

Annual report and financial statements

for the year ended

31 March 2023

Company number 06652046
Charity number 1129006

Annual report and financial statements**FOR THE YEAR ENDED 31 MARCH 2023**

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CONSTITUTION

The Mighty Creatives ("TMC") is a company limited by guarantee and a registered charity governed by its memorandum and articles of association dated 27 October 2021. In the event of the organisation being wound up each trustee agrees to contribute £1 towards the costs of dissolution. The company is also registered with the Charity Commission for England & Wales. Charity number 1129006. Company number 06652046.

DIRECTORS

The directors of the charitable company are its trustees for the purposes of charity law. The directors serving during the year and since the year end were as follows:

Ms F A Woolf (Chair) resigned 31st March 2023
Prof C White (Chair) appointed 1st June 2023
Mr V Malhotra (Vice-Chair)
Mr E P Boott resigned 27th October 2022
Mr A J Butler resigned 27th October 2022
Mr J White resigned 4th October 2023
Ms V Kelly
Ms M Maripise
Mr E Robinson-Green
Mr L Wolmarans resigned 8th February 2023
Ms R Thomas-Smith resigned 21st September 2023
Ms J Hallas
Ms N Charlesworth
Mr P Fielding resigned 2nd October 2023
Mr J Simmonds resigned 27th October 2022
Ms J Dennis appointed 14th May 2023

PATRONS

MR M BATT
MR M BAZ

SECRETARY

Dr R N Owen MBE

SENIOR LEADERSHIP TEAM (Management positions rather than Directors in company law)

Chief Executive Officer	-	Dr R N Owen MBE
Deputy Chief Executive Officer	-	Ms E Bowman resigned 31 st March 2023

REGISTERED OFFICE AND OPERATIONAL ADDRESS

LCB Depot
31 Rutland Street
Leicester, LE1 1RE

AUDITORS

RWB Chartered Accountants
Northgate House, Northgate, New Basford, Nottingham, NG7 7BQ

Forward from our outgoing Chair of Trustees

As I come to the end of my six-year tenure as Chair of The Mighty Creatives, this is an opportune moment to celebrate what the charity has achieved over the last 13 years.

In my time, we have pushed forward with a universal offer for children and young people in the East Midlands and delivered many specific programmes and projects focused on more specific needs – especially for the most disadvantaged.

The end of our role as a Bridge Organisation for Arts Council England and their subsequent disinvestment in the charity in November 2022 has brought us many challenges: we have had to make many roles redundant, refocus our business model and ask searching questions about what our purpose is and what our new destiny is. We have had to see many staff move onto new roles, although it is of credit to the charity that everyone who has moved on, has moved on to excellent opportunities in their own right. I thank you all for your passion, commitment and enthusiasm and wish you every success in your new roles and trust that you will take a little bit of The Mighty Creatives with you wherever you go.

However, as with much of life, the threat of Arts Council disinvestment has generated a range of new opportunities for the charity which will be explored and developed in the future. We remain committed to basing our operations in Leicester but repositioning the charity as a national organisation due in no small part to the interest being shown in our innovative Creative Mentoring programme, which pairs young people in need with a creative practitioner as part of a structured and supported approach to improving those young peoples' lives. This programme continues to go from strength to strength and our plans to become a national centre for creative mentoring are continuing apace.

I would like to especially thank our CEO, Nick Owen and his senior team. Nick has been unfailingly positive throughout the time I've known him, sometimes in the most difficult circumstances. He has often seen and acted upon opportunities that have proved very successful and it's been so special to have worked together.

As is evidenced by this report, I can confirm that the charity continues to remain in a strong financial position, and we can be confident that a bright new future lies ahead.

I'm proud to have been able to lead the Board for 6 years, but now it's time to handover: and I'm delighted that Professor Christine White has agreed to take up the challenge to help shape a brand-new era for the charity.

Felicity Woolf

Chair of Trustees, 2017 – 2023

Forward from our incoming Chair of Trustees

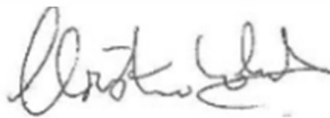
I am delighted to be taking over as Chair and wanted to take this opportunity to thank the outgoing Chair and the other Trustees who have more recently stepped down.

I have been welcomed by the team and the Trustees who I have met remotely before my first Board meeting 31st July 2023.

Each Trustee has provided me with an understanding of their work, their commitment to the vision for TMC and to an emboldened future, working as a national and potentially international charity.

The work of TMC is of ever greater importance and the activities will need to be forward thinking, working in partnership, considering what works and has the greatest impact for the benefit of young people.

I am confident that we can grow the reach of activity and demonstrate the value of the work of the organisation.



Prof Christine White
Chair of Trustees

OPERATIONAL REVIEW

1. Introduction: a substantial and significant track record

The Mighty Creatives was funded by Arts Council England (ACE) as one of national network of ten Bridge Organisations since 2012. This status has been conferred every three years in a contract with ACE which charged us with delivering a range of ACE products including Artsmark, Arts Award, Local Education Partnerships and Partnership Investment Programmes.

This contract has meant that since 2018, we delivered an ambitious and stretching set of nineteen key performance indicators (KPIs). The table below outlines the indicators, targets and total activity delivered. 16 of the 19 targets were achieved and 14 were exceeded.

No	Strategic Outcomes	Target	Total to date	% Delivered
1	Engage 50% of the region's schools (2220 in total).	1,110	1,193	107%
2	Meaningful engagement with 30% of cultural organisations in the region - including Freelancers.	735	1,143	156%
3	Support 10 partnership that support Cultural Education.	10	9	90%
4	Oversee 20,000 creative qualifications awarded through the Arts Award programme.	20,000	23,192	116%
5	Support the development and delivery of 200 creative projects (the projects that can be counted must have produced a creative output).	200	208	104%
6	Support 50 emerging artists.	50	164	328%
7	Develop 50 creative enterprises.	50	87	174%
8	Create 100 new jobs.	100	545	545%
	With 50% of participants moving from NEET to EET.	50	530	1060%
9	Deliver 26,000 hours of mentoring and coaching for children and young people.	26,000	5,485	21%
10	Support 2 creative apprenticeships.	2	2	100%
11	Develop and deliver 300 training, events, workshops and networking opportunities.	300	850	283%
12	Provide support for 20 networks, focusing on early years, SEND, creative schools and children looked after.	20	20	100%
13	Deliver 6 conferences.	6	6	100%
14	Invest £1.2m from the Cultural Life Fund.	£1,200,000	£1,081,477	90%

15	Issue 200 bursaries and 150 project grants.	350	517	148%
16	Achieve 80% match for Cultural Life Fund investments.	£865,182	£1,418,918	164%
17	Develop 10 resources which offer access to a directory of assets, advice and support.	10	11	110%
18	Engage 2000 CYP through direct delivery.	2,000	2,402	120%
19	Reach 10,000 attendees through our largescale events and conferences.	10,000	10,342	103%

Our success stems from our unique expertise in championing, developing, delivering and growing:

- Co-created services with children and young people and other stakeholders that can be scaled up, demonstrate reach and result in significant and measurable impact
- Investment in children and young people's creative skills, knowledge and practice
- Capacity in the cultural and education sectors to support the infrastructure of the region.

