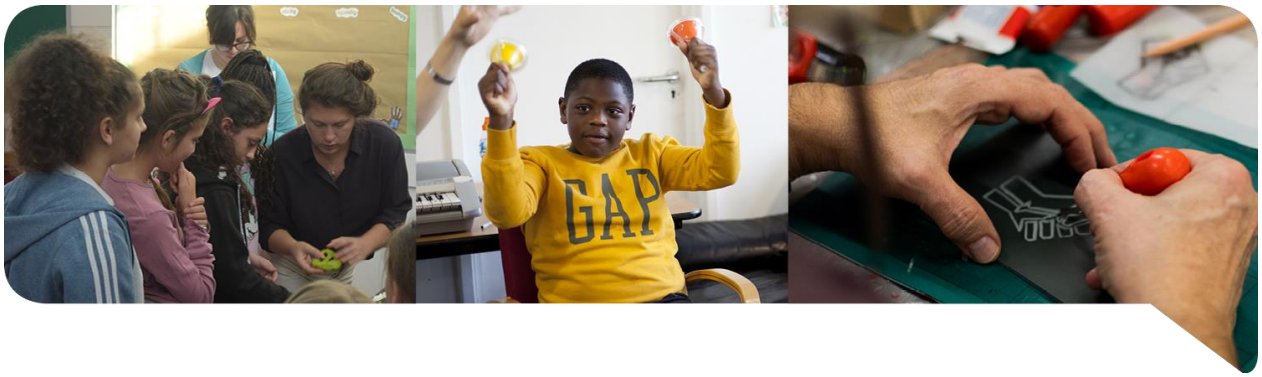

Create provided its artists and project team with free learning, skill-building and networking opportunities at Artist Sharing events that took place in May and November. With external speakers and artist-led workshops, these sessions focused on delivering projects with special needs/disabled participants; and with young people with mental ill health. Artists commented: *"The workshop demonstrations were particularly useful, giving concrete ways to work with groups of varying needs." "The training was so useful in showing us how to approach different learning needs and how to increase access." "It was great to think about working in challenging settings and how incorporating seasonal elements could be a good way to start the workshop." "All the people sharing gave very relevant information, from practical, logistical tips to the workshop content itself. Very informative, interesting and fun."*

Create ran the seventh year of *Nurturing Talent*, a programme over 12 months designed to upskill emerging artists who wish to combine their professional artistic practice with creative workshop delivery in community settings. *Nurturing Talent* gave six emerging artists the opportunity to work as supporting artists on a range of projects, attend professional development training days and work in pairs to design and deliver their own workshop in a community setting. Each artist received a bursary and collectively supported 153 workshops across the year, further enhancing the participants' experience. One Nurturing Talenter commented: *"Nurturing Talent has been this amazing place where we've been able to take some space, look at other people's practices and work across discipline. It has provided us with opportunities to learn from each other and from really experienced artists."*

**Funding and in-kind support**

Create's income was secured via the development of new relationships (with organisations including: Aesop Foundation, Anthropologie; BNP Paribas Foundation (DreamUp); Kusuma Trust UK; Prudence Trust; Sarah Jane Leigh Charitable Trust; Smiles Fund by Comic Relief and Walkers; Champions for Children); the strengthening of significant existing relationships (including: Ashurst LLP; British Land; Carers Trust; The Chartered Accountants' Livery Charity; John Lyon's Charity; The Mercers' Company; Raise Your Hands; Reed Smith LLP; Santander UK Foundation Limited; The Taylor Family Foundation); the generous support of dozens of other trusts, foundations, companies and individuals; community

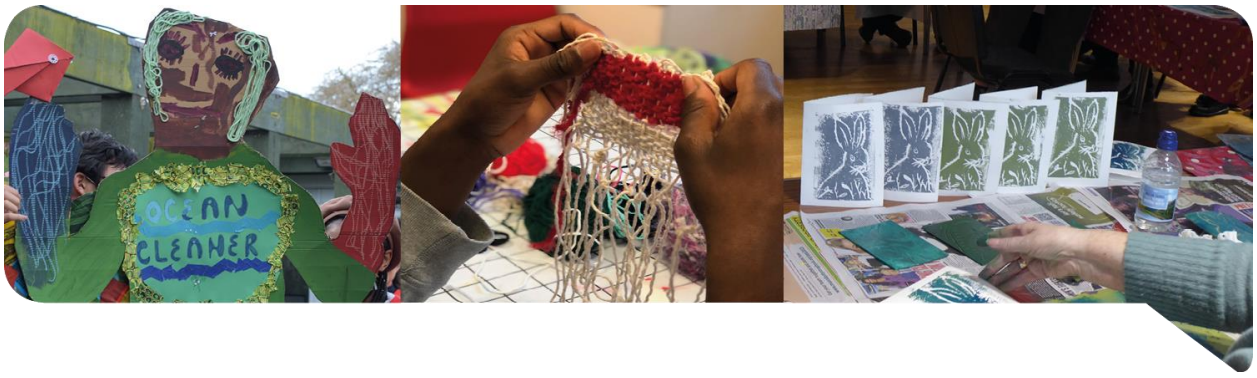
fundraising; in memoriam gifts; and events. In addition, a legacy was received from Charles Lloyd-Jones.




America's leading contemporary fashion illustrator Bil Donovan took part in a live illustration during Gray MCA's exhibition of his work at Cromwell House, London, in September 2022, generously donating the proceeds from two of the pieces he created to support Create's work.

Create's partnership with international lifestyle brand, Anthropologie raised both awareness and funds for the charity. Anthropologie funded *creative:me*, a set of three projects with young carers, adult carers, and older people, which enabled Create to deliver creative arts workshops with these groups in the run-up to Christmas 2022. In addition, merchandise sales on Giving Tuesday 2022 raised funds, as did an in-store customer appeal throughout December 2022.