We have become renowned for leading strategic partnerships, engaging stakeholders, designing and managing programmes of work, undertaking research and evaluation directly and as a commissioner.

We developed a skilled and knowledgeable board and staff team who have considerable expertise and experience in the fields of education, culture, youth engagement and co-production.

We now hold strong partnerships across the region and beyond and are able to deliver tried and tested, scalable programmes that contribute to positive and lasting transformation for children and young people.

2. How The Mighty Creatives provides support for Children and Young People in Need

Our work with children and young people is supported by our Youth Voice Strategy, which sits at the heart of our organisational development. We aim to:

- Diversify, develop and support our young audiences, and be inclusive of a variety of ages, abilities, genders, sexualities, religions and backgrounds.
- Challenge discrimination against children and young people and champion their beliefs, opinions, thoughts, needs and abilities.

- Provide the opportunities and training to nurture and empower children and young people to realise their potential, become their own leaders and influence real change within their lives, The Mighty Creatives and the wider world.
- Ensure all staff are committed and have the skills to respect, listen and act upon the views of children and young people, where appropriate.
- Support and advocate to other organisations and partners to improve and embed Youth Voice within their organisations and the work they do.
- The Mighty Creatives follow a person-centred practice based on social pedagogy and our delivery is influenced by the following three models:
- Lundy's *Model of Child Participation* to understand best practice when it comes to creating the space for Youth Voice initiatives.¹
- Treseder's *Model of Youth Participation* to understand the importance of the non-hierarchical nature of varying levels of Youth Voice initiatives.²
- The Mighty Creatives *Creative Mentoring Model*®, specifically how working in the *Third Space* helps a child or young person work towards self-actualisation.³

Working in *The Third Space* means working flexibly and in a person-centred way as well as being adaptive, reflective, experimental and nurturing. This way of working enables the development of an authentic and meaningful relationship with children and young people, that facilitates them to develop the skills to exercise their own voice, make their own decisions and empower them towards realising their own potential.

The combination of the three models provides the basis for creating an open and inclusive environment for children and young people to be facilitated and empowered to share their voice, needs, opinions and thoughts to make change.

They also provide a foundation in understanding the complexities of the varying levels of Youth Voice initiatives and how these can be embedded.

These will be used by The Mighty Creatives' team to help shape future Youth Voice initiatives and ensure that children and young people are provided with the adequate support, resources and environments to enable authentic engagement.

All our work is supported by a diverse and dedicated Youth Board (18–25) each with their lived experience aligned to our work. They are encouraged to reflect on our past, examine the present, and help shape our future and will be an important part of our development in the coming years.

¹ Laura Lundy 2007, *The Lundy Model of Child Participation*, British Education Research Journal, Volume 3, Issue 6 p.927-942 (https://ec.europa.eu/info/sites/default/files/lundy_model_of_participation.pdf)

² Phil Treseder 1997, *Degrees of Participation*, Empowering Children and Young People: Promoting Involvement in Decision Maker (https://www.nonformality.org/wp-content/uploads/2012/11/Participation_Models_20121118.pdf)

³ Johnson and Ali, *The Third Space*.

3. 2022 / 2023 Challenges and Achievements

The bulk of the year was taken up with preparing for the ACE announcement of our application to become an NPO in the 2023 / 26 funding round. This entailed bringing several of our programmes to a close: Artsmark, Arts Award, Partnership Investment, and support for Local Cultural Education Partnerships. However, this did not prevent us continuing to deliver on our Key Performance Indicators which are summarised for the year below:

KPI Number	Organisational KPI	Target 22/23	Total to date	% Delivered
1	Engaged 15k CYP as audience members and participants, in line with commitments set out in our ED&I Policy.	1,000	6,345	635%
1.a	<i>Of those 15k, 900 will be empowered to lead cultural change in their communities, using their creative leadership skills to improve their life chances.</i>	40	154	385%
1.b	<i>Of the 900, 20% will access career pathways and progression routes.</i>	14	74	529%
1.c	<i>160 young people who are NEET (not in education employment or training) move from NEET to EET (being in education employment or training).</i>	20	0	0%
2	75% of our engagements will be with children and young people in need by 2026 as defined in our 2022-26 Business Plan.	170	138	81%
3	Developed and delivered 300 CPD, training and development opportunities, workshops and networking sessions for educators and creative practitioners to develop their creative practice.	60	87	145%
4	Sustained and grown our pool of Creative Mentors through targeted recruitment supporting 100 creative practitioners to develop their practice working specifically with CYP in need.	70	84	120%
5	Increased and deepened our engagement with 200 arts practitioners and 480 educators to improve understanding, practice and advocacy for creativity as a tool for learning.	70	512	731%
		120	683	569%
6	Developed 5 Creative Youth Hubs (CYH) in priority places, to build and embed youth-led practice within the East Midlands.	2	0	0%
7	Establish partnership agreements with 50 strategic regional and national partners to strengthen local creative and cultural access, progression and leadership opportunities for CYP through CYHs.	20	5	25%
8	Grown 7 networks of community practice focused on youth voice, teaching for creativity and leadership.	2	4	200%
9	Delivered 3 regional youth-led events through the Young Leadership Collective, embedding youth voice practice across the region.	0	1	200%
10	Diversify our income sources so no one funder is more than 70% on our overall income.	95%	63%	

As the year progressed however, it became clear that our status as Bridge Organisation was under threat. This came to a head in November 2022 when we were informed that our application to ACE to become a National Portfolio Organisation (NPO) was unsuccessful. This indicated a projected loss of over £2.3m ACE investment over 3 years and meant that TMC faced one of its most difficult challenges in its 13-year history.

However, the loss of NPO status has brought not only many challenges but also many opportunities, albeit played out within a climate of hostile social and economic crises which are being felt not only across the region, but nationally and internationally.

Reimagining our Business Plan

Whilst the reduction of ACE support was regrettable, it did not signal the end of the line for TMC. We had built up our own unrestricted resources to draw upon; Creative Mentoring emerged as a strong programme which generates income, has the potential for growth and is not offered by any other organisations thus giving us market advantage.

The task we faced at the end of the financial year was to identify a clear transition process between the 'old' TMC and its new reincarnation. This process was supported in part by a successful application to ACE for 'Transition Funding', intended to support NPOs who have been removed from the national portfolio with their transition process up to November 2023.

The TMC Transition Process

The first step in the TMC transition process was to reimagine the 2023- 26 Business Plan.

This involved two processes: confirming our ongoing priorities and planning for fundamental changes.

Our ongoing priorities were agreed as:

- Maintaining our vision and mission
- Serving children and young people in need and those experiencing most disadvantage
- Using the arts, culture and creativity for positive change for those young people
- Providing a personalised, person centre pedagogy in which mentoring and coaching play a fundamental role in generating personal change
- Fighting for the creative voices of children and young people
- Maintaining our guiding principles, values and underpinning strategies
- Informing all partners and stakeholders of our new business plan
- Implementing a realistic financial strategy with manageable diverse income streams

The changes we implemented were:

- Refocus our emphasis of delivering our work within the East Midlands. Whilst our base will still be in the region, the scope for our work can extend pan-regionally and eventually nationally
- Place children and young people first by meeting them where they are (e.g. schools, communities, institutions)
- Removal of Creative Education, Creative Communities and Creative Futures from the current programme structure
- Focus on the growth of the Creative Mentoring programme / service area
- De-prioritise the ambition to establish 5 Creative Youth Hubs in the East Midlands
- Recruit a new Chair of the Board and extend the skills base of the trustees which reflects this new era
- Implement a staffing restructure to ensure the new TMC is fit for purpose, agile and sustainable.
- Use our unrestricted reserves to underwrite any annual fundraising shortfall between November 2023 and March 2026.

As a result of this transition process, we have begun the 2023 / 24 financial year with a renewed sense of vigour, purpose and optimism. This has generated a new 2023 – 2028 Business Plan, a summary of which is presented below.

5. PLANS FOR 2023 / 2024

Our Vision, Mission and Theory of Change

Our vision is to inspire children and young people to harness the power of arts, creativity and culture for positive change.

Our Mission

To achieve this vision, our mission has five strategic objectives which all focus on improving the cultural lives of young people, especially those who are most disadvantaged:

SOC1. Children and young people living in need will have experienced a cultural intervention designed to improve their life chances.

SOC2. Children and young people are visible and audible in the leadership of services that impact them.

SOC3. Creative practitioners, educators and employers have a deeper understanding of the 'lived life of a child in need' and have developed the skills to support their development needs.

SOC4. Investment in our work has increased to support the sustainability and growth of the charity.

SOC5. Adoption and delivery of Creative Mentoring practice has been embraced nationally and internationally through the leadership of the National Centre for Creative Mentoring.

Our guiding principles

1. **We will listen and act:** embedding children and young people's voices throughout our work from conception of programme to delivery and governance and we will encourage others to do the same.
2. **We will work collaboratively:** partnership working is central to the work we develop to improve creative outcomes and cultural opportunities for our region's children and young people.
3. **We will respond to need:** we focus on nurturing and supporting the creativity of children in need and those working for them to promote high quality cultural practice.
4. **We will champion Equality, Diversity and Inclusion:** we stand in solidarity with the Black Lives Matter Campaign and all marginalised communities across the world and will use our voice to speak out against injustice. We commit to listening, learning and taking action to improve access to creative opportunities for our region's children and young people.
5. **Engagement with artists and educators** is driven by a personalised, person centre pedagogy in which mentoring, and coaching play a fundamental role in generating personal change.
6. The **creative voices of young people** will be at the heart of the creative or cultural experience.

Delivering Our Mission: our Theory of Change

Our Theory of Change explains how we will work strategically and collaboratively to achieve and demonstrate our strategic outcomes for children and young people in need. It provides a summary of the changes that will occur and provides the context for our programme development and delivery plans and is available in Appendix 1.

Starting with the problem statement, *"Children and young people living in challenging circumstances experience significant disproportionate disadvantage, including heightened isolation, lack of stability, compromised mental health, lower attainment and lack of opportunities and do not have equitable access to experience the social, educational and economic benefits of the arts, culture and creativity"*.

Our desired long-term goal is to inspire children and young people to harness the power of arts, creativity and culture for positive change, transforming their lives using creativity and culture as the tool for change.

This will result in children and young people feeling more confident and resilient; empowering them to influence decision making that effects their lives, speak out against injustice, and build aspirations that will shape successful futures.

Our definition of need

As highlighted in section 2, there are 28,820 children and young people registered in need in the East Midlands⁴.

There are also additional children and young people living below the poverty line, in areas of deprivation and with high support needs who are not registered with the Local Authority and are therefore not included in the above figures but would still be eligible for our services.

When we identify children and young people 'in need' we mean children and young people who are:

- Are care experienced (this includes Looked After Children, Care Leavers or Previously Looked After Children)
- Are experiencing abuse or neglect (including those under a Child Protection Plan)
- Are a registered Child in Need
- Have Special Educational Needs (SEN)
- Have an Education, Health and Care Plan (EHCP)
- Have a disability or life restricting illness
- Are experiencing poverty/low income
- Are living as a young carer
- Are seeking asylum
- Are in refuge
- Are in an Alternative Education Provision
- Are on Free School Meals
- Are receiving Pupil Premium
- Have been excluded or at risk of exclusion

In addition to the needs identified above, we will also target our work in areas of high deprivation and need due to lack of infrastructure, support and opportunity.

Programme Development Plans

The following section seeks to present an overview of the direction for programme development in the next five years to support the re-growth of The Mighty Creatives and development of the Creative Mentoring Programme.

⁴ This figure is taken from 2021-22 Characteristics of children in need and refers to Children in need at 31 March by primary need and local authority' in East Midlands between 2021 and 2022

Our programme development plans will build on the success of our last 13-years and the strength of our Creative Mentoring programme to support children and young people where they are. All programme development will focus on the needs and priorities of the children and young people we serve and build services and support where they need them most. Our future work will be designed to be flexible to ensure our services remains relevant and responsive. We will hold regular development conversations with children and young people and those working with them to feed our direction of travel.

Our model of Creative Mentoring and youth voice and leadership will sit at the centre of our development, and we will work with schools, social services, community partners and creatives to enhance our collective offer for children and young people.

Our Vision

To inspire children and young people to harness the power of the arts for positive change.

Our Strategic Objectives

SOC1. Children and young people living in need will have experienced a cultural intervention designed to improve their life chances.

SOC2. Children and young people are visible and audible in the leadership of services that impact them.

SOC3. Creative practitioners, educator and employers have a deeper understanding of the 'lived life of a child in need' and have developed the skills to support their development needs.