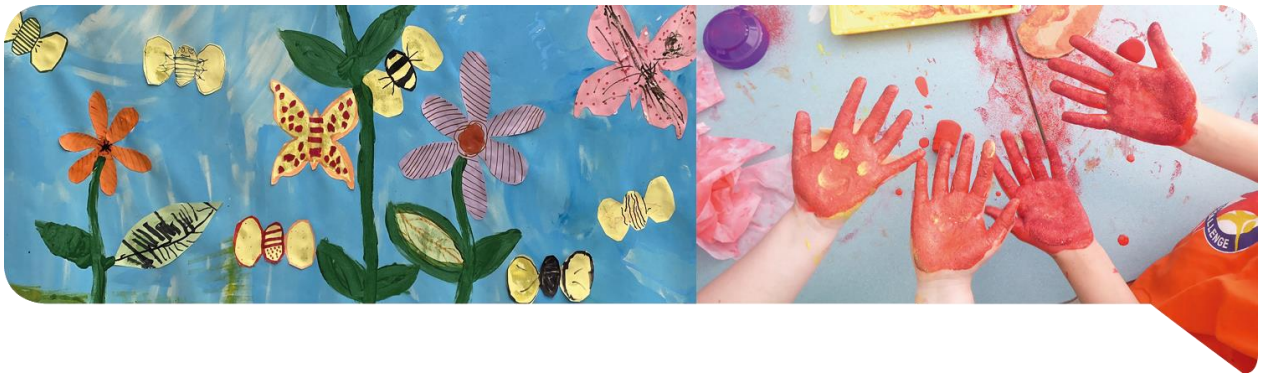
After Create's *inspired:arts* Lambeth project was featured on Channel 4's hit TV show *Grayson's Art Club* in 2022, the artwork produced by young carers was displayed in "Grayson's Art Club: The Exhibition" at Midlands Arts Centre (MAC) in Birmingham between December 2022 and June 2023. The private view brought together artwork by dozens of incredible artists that had been featured in the popular TV series hosted by acclaimed artists Grayson and Philippa Perry. Create's project was featured during the episode themed "Heroes and Heroines". Working with our professional artist Rachel McGivern, the young carers created three life size "hero(in)es": Army Guy; Boss Girl; and Ocean Cleaner.




The *Create the Difference* individual and business membership schemes provide highly valued unrestricted financial support to underpin the charity's work, enabling it to plan with confidence. Create thanks the following members (and all who are non-Founding Change Makers/Community members or wish to remain anonymous), who together donated over £55k:

**Business Members: Create The Difference ~** Lauren Dickinson Clarke, Michael O'Mara Books, Uncommon London, Yellow Cat Recruitment. **Individual Members: Champion** ~ Tony Cates; Tim and Claire Jones; Alistair DK Johnston CMG. **Catalyst** ~ Anne Baldock; Eddie Donaldson OBE; Chris and Vanessa Turpin. **Curator** ~ Inez Anderson; Gareth Davies; Philip Emery; Sean Hanson; Freddy Knight, Adam McNeeney; Susan Paul; Colin Sheaf; Mark Sismey-Durrant. **Connector** ~ Richard Schrieber; Vanessa Sharp. **Change Maker (Founder Members)** ~ Nicky Goulder; Marit Meyer-Bell. **Community (Founder Members)**: John Broadis; Carol Topolski; Michael Topolski.

A vital part of Create's work is its partnerships with the business community, which enables companies to meet their Responsible Business objectives while helping Create to achieve its mission. Companies including Ashurst LLP, British Land, Eggar Forrester, First Sentier Investors and Reed Smith LLP provided volunteers to support projects that they funded, bringing a wealth of experience and expertise to workshops, acting as positive role models for the participants, and developing new skills and experiences to take back to their workplace.



Create increased its profile through high quality, targeted communications that continued to position the charity as a leader in its field and the Chief Executive (CEO) as an expert voice. This helped to raise the profile of the challenges faced by the charity's participants and the importance of the creative arts to connect, empower, inspire, upskill and enhance wellbeing. This included: young carers' artwork featuring in Grayson's Art Club: The Exhibition at Midlands Art Centre and accompanying catalogue; the Create/Carers Trust YCAD partnership; the CEO's "The Power of Creativity" piece shared in Most Contagious Report 2022; her Animo CEO Spotlight piece on leadership; and the Zealous "Amplify" Instagram livestream with the CEO and Guy Armitage.

During 2022, Create commissioned consultancy Partnership First to undertake an independent review of its work since the charity's formation in 2003. Partnership First provides expert and independent evaluations across the creative arts sector. A key aim of this process was to understand the impact that Create is having on its participants and partner organisations.

Partnership First collated a range of evidence for analysis, including documentation held by Create or in the public domain, as well as surveys and interviews with a range of stakeholders. The survey found that:

**92%**

**of respondents said Create fully met or exceeded its aim to connect, empower and inspire participants**

**97%**

**of respondents said they rated Create's project delivery as either good or excellent**

**96%**

**of respondents said Create's partnership working was either good or excellent**

**100%**

**of funders rated Create's impact as excellent or good**

Source: https://createarts.org.uk/create-independent-evaluation/

**Key Groups / Example Projects**

During the year, Create developed and delivered 97 projects, examples of which are included below.

Led by Create's professional artists, Create's projects connected, empowered, inspired and upskilled participants, raising aspirations, building self-esteem and enhancing wellbeing. They also ...

| | |
|---|---|
| **Disabled adults** | ... improved social skills, provided means of self-expression and built self-confidence |

*"I knew clay was cool but I didn't know it was THIS cool. I can't wait to tell my friends about it."* Participant

Create's *More Creative* project in the London Borough of Southwark enabled 21 disabled adults and primary schoolchildren to explore the theme "Celebrating Nature" together through painting, printing, clay and animal kites. The project aims to build shared understanding between disabled and non-disabled participants, together with trusting relationships, social skills, creativity and confidence.

| | |
|---|---|
| **Disabled children** | ... broke down barriers of prejudice and explored environmental concerns |

*"Thank you so much, Create taught me things I couldn't do before!"* Participant

*creative:connection* brought together 61 disabled and non-disabled young people from four schools in Manchester and Salford with four professional Create musicians. On 21 October 2022, the environment-themed project - inspired by David Attenborough and Greta Thunberg - culminated in a concert of the children's newly created music and songs at Manchester Central Library as part of Manchester Literature Festival.