SOC4. Investment in our work has increased to support the sustainability and growth of the charity.

SOC5. Adoption and delivery of Creative Mentoring practice has been embraced nationally and internationally through the leadership of the National Centre for Creative Mentoring.

Our Programme Development Areas

Youth Voice and leadership

- TMC Youth Board
- Youth Voice Consultation / Tenders
- Youth Voice regional Network in partnership with Youth Music
- Virtual Schools Network – My Creative Track

National Centre for Creative Mentoring

- Training and support for Creative Practitioners and artists, educators and employers
- Research
- Advocacy

Creative Mentoring 1:1 service Person-centred practice

Creative Mentoring group work in Schools – Creativity and wellbeing

Employ Me Supporting care experienced CYP into work

Creative Mentoring group work in community spaces – creativity and wellbeing

Tracking and Measuring Impact

We will follow an impact measurement framework that builds on our theory of change by first identifying the data we will collect. This will help us understand, evaluate and demonstrate our impact. Through our Impact and Data strategy and action plan we will have the tools needed to help us understand whether we are driving positive change and working towards our intended outcomes and organisational vision.

By better understanding our impact, we will be able to make decisions about the work we deliver now and into the future, guiding our decision-making around which activities to start, enhance, stop or change.

Through the delivery of our strategy, we will be able to:

- Demonstrate our commitment to change to our service users and stakeholders.
- Better engage with our funders and stakeholders by clearly showing how their investment in our activities and services is driving positive outcomes.
- Attract new sources of funding by demonstrating and evidencing our effectiveness and impact.
- Engage new and existing partners whose vision of impact align with our own.
- Strengthen our reputation as impactful, honest and effective through taking an evidence-based, transparent approach.

Financial Strategy

Our financial ambition is built upon achieving the following goals:

1. Regrow the charity within a financially sound and sustainable framework.
2. Achievable, realistic diversification of investment base.
3. Maintain our reserves policy at three months running costs.

We will be focusing on four strands of income generation:

1. Institutional, Trust and Foundation Grant Funding
2. Individual Giving (Campaign and Major Donations)
3. Corporate Partnerships
4. Traded Services (Sales)

After an intensive period of organisational development over the past five years, we are now in a strong position to develop our income generation activities to support our future growth and sustainability.

Our Income Generation Strategy is a fundamental component of our development. The principle aims of the strategy are to diversify the charity's income in order to improve its financial sustainability; and put procedures in place for effective long-term fundraising management.

Growth of the charity is not a matter of increasing turnover and profitability although these 'bottom lines' are important factors to consider when planning for growth.

A five-year forecast has been prepared to align with the delivery of this Business Plan as well as an action plan aligned to our Income Generation Strategy.

What's the team?

We are governed by a Board of Trustees, who are also the directors of the limited company. Trustees can serve from the age of sixteen. The Board is responsible for the scrutiny and examination of organisational performance. Trustees meet quarterly to monitor risk, agree strategic direction, approve budgets and finance reports and endorse new and review existing policies. The Board ensures The Mighty Creatives reporting obligations to the Charity Commission and Companies House are met.

Sub-Committees, Policies and Processes

Our policies and processes are reviewed in line with our policy matrix and signed off by the Board. We have a measured and thorough approach to safeguarding, ensuring all staff and Board receive training from NSPCC and regular briefings.

Safeguarding and EDI (equality, diversity and inclusion) are standing items on our agenda and are overseen by a designated member of the Board, as is our assessment of risks.

The Mighty Creatives Operations and Finance sub-committee scrutinises the charity's approach to finance, staffing and operations. The committee meets separately, feeding into the main Board for sign off on a quarterly basis.

A Programme sub-committee was launched in 2022 and follows the same approach. It will be expanded in 2023 to include expertise from the Health and Social services sectors to reflect the vision and mission of the organisation.

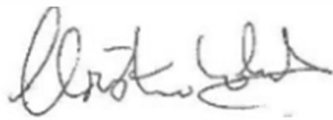
Led by Professor Christine White, Chair of Trustees and Vivek Malhotra, Deputy Chair and Chair of Finance, our trustees have extensive experience and expertise in the arts and cultural sector, education, local authorities and private sector and bring a wide range of governance skills to bear: leadership, fundraising and financial control, marketing, pedagogy, innovation, cultural educational practice, artist development, collective impact modelling, heritage, theatre and product development. They also reflect the geographical diversity of the region which the company serves.

The Trustees delegate the authority of running the company to the senior leadership team of Chief Executive, Dr. Nick Owen MBE. He leads the Business Development Team of Business Manager, Communications/Marketing Manager and Youth Programme Manager.

Conclusion

It has been vital we remember that we exist not for our own sake but to serve the needs of our beneficiaries; those children and young people who are most disadvantaged and most in need and who are all too frequently on the receiving end of the crises generated by the adults around them. The Covid-19 pandemic; the effects of the war in Ukraine; the state of funding for schools and the downgrading of arts education in schools; a weakened youth sector and the chronic economic state of the UK will all continue to wreak havoc with young people's lives for some considerable time.

If there ever was a time for The Mighty Creatives to step up and support young people using the power of arts, culture and creativity then that time is now.



Prof Christine White
Chair of the Board of Trustees

DIRECTORS' REPORT

The directors, who are also the trustees, present their report and accounts for the year ended 31 March 2023.

LEGAL AND ADMINISTRATIVE INFORMATION

TMC is a company limited by guarantee, without share capital and incorporated on 1st July 2008. We were also granted charitable status on 3rd April 2009 as an educational charity registered in England and Wales. Our governing documents are included within our Memorandum and Articles of Association.

The company is led by a strong group of Trustees who have extensive experience and expertise in the cultural, education and commercial sectors and together bring a wide range of governance skills to bear: leadership, fundraising and financial control, marketing, pedagogy and innovation. They also reflect the geographical diversity of the region which the company aims to serve. The Trustees are led by the Chair, Christine White and Vice Chair and Chair of Operations & Finance, Vivek Malhotra.

We are grateful to all the Trustees, listed on page 3, who held office during the year.

Our Trustees meet quarterly to agree strategic direction, receive reports from staff, approve budgets and finance reports and endorse and review policies.

The Operations and Finance Committee, a sub-committee of the Board, meets at least four times a year. Its function is to scrutinise budgets and finance reports in detail to safeguard the finances of the organisation, manage and review risks. The Committee also deals with issues such as pay levels and child protection. The Committee reports to, and makes recommendations to, the Board of Trustees.

The Programme Committee, a sub-committee of the Board, meets at least four times a year. Its function is to scrutinise our performance against our Business plan activities. The committee reports to, and makes recommendations to the Board of Trustees

At the end of March 2023, there were 11 serving Trustees on the Board.

Under the terms of the articles of association, Trustees may serve for two terms of three years, with the Board having discretion to agree to a further three year term, bringing the maximum term to three terms of three years duration.

Trustees regularly address skills and knowledge gaps with appointments open to any suitably qualified member of the public. Trustees are appointed through Board recommendation or a formal recruitment process comprising advertising and awareness through social media, similar to that used for the recruitment of staff. All newly appointed Trustees receive instruction on the activities of the charity and their responsibilities as a Trustee. They also have opportunities to see work in the field and we have proactively built this into the meetings structure.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses are disclosed in note 8 of the annual accounts. Trustees are required to disclose all relevant interests and register them with the Company Secretary and, in accordance with our policy, withdraw from decisions where a conflict of interest arises.

STATEMENT OF PUBLIC BENEFIT

Our Trustees and senior staff are responsible for making sure everything we do is focused on achieving lasting public benefit, as defined by the Charity Commission. Our governing documents define our core objectives as

To promote such charitable objects and purposes for the public benefit as the Trustees think fit, in particular and without limitation, to the generality of the forgoing words to advance the education of children and young people and those who work with them through creative and cultural activities.

We review our public benefit and charitable purpose on an annual basis.

RESERVES POLICY

Our Trustees review our reserves policy and levels on an annual basis, in the context of an ever-changing organisation and its working capital requirements. The policy states that a minimum of three month's staffing and infrastructure costs should be held in reserve.

We have limited scope to put money to reserves, with most of our income coming from restricted funding. This year TMC surpassed its minimum reserves target and at 31 March 2023 holds £778,817 of unrestricted funds (2022 - £552,033).

The Board of Trustees have allocated £571,357 as designated funds to support the organisation until 31st March 2026 as part of it's transition plan following the unsuccessful NPO Arts Council England bid.

GRANT MAKING POLICY

TMC makes grants to schools and other organisations working in the field of culture, creativity and enterprise. The nature and size of the grant is solely dependent on the size and nature of the funding that TMC received from funding bodies to distribute.

MANAGEMENT AND ORGANISATION

The daily responsibility for leadership of The Mighty Creatives rests with our Chief Executive and Deputy Chief Executive.

During 2022/23 the following senior leadership team was in place:

- Chief Executive: Dr R N Owen MBE
- Deputy Chief Executive: Emily Bowman resigned 31st March 2023

With effect from 1st April 2023 the Chief Executive is supported by the Business Development Team, which is made up to Business Manager: Caroline Frankland, Marketing

& Communications Manager: Bethany Patience and Youth Programme Manager: Emily York.

Key management personnel remuneration is determined with reference to the market place and what is recognised as acceptable practice by our core funder, Arts Council England. It is also determined by assessing the overall salary costs of the company and ensuring that salaries reflect the nature of the work, the company structure, and sectoral expectations. Remuneration is agreed at Board level.

RISK MANAGEMENT

The Trustees have a risk register in place which addresses the major governance, operational, financial, reputational, legal and regulatory risks that might impact up the core purposes and key objectives. These risks are managed by a comprehensive set of policies (subject to review) and long standing practices, set out in our Employee Handbook.

The most significant risks we faced in 2022/2023 were of a financial or operational nature. They are summarised, along with the relevant mitigation measures, below:

OF RISK	NUMBER	POTENTIAL RISK	Consequence of risk	INHERENT ASSESSMENT		OVERALL LEVEL OF RISK	How to mitigate the Risk	Post-Mitigation Impact	Post-Mitigation Likelihood	Post-Mitigation
				Pre-Mitigation Impact	Pre-Mitigation Probability	Pre-mitigation				
rational	1.1.	Lack of consideration for staff health and well being	Poor staff retention rates	2	2	4	Performance management systems in place which are reviewed annually. Training and Development plan reviewed annually along with regular 1:1s	1	2	3
rational	1.2.	Lack of capacity	Lack of inappropriate resources to deliver activities as required. Inappropriate recruitment to roles	2	3	5	Ensure projects are fully costed and funded adequately and appropriate staff are consulted. New jobs adhere to recruitment and selection procedures and Equality Policy	2	2	4
rational	1.3.	Poor working environment	Inappropriate office space; ICT equipment.	2	2	4	Replacement policy of ICT equipment is in place; regular review of usage of office space Introduction of a Hybrid working model Move of office.	2	1	3
rational	1.4.	Not delivering contracts	Loss of funding; reputational damage; long term sustainability of the charity	3	3	6	Regular monitoring of project performance against contract KPIs and outputs; regular reporting to funders on project performance	2	1	3
rational	1.5.	Lack of diversity in the workforce	Unable to engage beneficiaries; unable to deliver charity's mission	3	2	5	Regular review of Equality Policy and Action Plan. Diversity Working group in place Training programme has been introduced for all staff and the 6C's framework embedded into new Business Plan.	2	1	3
rational	1.6.	Lack of Safeguarding policy	Unable to deliver charity's vision or meet legislation Children and young people in danger of harm	3	3	6	Regular review of Safeguarding Policy and Action Plan; regular staff training in safeguarding provided, termed 'safeguarding officers on staff team and on Board of Trustees' All Trustees and staff receive basic training at induction. New log created to monitor safeguarding disclosures by DSLs	2	1	3
rational	1.7.	Return to office working increases risk of staff contracting COVID.	Staff are off for prolonged periods of time.	2	3	5	Keep WFH option and develop flexible working policy in consultation with staff. Close office if there is a COVID outbreak and revert to virtual meetings.	2	1	3
rational	1.8.	Exposure from others due to: 1) Living with someone with a confirmed case of COVID-19. 2) Have come into close contact with a confirmed case of COVID-19.	Staff contract virus and as a result are off for a prolonged period of time. Programmes not delivered to time.	2	3	5	• Update Human Resources with absence identifying Covid-19 and manage absence in line with company HR policies / procedures ADVISE STAFF OF THE FOLLOWING: • Do not come into the office where someone you live with has been diagnosed • Follow NHS / 111 advice as required. Do not attend GP surgery or public places if confirmed to help reduce spread of the disease • Company to ensure vulnerable persons (elderly, pre-existing health condition, lower immunity) employed are individually assessed • Follow good hygiene measures at all times • Ask friends, family members or delivery services to do errands for you • Do not take any antibiotics as they do not work against viruses.	2	1	3
rational	1.9.	Lack of stability through transition to new business model impacting programme development and delivery		2	3	5	Successfully secured ACE Transition Funding Clear transition plans in place to support delivery and strategic development. To include: - Revised Business Plan - Revised Income Generation Strategy and activity plan for the next 12-18 months - Revised Programme Development Plan - Revised Comms plan	2	1	3
rational	2.	Reputational damage from unclear messaging/understanding of Creative Mentoring	Partners, beneficiaries and other stakeholders not clear regarding difference between creative mentoring and other support that CYP may receive such as counselling, art therapy etc.	2	3	5	Clear messaging in all publications, websites, agreements and documentation about the role of Creative Mentoring. Ongoing training and support for creative mentors and staff to be able to identify the differences and deal with disclosures/incidences as appropriate	3	1	4
cial	2.1.	Lack of income available to deliver programmes	Sustained lack of income from a range of sources	3	3	6	Implementation and monitoring of income generation strategy Restructure of team to help manage budgets	3	1	4
cial	2.2.	Lack of Financial controls and systems	Projects overspend; inappropriate reporting of expenditure by budget holders; loss of contracts with funders; fraud leading to legal investigations	3	3	6	Financial controls and procedures are reviewed regularly with auditors; regular project reports are produced for funders; financial controls are a shared responsibility for appropriate members of staff	2	1	3
rmance	3.1.	Insufficient skill base of trustees	Trustees unable to support vision; trustees become unrepresentative of the sectors we work with; lack of income generation and financial control capabilities; lack of cultural diversity	2	3	5	Regular audit of skills base against the charity's needs; relevant recruitment procedures as required	2	2	4
rmance	3.2.	Poor or irregular attendance at Trustees meetings	Poor decision making; low 'buy-in' to the charity's vision and business plan	2	2	4	Adhere to Memorandum and Articles of Association; trustee induction process established and reviewed; monitoring attendance at meetings	2	1	3
rmance	3.3.	Inappropriate governance structure	Inability to generate income from a wider range of sources	3	3	6	Regular review of fitness for purpose of the charity's legal structure	2	2	4
rmance	3.4.	Lack of knowledge by trustees of the charitable sector	Trustees make inappropriate decisions; are unable to inform charity's vision or contribute to advocating for it	2	3	5	Induction procedures for new trustees; regular training and development plan for all trustees	2	1	3
Business Continuity	4.1.	Major office disruption	Lack of access to offices or equipment	2	2	4	All staff provided with laptops; emergency comms strategy is in place; use of Cloud based computing technologies	2	1	3
Business Continuity	4.2.	Cyberattack	IT systems are hacked into and fail	3	2	5	All systems are regularly back up by external provider	3	1	4
Business Continuity	4.3.	Unplanned key staff absences	Lack of knowledge and skills for projects; funding bids not being submitted on time	3	3	6	Major project strategies are shared amongst key staff; processes for recruitment for new staff are in place A business continuity plan is in place to cover these eventualities	2	2	4
Business Continuity	4.4.	Reputational damage	Adverse PR; loss of contracts and income; damaged operations due to stakeholder withdrawal	3	3	6	Implementation of crisis management policy including comms strategies for both staff, trustees and external partners	2	2	4
egic	5.1.	Adverse political climate for arts and education	Withdrawal of funding for the sector	3	3	6	Regular, targeted and strategic advocacy and lobbying by key personnel and trustees	2	2	4