Create's *environment:matters* and *environment:tales* programmes delivered climate-themed projects in 22 special schools across Kent, Leeds, London and Manchester that enabled 536 SEND children to explore the climate crisis via animation, ceramics, drama, music, painting and sculpture while developing social and creative skills.

| | |
|---|---|
| **Adult carers** | ... provided a social outlet through which to take a break from caring and build trusting relationships, reducing isolation |

*"[During the project] you're so engrossed in what you're making, you tend not to dwell on the negative aspects of your life as a carer. You're having fun, you're in a different place and I think that's the main objective."* Participant

*creative:me*, *creative:release* and *creative:voices* delivered both in-venue and remotely via Create Live! (Zoom-delivery) reduced the isolation of 230 adult carers in England and Scotland. Working collaboratively, they explored their creativity, took a break from their caring responsibilities, built trusting relationships with other carers, and developed social skills and confidence. The project in Scotland brought carers from Edinburgh and Glasgow together.

| | |
|---|---|
| **Young carers** | ... enabled young carers to take a break, build resilience, and learn about money in the home |

*"I thought, I'm just going to come for the music, the money doesn't even matter. But the project taught me stuff about money that I didn't already know. After the first or second day, I went home and I said, 'Mum, I need to open a savings account!"* Participant

*change:matters* takes a creative approach to upskilling young carers about money and family finances. With the cost of living impacting families as never before, this programme has never been more important. Since launching the programme in August 2020, Create has delivered 39 projects with 28

carer services across England. This has enabled 324 young carers to develop new skills through animation, drama, graphic novel, music, photography, radio drama, visual art and zine. It is accompanied by a resource bank on the Create website.

| | |
|---|---|
| **Prisoners** | ... gave prisoners space to express themselves and build financial skills |

*"At first, I was worried it would be like school and I reverted to being the class clown but, as I listened and gave it a chance, I ended up enjoying it and getting into it. I really like the final piece I've written."* Participant

Create launched *Free Inside*, a new programme working with a women's prison in tandem with a specialist unit. Two projects brought 21 participants together through creative writing, enabling them to express their feelings and experiences creatively, and improve both literacy and social skills.

Forty-seven male and female participants across four prisons took part in *Inside Change*, Create's project enabling prisoners to explore financial literacy through radio drama. Together they wrote and performed their own radio plays centred around personal finance issues. This helped them to develop their financial capability and new relationships, both aimed at supporting a smoother transition back into the community on release.

| | |
|---|---|
| **Older people** | ... reduced isolation, fostered imagination and increased self-worth |

*"The project has lifted my morale because the team are so warm, friendly and skilful at talking to people. It has uplifted me psychologically."* Participant

*art:links*, *creative:engagement*, *creative:links*, *creative:me* and *create:inTonic@Bankhouse* are dedicated to improving the quality of life of vulnerable older people, many living with dementia. These enabled 297 participants across Greater Manchester, London and Merseyside to express themselves creatively, build new skills, connect with others and have fun, reducing isolation and enhancing wellbeing.

| | |
|---|---|
| **Young psychiatric hospital patients** | ... provided a creative outlet to young people living with mental illnesses |

*"I used to do art a lot at home, when I was feeling good. Now, I've built the confidence to do it more and be more creative, because I know how much it impacts my mood."* Participant

*creative:tandem* empowers young people who have been admitted to mental health units due to serious conditions including psychotic, depressive, anxiety and eating disorders, self-harm or suicidal thinking. Create delivered three programmes in London with 61 young patients.

| | |
|---|---|
| **Young refugees** | ... encouraged self-expression and built a sense of community |

*"The project improved my wellbeing. At the start I was very self-conscious and now I smile a lot!"* Participant

Create worked with 79 refugee and migrant children in Brent through its partnership with Salusbury World, both in school settings and during holidays. *community:matters* gave them a chance to develop their creative thinking and self-expression – as well as connect with others and build skills – through ceramics, photography and visual art. The charity's professional filmmaker also upskilled eight staff from Salusbury World and other charities in Brent with an "animation for social media" training session.

| | |
|---|---|
| **Homeless adults** | ... enhanced wellbeing through self-expression |

*"This has helped me find my voice again after everything I've been through."* Participant

*Speak With My Voice* brought together 22 participants who attend 999 Club, a day centre in the London Borough of Lewisham for people who are homeless. The project empowered them to express themselves through filmmaking and music, and culminated in a Showcase event at Deptford Lounge on 31 March 2023.

**Plans for 2023/24**

On 07/07/23, Create will turn 20. During the year, it will celebrate this significant milestone with a number of events including: a series of project showcases of participants' work; a party on its birthday; and a Fundraising Gala at Mosimann's in 10/23.

The charity will enter year three of its ambitious seven-year strategic plan from 04/23 with the aim of doubling the reach and impact of its work by its 25th anniversary in 2028. Its participants will remain the driving force behind its work and Create will continue to meet its commitment to developing sustained, life-changing programmes by returning to many of the carer services, day centres, prisons, schools, children's psychiatric hospital units and other community settings with which it collaborated during 2022/23.

Create has a series of important initiatives planned that will extend its work geographically and with new partners. It will expand its work from the NW hub, successfully established in Manchester during 2021, reaching participants in areas of high deprivation across Greater Manchester, Merseyside and beyond. Create will work for the first time with two new participant groups: survivors of modern slavery; and children looked after / young people leaving care.

With the climate crisis arguably the most significant global challenge over the next decade and beyond, there is an urgent need to educate people on environmental issues. Create has taken its environmental responsibility seriously for 20 years, both operationally and via projects. In line with its Environmental Policy, it will continue to promote the need for environmental responsibility, reviewing the targets set out in its Green Action Plan and taking an innovative approach to leading change. During 2023/24, it will deliver its two new environmental programmes - *environment:matters* and *environment:tales* – at special needs schools in Greater Manchester, Leeds and London.

Create will continue to offer community partners a blended approach of Create Live! (Zoom) and in-venue projects, enabling them to choose the most appropriate way for their participants to access workshops. For those participants who are unable to leave home, due to their caring responsibilities, frailty, mental illness, sickness or geographical remoteness, for example, being able to join workshops over Zoom helps to keep them connected, empowered, inspired and upskilled, reducing isolation and enhancing wellbeing.

In spring 2024, the charity will commission consultancy Partnership First to undertake a review identifying and evaluating Create's social value through its workshop programme and wider engagement with stakeholders during 2023. This will include a survey of key stakeholders and analysis of impact data collected across the year.