STRATEGIC REPORT

TMC receives income through grants and contracts for services which are based on funding agreements for variable lengths of time. Activities are planned over the life of the individual project which ensure that all anticipated income is spent, except for retaining a prudent amount in reserves if the grant permits this.

In order to preserve the liquidity of the organisation we do not currently invest income for more than one year. The strategy therefore is to retain funds as cash and place them in bonds or other bank deposits at the best rate obtainable.

Having been through an intensive period of organisational development over the last 12 months, the charity has determined that it is currently in a strong position to develop its income generation activities to direct the future growth and sustainability of work in the region.

The charities Income Generation Strategy is a fundamental component of The Mighty Creative's ongoing strategic development. The key aims of the Income Generation Strategy are to diversify the charity's income, in order to improve its financial sustainability; and to put procedures in place for effective long-term fundraising management.

4 core strands of income generation activity have been identified as the key areas to focus the Charity's income generation efforts:

1. Institutional, Trust and Foundation Grant Funding
2. Individual Giving (Campaign and Major Donations)
3. Corporate Partnerships
4. Traded Services (Sales)

DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

The Directors are required to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit for that period. In preparing those accounts the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities Act 2011 and other applicable law and regulations. They are also responsible for safeguarding the

assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

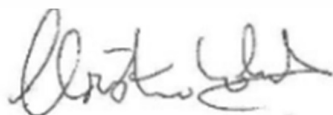
GOING CONCERN

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of the Directors on 25th October 2023.



Prof. Christine White
Director

INDEPENDENT AUDITOR'S REPORT to the members of The Mighty Creatives

Opinion

We have audited the financial statements of The Mighty Creatives (the 'company') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, Balance Sheet, and Statement of Cashflows and notes to the financial statements, 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 company's affairs as at 31 March 2023 and of its surplus 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 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 25, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 auditor's 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our experience through discussion with the Officers and other management (as required by auditing standards)
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related trade union legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- Except for any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the Officers.
- We communicated identified relevant laws and regulations to the business throughout our audit team and remained vigilant to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

A further description of our responsibilities for the audit of the financial statements is [located](http://www.frc.org.uk/auditorsresponsibilities) on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Coupland FCA (Senior Statutory Auditor)
For and on behalf of RWB CA Limited, Statutory Auditor
Northgate House
North Gate
New Basford Nottingham
NG7 7BQ

Date:

Statement of financial activities
Including Income and Expenditure Account
for the year ended 31 March 2023

	Notes	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
INCOME					
Income from charitable activities	3	204,408	2,019,149	2,223,556	4,038,429
Income from other trading activities					
Consultancy & Fundraising		24,750	-	24,750	58,182
Investment income		5,121	-	5,121	195
Total income		234,279	2,019,149	2,253,428	4,096,806
EXPENDITURE					
Charitable activities	5				
Grants made & activities undertaken directly		71,382	2,224,421	2,295,803	3,816,721
Support costs		-	71,126	71,126	94,207
Governance		1,439	-	1,439	2,661
Total expenditure		72,821	2,295,547	2,368,367	3,913,589
Net income		161,458	(276,398)	(114,940)	183,217
Net transfers between funds		65,326	(65,326)	-	-
NET MOVEMENT IN FUNDS		226,784	(341,724)	(114,940)	183,217
Fund balances brought forward (restated)	14	552,033	414,915	966,948	783,731
FUND BALANCES CARRIED FORWARD	14	778,817	73,191	852,008	966,948

BALANCE SHEET

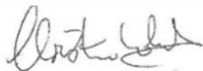
as at 31 March 2023

	Notes	2023 £	2022 Restated £
Fixed assets			
Tangible assets	9	220	5,025
CURRENT ASSETS			
Debtors	10	150,624	34,141
Bank and cash balances		873,837	1,144,600
		1,024,461	1,178,741
CREDITORS: amounts falling due within one year	11	(172,673)	(216,818)
NET CURRENT ASSETS		851,788	961,923
Total assets less current liabilities		852,008	966,948
CREDITORS: amounts falling due after more than one year	12	-	-
		£852,008	966,948
INCOME FUNDS			
Unrestricted general funds	14	207,460	552,033
Designated funds	14	571,357	-
Restricted funds	14	73,191	414,915
		£852,008	£966,948

The Directors have acknowledged their responsibilities for: selecting suitable accounting policies and then applying them consistently; observing the methods and principles in the Charities SORP; making judgements and estimates that are reasonable and prudent; stating whether applicable UK accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and preparing the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), effective 1 January 2015 and the Companies Act 2006.

The financial statements were approved by the Directors on 25th October 2023 and signed on their behalf by:



Prof. Christine White
Director
25th October 2023

Statement of cashflows
for the year ended 31 March 2023

	2023 £	2022
Reconciliation of net movement in funds to net cashflow from operating activities		
Net movement in funds	(114,940)	183,275
Depreciation	4,805	10,037
Profit on disposal of fixed assets	-	-
Interest received	(5,121)	(194)
(Increase)/decrease in debtors	(116,483)	(18,080)
Increase/(decrease) in creditors	(44,145)	33,775
Net cash inflow/(outflow) from operating activities	(275,884)	208,814
Cashflows from investing activities		
Purchase of tangible fixed assets	-	(2,888)
Interest received	5,121	194
Net cash inflow/(outflow) from investing activities	5,121	(2,694)
Increase/(decrease) in cash in the year	(270,763)	206,120
Cash at the beginning of the year	1,144,600	938,480
Cash at the end of the year	873,837	1,144,600

NOTES TO THE FINANCIAL STATEMENTS at 31 March 2023

1 ACCOUNTING POLICIES

Company and charitable status

The Mighty Creatives, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. The company is a registered charity. The registered office is given on page 2.

Basis of preparation and assessment of going concern

The financial statements are prepared under the historical cost convention, in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102), effective 1 January 2015 and the Companies Act 2006.

The Directors consider that there are no material uncertainties about the Charity's ability to continue as a going concern. Free unrestricted reserves of TMC at the year-end amount to £523,894. After consideration of the current business plan and with a balanced budget planned for the next two financial years, the Trustees consider there is a reasonable expectation that TMC has adequate resources to continue in operational existence for the foreseeable future. The Trustees are also satisfied with the controls in place for monitoring and flexing the budget throughout the year. There are no material uncertainties that would impact on the charity's ability to continue. Accordingly, we continue to adopt the going concern basis in preparing this annual report and financial statements.

Funds

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds are unrestricted funds set aside by the Directors out of unrestricted general funds for specific future purposes or projects. 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.

Incoming resources

Incoming resources are included in the Statement of Financial Activities when receivable and when the amount can be quantified with reasonable accuracy. Grants received for specific purposes are accounted for as restricted funds.

Resources expended

Resources expended are recognised in the period in which they are incurred under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they are allocated to activities on a basis consistent with use of the resources. Resources expended include attributable VAT which cannot be recovered.

Taxation

TMC is a registered charity and is not subject to taxation on its income so long as this is used for its charitable activities.

Fixed assets and depreciation

All fixed assets are initially recorded at cost. Depreciation is provided on all fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Office equipment - 3 years straight line

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

3 INCOME FROM CHARITABLE ACTIVITIES

	General Unrestricted £	Restricted £	2023 £	2022 £
Grants received (see note 4)	204,408	2,019,149	2,223,557	4,029,621
Donations	-	-	-	1,262
Fundraising	-	-	-	4,889
Other	-	-	-	60,839
	204,408	2,019,149	2,223,557	4,096,611

4 GRANTS RECEIVED

	General Unrestricted £	Restricted £	2023 £	2022 £
ACE Bridge Extension	-	53,359	53,359	53,359
ACE National Portfolio Funding	-	878,347	878,347	878,347
Children in Need – main grant	-	39,243	39,243	9,045
Let's Create Packs	-	-	-	11,810
Children in Need – Next Steps Covid-19 Grant	-	-	-	50,085
WWCSC	-	-	-	(26,631)
Erasmus Well-Be	-	22,158	22,158	-
Erasmus DiARC	-	42,728	42,728	92,956
All Ways Making	-	-	-	170
D Stewart – SEND 50 th Anniversary Donation	-	-	-	5,000
DWP – Kickstart	-	937,818	937,818	2,757,569
Foyle Foundation	-	-	-	25,000
Charities Aid Foundation	35,555	27,270	62,825	168,474
Rutland Council – Virtual School	-	8,437	8,437	4,437
The World Reimagined	-	2,500	2,500	-
ACE Virtual Schools Project	-	7,290	7,290	-
Leicester Heritage Action Zone	5,122	-	5,122	-
Creative Mentoring	163,731	-	163,731	-
	204,408	2,019,149	2,223,557	4,029,621

5 EXPENDITURE

Charitable activities

	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Grants made & activities undertaken directly (note relates expenditure to source of funds as shown below)				
ACE National Portfolio funding	-	543,349	543,349	467,146
Bridge Extension	-	28,893	28,893	29,030
Children in Need – main grant	-	6,476	6,476	15,415
Children in Need – Next Steps Covid-19 Grant	-	-	-	17,352
WWCSC	-	-	-	96,735
Erasmus Well-Be	-	39,482	39,482	1,158
All Ways Making	-	-	-	240
D Stewart – SEND 50 th Anniversary	-	882	882	3,750
Erasmus DiARC	-	33,795	33,795	64,862
Foyle Foundation	-	-	-	14,344
DWP – Kickstart	-	937,866	937,866	2,564,106
Charities Aid Foundation	-	123,483	123,483	19
Rutland Council – Virtual School	-	3,662	3,662	149
Creative Mentoring	63,557	-	63,557	-
The World Reimagined	-	2,500	2,500	9,157
	63,557	1,720,389	1,783,946	3,283,464
Staff costs associated with above expenditure	7,825	504,032	511,857	533,257
	71,382	2,224,421	2,295,803	3,816,721
Support costs				
Contributions to Support Costs	(71,126)	71,126	-	-
Training	3,795	-	3,795	6,326
Staff welfare	785	-	785	1,104
Recruitment	325	-	325	2,392
Travel	-	-	-	(150)
Telephones & IT	23,646	-	23,646	25,513
Legal & professional	48	-	48	48
Bank charges	1,201	-	1,201	1,353
Depreciation	4,805	-	4,805	10,037
Income generation	376	-	376	57
Business Development	-	-	-	166
Rent	28,992	-	28,992	28,191
PR and communications	91	-	91	11,413
Local office administration	2,399	-	2,399	2,428
Insurance	789	-	789	1,279
Audit and Accountancy Fees	3,873	-	3,873	3,900
	-	71,126	71,126	94,207