Artist development will remain a priority for Create, with six-monthly Artist Sharing events continuing to provide an opportunity for its professional artists to network, develop new skills and share best practice. Taking place in May and November 2023, the first of these will focus on "access"; the second on "the care system". Six artists have been accepted onto the *Nurturing Talent* programme, which upskills emerging artists, enabling them to acquire experience and to benefit from high-quality mentoring,

training and practical workshop assistance. One of these is based in the Manchester hub for the first time.

Staff development and wellbeing will continue to be key priorities for the charity. The project team will attend "Active Listening" training to support project offloads; and the CEO and members of the Senior Leadership Team will become accredited Mental Health First Aiders.

**Reserves policy**

The aim of Create's reserves policy is to ensure that its ongoing and future activities are reasonably protected from unexpected variances in income and expenditure. The Trustees regularly review the levels of unrestricted reserves and perform a full review annually. This considers the financial risks associated with different income streams, expenditure categories and balance sheet items together with Create's ability to meet these from realisable funds. Create monitors a range of measures related to its income and expenditure profile, risks faced and cash flow in developing an unrestricted reserves target. On this basis, the Trustees aim to maintain free unrestricted reserves of 4-6 months of projected operational costs. Unrestricted reserves at 31/03/23 were £729.6k, of which £139.7k is held in designated funds to support the key one-off strategic cost of a CRM system / as a fixed asset fund / a legacy fund. The balance of £589.9k represents five months of budgeted expenditure for 2023/24.

This crucial level of reserve – given the continued uncertainty resulting from the impact of COVID-19 and Brexit, and the volatility of the current economic situation – together with restricted reserves at 31/03/23 of £553.3k (funding received in advance that has been given for a specific purpose and is tied to specified projects or activity taking place in future financial years), provide the charity with a strong balance sheet and cash position. The Directors therefore consider the funding of the activities of the charity to be secure for the following 12 months and beyond.

**Structure, governance and management**

***Company Status***
The company is incorporated by guarantee and has no share capital. Each of the members has guaranteed to meet debts of £1 in the event of a winding up. The company was incorporated on 09/04/03 and is governed by a memorandum and articles of association. The company is also a registered charity.

***Appointment and induction of Directors***
Create's Board of Directors has a wealth of experience that covers the arts, business, community and education sectors. New Directors are appointed to the Board by the current Directors, who are also members of the company, with reference to skills, diversity and Create's values. The Chief Executive inducts new Directors through a process of briefings. They are provided with key information relating to the charity's governance and operations, and undertake a DBS check and safeguarding training. The Directors meet at least quarterly and attend projects and events. The Communications, Creative, Development and Finance Councils are each chaired by a member of the Board.

***Key management personnel***
Day to day operations are managed by the Chief Executive, Nicky Goulder and her team of 20 staff. Five of these are on the Senior Leadership Team: Director of Communications; Deputy Director of Development; Director of Development; Director of Finance & Operations; Lead Senior Project Manager.

New staff have a six-monthly appraisal; all staff have an annual appraisal against SMART objectives set. The Staff Handbook provides information on internal policies and procedures.

Annually, the Chairman agrees any staff salary increases, which have reference to any rise in the cost of living and any increase in responsibilities. As appropriate, staff salaries are benchmarked against the sector.

***Fundraising***
Create has a fundraising team of four who work closely with the Chief Executive. Funding bids are carefully researched, developed and submitted to trusts/foundations and public sector bodies, matching their funding criteria with Create's work. Corporate partnerships are developed with businesses, carefully matching their Responsible Business objectives with Create's charitable objectives. Increasingly, Create is approached and works with organisations to co-create partnerships with mutual benefit. Create works on a personalised basis with individuals who have expressed interest in its work, via personal donations or community fundraising. It does not seek to raise funds from the wider public.

Create has received no complaints about this or any other approach to fundraising.

***Risk management***
The Directors consider the key risks to which the charity is exposed. In addition, a detailed risk register is maintained by the Director of Finance & Operations and reviewed annually by the Directors to assess the detailed risks and the systems in place to mitigate them. Examples of the key risks faced by Create and their mitigation are provided below:

- **Loss of the Chief Executive**
  In a charity of this size and history the Chief Executive's continuing commitment and resilience underpins its capacity to deliver its business plan.
  **Mitigation**: A Senior Leadership Team covers the core areas of communications, finance, fundraising, operations and projects, and provides support to the Chief Executive as well as continuity in times of absence. As the charity continues to grow that resource is monitored.

- **Reputational damage**
  The charity's reputation is paramount and it works hard to maintain and enhance it.

  **Mitigation**: High quality programmes are delivered by exceptional artists and meticulously evaluated; a rigorous Safeguarding Children & Vulnerable Adults policy is in place; risk assessments are carried out with community partners for every project.

- **Lack of funding**
  Funding is critical to the continued operations of the charity and in a continuously evolving environment, particularly the current economic climate, it needs to be alert to changing funding demands and policies.

  **Mitigation**: The Chief Executive has a proven fundraising track record; fundraising is supported by a Development Council, and Development team of four; longer-term funding is being developed; Create has a proven ability to meet fundraising targets.

- **Poor staff wellbeing**
  Staff wellbeing is crucial in a small, ambitious charity that delivers an extensive programme each year with disadvantaged and vulnerable participants.

  **Mitigation**: Staff wellbeing is central to the charity's people strategy and an increased priority since lockdown with the team dispersed due to hybrid working. Initiatives have included wellbeing training; creative activities; additional leave; and team socials.

***Directors***

The following served as Directors during the year:

John Broadis
Tony Cates
Eddie Donaldson OBE
Holly Khan (Monica Robinson)
Marit Meyer-Bell
Vanessa Sharp
Paul Thimont
Carol Topolski
Simone Wright (appointed 28/06/22)

The Directors are also the Trustees for the purpose of charity law.

Directors' Report (continued)

***Statement of Directors' responsibilities***

The trustees (who are also directors of Create (Arts) Limited for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

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

**Statement of Disclosure to Auditor**

In so far as each of the Directors is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Auditors**

In accordance with section 485 of the Companies Act 2006, appointment of auditors to the company will be put to the Annual General Meeting of Members.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the Companies Act 2006.

By Order of the Board

E Donaldson

**Eddie Donaldson OBE**
Chairman
04/10/23

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREATE (ARTS) LIMITED

### Opinion

We have audited the financial statements of Create (Arts) Limited (the 'charitable company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREATE (ARTS) LIMITED (CONTINUED)

### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Directors' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of trustees

As explained more fully in the Directors' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREATE (ARTS) LIMITED (CONTINUED)

### Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and sector, we identified that the principal risks of non-compliance with laws and regulations related to sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011, Companies Act 2006, Charity Commission and sector regulations, and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

### Use of our report

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREATE (ARTS) LIMITED (CONTINUED)**

Goodman Jones LLP

**Julian Flitter, FCA**
Senior Statutory Auditor
for and on behalf on
Goodman Jones LLP, Chartered Accountants and Registered Auditor
29/30 Fitzroy Square
London
W1T 6LQ

Date: 11-10-23

Goodman Jones LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**CREATE (ARTS) LIMITED**

**(A Company Limited by Guarantee)**

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
## For the Year Ended 31 March 2023

| | Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | *Total funds 2022 £* |
|---|---|---|---|---|---|
| **Income from:** | | | | | |
| Donations and legacies | 3 | **274,272** | **675,049** | **949,321** | *740,887* |
| Charitable activities | 4 | **23,962** | **141,443** | **165,405** | *218,699* |
| Other trading activities | 5 | **10,552** | **-** | **10,552** | *49,734* |
| Investments | | **13,505** | **-** | **13,505** | *3,693* |
| **Total income** | | **322,291** | **816,492** | **1,138,783** | *1,013,013* |
| **Expenditure on:** | | | | | |
| Raising funds | | **126,948** | **-** | **126,948** | *159,684* |
| Charitable activities | | **130,276** | **847,509** | **977,785** | *792,929* |
| **Total expenditure** | | **257,224** | **847,509** | **1,104,733** | *952,613* |
| **Net movement in funds** | | **65,067** | **(31,017)** | **34,050** | *60,400* |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | **664,556** | **584,290** | **1,248,846** | *1,188,446* |
| Net movement in funds | | **65,067** | **(31,017)** | **34,050** | *60,400* |
| **Total funds carried forward** | | **729,623** | **553,273** | **1,282,896** | *1,248,846* |

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 36 form part of these financial statements.

**CREATE (ARTS) LIMITED**

**(A Company Limited by Guarantee)**
**Registered number: 04728145**

## BALANCE SHEET
**As at 31 March 2023**

| | Note | | 2023 £ | | *2022 £* |
|---|---|---|---|---|---|
| Tangible assets | 10 | | **51,368** | | *64,473* |
| | | | **51,368** | | *64,473* |
| **Current assets** | | | | | |
| Stocks | 11 | **50,000** | | - | |
| Debtors | 12 | **128,887** | | *45,454* | |
| Cash at bank and in hand | | **1,274,147** | | *1,347,106* | |
| | | **1,453,034** | | *1,392,560* | |
| Creditors: amounts falling due within one year | 13 | **(201,506)** | | *(188,187)* | |
| **Net current assets** | | | **1,251,528** | | *1,204,373* |
| **Total assets less current liabilities** | | | **1,302,896** | | *1,268,846* |
| Provisions for liabilities | 14 | | **(20,000)** | | *(20,000)* |
| **Total net assets** | | | **1,282,896** | | *1,248,846* |
| **Charity funds** | | | | | |
| Restricted funds | 15 | | **553,273** | | *584,290* |
| Unrestricted funds | | | | | |
| Designated funds | 15 | **139,743** | | *149,473* | |
| General funds | 15 | **589,880** | | *515,083* | |
| Total unrestricted funds | 15 | | **729,623** | | *664,556* |
| **Total funds** | | | **1,282,896** | | *1,248,846* |

The Charity's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The Trustees consider that the Charity is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Charity to obtain an audit for the period in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011. The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements. The financial statements were approved and authorised for issue by the Trustees and signed on their behalf, by:

E Donaldson

Eddie Donaldson OBE
Chairman
Date: 04/10/2023
The notes on pages 22 to 36 form part of these financial statements.

**CREATE (ARTS) LIMITED**
**(A Company Limited by Guarantee)**

## STATEMENT OF CASH FLOWS
**For the Year Ended 31 March 2023**

| | 2023<br>£ | *2022*<br>*£* |
|---|---|---|
| **Cash flows from operating activities** | | |
| Net cash used in operating activities | **(86,464)** | *165,701* |
| **Cash flows from investing activities** | | |
| Bank interest received | **13,505** | *3,693* |
| Purchase of tangible fixed assets | **-** | *(44,473)* |
| **Net cash provided by/(used in) investing activities** | **13,505** | **(40,780)** |
| **Change in cash and cash equivalents in the year** | **(72,959)** | **124,921** |
| Cash and cash equivalents at the beginning of the year | **1,347,106** | *1,222,185* |
| **Cash and cash equivalents at the end of the year** | **1,274,147** | *1,347,106* |

The notes on pages 22 to 36 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS
## For the Year Ended 31 March 2023

### 1. General information

Create (Arts) Limited is a charitable company limited by guarantee incorporated in England and Wales. In the event of the company being wound up, the liability in respect of guarantee is limited to £1 per member of the charity. The address of the registered office is 3rd Floor, 14 Austin Friars, London, EC2N 2HE.

### 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 Companies Act 2006.

Create (Arts) Limited 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 note(s).

The financial statements are presented in pounds sterling and rounded to the nearest pound.

#### 2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

#### 2.3 Income

**Recognition of income**
Incoming resources from charitable activities have been analysed according to the type of funding received as the charity has one main activity, which is the development and delivery of projects.

**Fees, sponsorship and event income**
Fees, sponsorship and event income are stated net of discounts and VAT and are recognised on a receivable basis.

**Grants, donations and sponsorship**
Income from donations and grants is recognised when the charity is entitled to the funds, the receipt is probable and the amount can be measured reliably. For donations, this is usually on receipt. For grants, this is usually when a formal offer is made in writing, unless the grant contains terms and conditions outside of the charity’s control which must be met before the charity is entitled to the funds.

Much of the funding for Create’s charitable work derives from grants, donations and sponsorship, whether from the public sector, companies, trusts and foundations, or individuals. Such support is often directed towards a particular event or project. Such receipts are accounted for as restricted funds and expenditure is matched against the income as incurred.