	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Governance				
Trustee travel costs	-	-	-	-
Trustee meeting costs	807	-	807	1,317
Trustee hospitality	-	-	-	-
Trustee Training	-	-	-	475
Trustee Insurance	632	-	632	869
	1,439	-	1,439	2,661
Total expenditure	72,821	2,295,547	2,368,367	3,913,589

6	STAFF COSTS		2023 £	2022 £
	Wages and salaries		448,164	473,533
	Social security costs		45,444	41,773
	Other pension costs		18,249	17,951
			511,857	533,257

The average number of employees, including part-time, during the year was 16.5 (2022: 17.8).

No employee earned in excess of £60,000 (2020 - Nil).

The company operates a defined contribution pension scheme. The charge for the period was £18,249 (2022 – £17,951). There were outstanding contributions of £Nil at the year end (2022 - £Nil).

7	NET INCOME FOR THE YEAR		2023 £	2022 £
	This is stated after charging:			
	Operating lease costs - property		28,992	26,854
	Auditors' remuneration			
	As auditors		3,873	3,900
	Other services		-	-
	Depreciation		4,805	10,037

8 DIRECTORS' REMUNERATION

No remuneration was paid to Directors for their services.

9 TANGIBLE FIXED ASSETS

	Office equipment £
Cost or valuation:	
At 1 April 2022	69,629
Additions	-
Disposals	-
At 31 March 2023	69,629
Depreciation:	
At 1 April 2022	64,604
Charge for the year	4,805
Eliminated on disposals	-
At 31 March 2023	69,409
Net book value	
At 31 March 2023	220
At 1 April 2022	5,025

10 Debtors

	2023 £	2022 £
Amounts falling due within one year		
Trade debtors	149,160	32,656
Prepayments and accrued income	-	-
Other debtors	1,464	1,485
	150,624	34,141

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	40,497	50,111
Other taxes and social security	9,183	10,519
Other creditors	-	-
Deferred income (see also Note 12)	-	-
Accrued expenses	122,994	156,188
	172,673	216,818

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Deferred income	-	-

DEFERRED INCOME

	£
At 1 April 2021	-
Income deferred in year – for release within one year	-
Income deferred in year – for release after more than one year	-
Amount released in year	-
At 31 March 2022	-

13 FUNDS ANALYSIS

	General Unrestricted fund £	Restricted fund £	2023 £	2022 £
Tangible fixed assets	220	-	220	5,025
Current assets	951,270	73,191	1,024,461	1,178,741
Liabilities	(172,673)	-	(172,673)	(216,818)
Net assets	778,817	73,191	852,008	966,948

14 MOVEMENT IN FUNDS

	At 1 April 2022 (restated) £	Incoming resources £	Outgoing resources £	Transfers £	At 31 March 2023 £
Restricted funds					
ACE National Portfolio Funding	187,795	878,347	(1,001,451)	(64,691)	-
ACE Bridge Extension	-	53,359	(53,359)	-	-
Children in Need – main grant	3,362	39,243	(21,620)	-	20,985
WWCSC	1	-	-	(1)	-
Erasmus Well-Be	28,350	22,158	(43,982)	-	6,526
CAF Resilience Fund	335	-	-	-	335
D Stewart – SEND 50 th Anniversary	1,250	-	(882)	-	368
Erasmus DiARC	23,994	42,728	(38,095)	-	28,626
DWP – Kickstart	48	937,818	(937,866)	-	-
Foyle Foundation	634	-	-	(634)	-
Charities Aid Foundation	164,858	27,270	(192,128)	-	-
Rutland Council Virtual School	4,288	8,437	(3,662)	-	9,063
The World Re Imagined	-	2,500	(2,500)	-	-
ACE Virtual Schools Project	-	7,290	-	-	7,290
	414,915	2,019,149	(2,295,547)	(65,326)	73,191
Unrestricted funds					
General	552,033	234,279	(72,821)	(506,031)	207,460
Designated Funds – Transition				571,357	571,357
	966,948	2,253,428	(2,368,366)	-	852,008

The income previously reported as a restricted fund under the heading Creative Mentoring Traded has, upon review, been recategorized as unrestricted income arising from a contract for services. The services delivered fall under the charity's overall charitable objectives and thus remain within the delivery of charitable activities. The comparative values within these accounts have been restated to reflect the reanalysis from restricted to unrestricted from 1 April 2021 onwards.

15 DESCRIPTION OF FUNDS

ACE National Portfolio Funding: investment to promote and deliver a demand-led cultural offer for schools, children, and young people across the East Midlands. Focussed on the Cultural Education Challenge, strategic partnerships, new investment, and quality provision to engage every child and young person in arts and culture.

ACE Bridge Extension (DfE): investment to improve and increase cultural education through networked schools and a diverse cultural offer.

Erasmus Well-Be – funding to work with international partners to support students emotional health, well-being and resilience in times of global crisis.

D Stewart - SEND 50th Anniversary - a donation to support SEND schools across the East Midlands and to mark the 50th anniversary of SEND provision within schools.

Erasmus DiARC – funding to work with international partners to build the resilience of young people and art communities to the negative financial consequences of the covid-19 pandemic.

DWP Kickstart - grant funding to support the delivery of the Kickstart programme, with The Mighty Creatives as a Gateway.

Charities Aid Foundation - to support the sustainability and development of our Creative Mentoring programme which supports YP in Need who are transitioning into employment.

Rutland Virtual School – To support a 6-week project exploring young people's stories of coming into care, to influence and advocate for more support for Children in Need.

Creative Mentoring Traded – funding to deliver our Creative Mentoring programme.

Children in Need Main Grant – To deliver 1:1 Creative Mentoring for Looked After Children in the East Midlands. The aim is to increase emotional resilience and the confidence to make positive decisions, and to improve relationships with friends and others.

The World Reimagined – To support the artistic creation of one of ten globe sculptures for The World Reimagined art trail across Leicester.

ACE Virtual Schools Project - To support 3 Virtual Schools with piloting the delivery of Artsmark in a virtual schools context.

Designated Funds - To support the organisation until 31st March 2026 as part of it's transition plan following the unsuccessful NPO Arts Council England bid.