Investment income is recognised when receivable.

**Legacies**
Legacies are recognised on a receivable basis once the conditions for the receipt have been satisfied and the amount can be measured with certainty.

## 2. Accounting policies (continued)

### 2.3 Income (continued)

**Donated services**
Donated services are recognised when the value of the services is reasonably quantifiable and measurable. The valuation method used on the resources is the estimated value of the services to the charity. During the year the charity received HR and finance support services.

### 2.4 Expenditure and liabilities

Liabilities and related expenditure are recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and the amount can be measured reliably.

Expenditure is allocated to the particular activity where the cost relates directly to that activity. The cost of overall direction and administration of the charity is included within the support costs as part of the cost of charitable activities. All resources expended are inclusive of irrecoverable VAT.

Staff costs have been allocated to the expenditure headings on the basis of an estimate of the amount of time spent by staff members in each area.

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.

### 2.5 Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Short term debtors and creditors are measured at the settlement value. Any losses from impairment are recognised in the statement of financial activities.

### 2.6 Taxation

The charity is exempt from Corporation Tax on its charitable activities.

## 2. Accounting policies (continued)

### 2.7 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Directors.

Restricted funds can only be used for the particular purpose within the objects of the charity. Restrictions arise when specified by the donor or when funds are applied for a specific restricted purpose. In the majority of cases, restricted funds are those which have been received in the year but are required to be applied to projects which are not going to commence until the following year. If those projects do not proceed then in some cases those funds will have to be returned.

Designated funds are unrestricted funds which have been set aside by the directors for an essential spend or future purpose.

### 2.8 Tangible fixed assets and depreciation

Individual fixed assets costing £1,500 or more are capitalised at cost.

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:

| | | |
|---|---|---|
| Fixtures and fittings | - | 20% |
| Office equipment | - | 20% |
| Other fixed assets | - | 20% |

### 2.9 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.

### 2.10 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.

### 2.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

### 2.12 Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the lease term.

## 2. Accounting policies (continued)

### 2.13 Pensions

Create (Arts) Limited has set up an auto enrolment compliant pension scheme into which the employees are enrolled. The pension cost in the financial statements represents the contributions payable by the charity during the year.

### 2.14 Provisions

Provisions are recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that the company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in the period in which it arises.

**NOTES TO THE FINANCIAL STATEMENTS**
**For the Year Ended 31 March 2023**

## 3. Income from donations and legacies

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | *Total funds 2022 £* |
|---|---|---|---|---|
| Donations and legacies | 102,736 | - | **102,736** | *76,923* |
| Grants | 171,536 | 675,049 | **846,585** | *663,964* |
| **Total 2023** | 274,272 | 675,049 | **949,321** | *740,887* |
| *Total 2022* | *123,546* | *617,341* | *740,887* | |

Included in the above are grants received from Aesop Foundation, Arts Council England/National Lottery, The Atherton Family Charitable Trust, The Charity of Sir Richard Whittington, The Chartered Accountants' Livery Charity, City Bridge Trust, Comic Relief, John Lyon's Charity, Kusuma Trust, The London Community Foundation, Raise Your Hands, Royal Borough of Kensington and Chelsea's Arts Grants Scheme, Santander UK Foundation Limited, Sarah Jane Leigh Charitable Trust, Tower Hamlets Council.

## 4. Income from charitable activities

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | *Total funds 2022 £* |
|---|---|---|---|---|
| Fees for services | - | 11,470 | **11,470** | *17,650* |
| Sponsorships | 23,962 | 129,973 | **153,935** | *201,049* |
| **Total 2023** | 23,962 | 141,443 | **165,405** | *218,699* |
| *Total 2022* | *74,711* | *143,988* | *218,699* | |

**NOTES TO THE FINANCIAL STATEMENTS**
**For the Year Ended 31 March 2023**

## 5. Income from other trading activities (fundraising)

**Income from non charitable trading activities**

| | Unrestricted funds 2023 £ | Total funds 2023 £ | *Total funds 2022 £* |
|---|---|---|---|
| Community Fundraising | 7,483 | **7,483** | *3,707* |
| CRE8IN8 | 3,069 | **3,069** | *15,071* |
| White Cube | - | **-** | *30,956* |
| **Total 2023** | 10,552 | **10,552** | *49,734* |
| *Total 2022* | *49,734* | *49,734* | |

## 6. Expenditure on raising funds

| | 2023 £ | *2022 £* |
|---|---|---|
| Fundraising / Cultivation Events | **1,714** | *5,407* |
| Create Live! For Business | **-** | *1,388* |
| Employee Costs | **98,891** | *137,790* |
| Support costs (below) | **26,343** | *15,099* |
| | **126,948** | *159,684* |

## 7. Expenditure on charitable activities

| | 2023 £ | *2022 £* |
|---|---|---|
| Employee costs | **495,273** | *398,031* |
| Direct costs of projects | **261,232** | *186,693* |
| Support costs (below) | **221,280** | *208,205* |
| | **977,785** | *792,929* |

**NOTES TO THE FINANCIAL STATEMENTS**
**For the Year Ended 31 March 2023**

## . Support Costs

| | 2023 £ | 2022 £ |
|---|---|---|
| Employee costs | **55,030** | *59,536* |
| Other staff related costs | **3,133** | *1,517* |
| Insurance | **2,870** | *2,939* |
| Rent/service charge | **66,036** | *50,716* |
| Other premises expenses | **15,352** | *46,517* |
| Communications/branding | **2,222** | *-* |
| IT software (donated) | **732** | *744* |
| Consultancy fees (donated) | **-** | *1,500* |
| Office costs | **58,220** | *34,807* |
| Dilapidation costs | **-** | *(20,000)* |
| Irrecoverable VAT | **20,559** | *20,728* |
| Depreciation | **13,105** | *-* |
| Auditors remuneration | **6,500** | *6,500* |
| Finance Support Services (donated) | **500** | *-* |
| General project costs | **2,418** | *14,036* |
| Sundries | **946** | *3,764* |
| | **247,623** | *223,304* |

## 8. Net income

Net income is stated after charging:

| | 2023 £ | 2022 £ |
|---|---|---|
| Auditors remuneration for audit services | **6,500** | *6,500* |
| Rent paid under operating leases | **48,677** | *50,716* |
| | **55,177** | *57,216* |

**NOTES TO THE FINANCIAL STATEMENTS**
**For the Year Ended 31 March 2023**

## 9. Staff costs

| | 2023<br>£ | *2022*<br>*£* |
|---|---|---|
| Wages and salaries | **580,046** | *532,737* |
| Social security costs | **53,574** | *48,946* |
| Contribution to defined contribution pension schemes | **15,574** | *13,674* |
| | **649,194** | *595,357* |

One member of staff was made redundant in the year after a restructure which resulted in the Charity incurring costs comprising statutory redundancy pay and pay in lieu of notice of £5,100.

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

| | 2023<br>No. | *2022*<br>*No.* |
|---|---|---|
| Project management | **9** | *9* |
| Communications | **2** | *2* |
| Development | **5** | *4* |
| Management | **3** | *3* |
| Finance | **1** | *1* |
| | **20** | *19* |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

| | 2023<br>No. | *2022*<br>*No.* |
|---|---|---|
| In the band £70,001 - £80,000 | **1** | *1* |

None of the directors received remuneration during the year (2022: none). No expenses incurred by the directors were reimbursed. Expenses waived by the directors are immaterial.

**NOTES TO THE FINANCIAL STATEMENTS**
**For the Year Ended 31 March 2023**

## 10. Tangible Fixed Assets

| | Fixtures and fittings £ | Office dilap. provision £ | Total £ |
|---|---|---|---|
| **Cost or valuation** | | | |
| At 1 April 2022 | 44,473 | 20,000 | 64,473 |
| At 31 March 2023 | 44,473 | 20,000 | 64,473 |
| **Depreciation** | | | |
| At 1 April 2022 | - | - | - |
| Charge for the year | 8,895 | 4,210 | 13,105 |
| At 31 March 2023 | 8,895 | 4,210 | 13,105 |
| **Net book value** | | | |
| At 31 March 2023 | 35,578 | 15,790 | 51,368 |
| At 31 March 2022 | 44,473 | 20,000 | 64,473 |

## 11. Stocks

| | 2023 £ | *2022 £* |
|---|---|---|
| Artwork donated for resale | **50,000** | *-* |

## 12. Debtors

| | 2023 £ | *2022 £* |
|---|---|---|
| **Due after more than one year** | | |
| Other debtors | **19,471** | *19,471* |
| | **19,471** | *19,471* |
| **Due within one year** | | |
| Trade debtors | **32,541** | *5,750* |
| Other debtors | **1,357** | *1,755* |
| Prepayments and accrued income | **75,518** | *18,478* |
| | **128,887** | *45,454* |

**NOTES TO THE FINANCIAL STATEMENTS**
**For the Year Ended 31 March 2023**

## 13. Creditors: Amounts falling due within one year

| | 2023 £ | *2022 £* |
|---|---|---|
| Trade creditors | **28,278** | *30,130* |
| Other taxation and social security | **15,230** | *15,627* |
| Accruals and deferred income | **157,998** | *142,430* |
| | **201,506** | *188,187* |

## 14. Provisions

| | Dilapidation provision £ |
|---|---|
| At 1 April 2022 | **20,000** |
| | **20,000** |

**NOTES TO THE FINANCIAL STATEMENTS**
**For the Year Ended 31 March 2023**

## 15. Statement of funds

### Statement of funds - current year

| | Balance at 1 April 2022 £ | Income £ | Expenditure £ | Balance at 31 March 2023 £ |
|---|---|---|---|---|
| **Unrestricted funds** | | | | |
| **Designated funds** | | | | |
| Implementation of a new CRM | **85,000** | **-** | **(4,500)** | **80,500** |
| Fixed Asset fund | **64,473** | **-** | **(13,105)** | **51,368** |
| Charles Lloyd-Jones Legacy Fund | **-** | **7,875** | **-** | **7,875** |
| | **149,473** | **7,875** | **(17,605)** | **139,743** |

| | Balance at 1 April 2022 £ | Income £ | Expenditure £ | Balance at 31 March 2023 £ |
|---|---|---|---|---|
| **General funds** | | | | |
| General Funds - all funds | **515,083** | **314,416** | **(239,619)** | **589,880** |
| **Total Unrestricted funds** | **664,556** | **322,291** | **(257,224)** | **729,623** |

| | Balance at 1 April 2022 £ | Income £ | Expenditure £ | Balance at 31 March 2023 £ |
|---|---|---|---|---|
| **Restricted funds** | | | | |
| Marginalised children & adults | **-** | **15,000** | **(4,000)** | **11,000** |
| Vulnerable older people | **31,928** | **118,521** | **(92,801)** | **57,648** |
| Nurturing Talent | **1,988** | **18,000** | **(19,988)** | **-** |
| Young & adults carers | **283,599** | **400,845** | **(362,706)** | **321,738** |
| Young patients | **7,504** | **46,106** | **(41,096)** | **12,514** |
| Disabled children & adults | **211,318** | **120,121** | **(215,018)** | **116,421** |
| Young & adult prisoners | **17,953** | **68,018** | **(52,019)** | **33,952** |
| creative:vision | **30,000** | **-** | **(30,000)** | **-** |
| LGBTQ+participants | **-** | **9,881** | **(9,881)** | **-** |
| Manchester Hub | **-** | **20,000** | **(20,000)** | **-** |
| | **584,290** | **816,492** | **(847,509)** | **553,273** |

**15. Statement of funds (continued)**

| | | | | |
|---|---|---|---|---|
| **Total of funds** | **1,248,846** | **1,138,783** | **(1,104,733)** | **1,282,896** |

**Designated Funds**

Implementation of new CRM- Designated fund to support the implementation of a a new CRM system.

Fixed Asset Fund- The designated fixed asset category represent tangible fixed assets that are used to carry out the Charity's activities and are therefore not readily available for spending.

Charles Lloyd-Jones Legacy Fund- Designated fund to support Nurturing Talent.

**General Funds**

The General Unrestricted Funds represent accumulated income from the Charity's activities that are available for the general purposes of the Charity.

**Restricted Funds**

Marginalised children & adults- This fund relates to the Charity's work with marginalised children and adults.

Vulnerable older people- This fund relates to the Charity's work with vulnerable older people.

Nurturing Talent- This fund relates to the Charity's Nurturing Talent programme for emerging artists to develop professional practise in a community setting.

Young & adult carers- This fund relates to the Charity's work with young and adult carers.

Young Patients- This fund relates to the Charity's work with young patients.

Disabled Children & adults- This fund relates to the Charity's work with disabled children and adults.

Young & Adult prisoners- This fund relates to the Charity's work with young and adult prisoners.

creative:vision- This fund relates to the Charity's ambitious plan to double the reach of its work by 2028.

LGBTQ+participants- This fund relates to the Charity's work with LGBTQ+ participants.

Manchester Hub- This fund relates to the Charity's work developing its hub in Manchester.

**Statement of funds - prior year**

| | *Balance at 1 April 2021* £ | *Income* £ | *Expenditure* £ | *Transfers in/out* £ | *Balance at 31 March 2022* £ |
|---|---|---|---|---|---|
| **Unrestricted funds** | | | | | |
| **Designated funds** | | | | | |
| Implementation of a new CRM | *85,000* | - | - | - | *85,000* |
| Development of a new website | *15,000* | - | *(6,405)* | *(8,595)* | - |
| Office relocation costs | *50,000* | - | *(59,037)* | *9,037* | - |
| Fixed Asset fund | - | - | - | *64,473* | *64,473* |

**NOTES TO THE FINANCIAL STATEMENTS**
**For the Year Ended 31 March 2023**

**15. Statement of funds (continued)**

**Statement of funds - prior year (continued)**

| | *Balance at 1 April 2021* £ | *Income* £ | *Expenditure* £ | *Transfers in/out* £ | *Balance at 31 March 2022* £ |
|---|---|---|---|---|---|
| | *150,000* | *-* | *(65,442)* | *64,915* | *149,473* |
| **General funds** | | | | | |
| General Funds - all funds | *534,372* | *251,684* | *(206,058)* | *(64,915)* | *515,083* |
| **Total Unrestricted funds** | *684,372* | *251,684* | *(271,500)* | *-* | *664,556* |

| | *Balance at 1 April 2021* £ | *Income* £ | *Expenditure* £ | *Transfers in/out* £ | *Balance at 31 March 2022* £ |
|---|---|---|---|---|---|
| **Restricted funds** | | | | | |
| Marginalised children & adults | *15,123* | *25,500* | *(45,623)* | *5,000* | *-* |
| Vulnerable older people | *57,353* | *77,669* | *(103,094)* | *-* | *31,928* |
| Nurturing Talent | *20,477* | *-* | *(18,489)* | *-* | *1,988* |
| Young & adults carers | *224,550* | *426,680* | *(367,631)* | *-* | *283,599* |
| Young patients | *32,772* | *-* | *(25,268)* | *-* | *7,504* |
| Disabled children & adults | *36,190* | *215,123* | *(45,494)* | *5,499* | *211,318* |
| Young & adult prisoners | *25,288* | *15,857* | *(23,192)* | *-* | *17,953* |
| creative:vision | *87,473* | *500* | *(47,474)* | *(10,499)* | *30,000* |
| Schoolchildren in areas of deprivation | *4,848* | *-* | *(4,848)* | *-* | *-* |
| | *504,074* | *761,329* | *(681,113)* | *-* | *584,290* |
| **Total of funds** | *1,188,446* | *1,013,013* | *(952,613)* | *-* | *1,248,846* |

**NOTES TO THE FINANCIAL STATEMENTS**
**For the Year Ended 31 March 2023**

## 16. Analysis of net current assets between funds

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | *Total funds 2022 £* |
|---|---|---|---|---|
| **Current year** | | | | |
| Net current assets | 749,623 | 553,273 | **1,302,896** | *1,268,846* |
| Provisions | (20,000) | - | **(20,000)** | *(20,000)* |
| | 729,623 | 553,273 | **1,282,896** | *1,248,846* |

| | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total funds 2022 £ | *Total funds 2021 £* |
|---|---|---|---|---|
| **Prior year** | | | | |
| Net current assets | 684,556 | 584,290 | **1,268,846** | *1,220,446* |
| Provisions | (20,000) | - | **(20,000)** | *(32,000)* |
| | 664,556 | 584,290 | **1,248,846** | *1,188,446* |

## 17. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2023 £ | *2022 £* |
|---|---|---|
| Net income for the year (as per Statement of Financial Activities) | **34,050** | *60,400* |
| **Adjustments for:** | | |
| Depreciation charges | **13,105** | - |
| Bank interest received | **(13,505)** | *(3,693)* |
| Stock donated for re-sale | **(50,000)** | - |
| Increase in debtors | **(83,434)** | *(7,331)* |
| Increase in creditors | **13,320** | *148,325* |
| (Decrease)/Increase in Provisions | **-** | *(32,000)* |
| **Net cash provided by/(used in) operating activities** | **(86,464)** | *165,701* |

## 18. Analysis of cash and cash equivalents

| | 2023 £ | *2022 £* |
|---|---|---|
| Cash in hand | **1,274,147** | *1,347,106* |
| **Total cash and cash equivalents** | **1,274,147** | *1,347,106* |

## 19. Analysis of changes in net debt

| | At 1 April 2022 £ | Cash flows £ | At 31 March 2023 £ |
|---|---|---|---|
| Cash at bank and in hand | **1,347,106** | **(72,959)** | **1,274,147** |
| | **1,347,106** | **(72,959)** | **1,274,147** |

## 20. Operating lease commitments

At 31 March 2023 the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2023 £ | *2022 £* |
|---|---|---|
| Not later than 1 year | **58,412** | *64,902* |
| Later than 1 year and not later than 5 years | **160,633** | *243,383* |
| | **219,045** | *308,285* |

## 21. Related party transactions

During the year the Charity made payments of £2,045 to Carol Topolski (2022: £1,780) and £4,930 to Holly Khan (2022: £5,725) in relation to the services they provided on projects as a writer and musician respectively. Neither were paid in their role as Trustees.

In aggregate, the trustee donations totalled £13,250 (2022: £21,767).

The key management personnel of Create in charge of planning, directing and controlling the charity and running it on a day to day basis comprise the Board of Trustees, Chief Executive and Senior Leadership Team. The total remuneration payable to key management personnel (6) during the year was £266,232 (2022 (6 personnel): £316,948).