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# THE MIGHTY CREATIVES

(A CHARITABLE COMPANY LIMITED BY GUARANTEE)

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## Annual report and financial statements

for the year ended

**31 March 2019**

Company number 06652046

Charity number 1129006



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# **THE MIGHTY CREATIVES**

**( A CHARITABLE COMPANY LIMITED BY GUARANTEE )**

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## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

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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 21 July 2008. 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)  
Ms R Amery (Chair of Operations & Finance from 29<sup>th</sup> July 2019)  
Mr E P Boott  
Mr A J Butler  
Ms A Halls Taylor (resigned 29 July 2019)  
Ms K Johnson  
Ms I Nikonova-Lavda (resigned 31 October 2018)  
Mr H A Safdar  
Ms M G H Smart (resigned 31 October 2018)  
Mr C J Stafford (appointed 31 October 2018)  
Mr D Stewart (appointed 19 November 2018)  
Mr J White (appointed 19 November 2018)

## SECRETARY

Dr R N Owen

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

Chief Executive Officer - Dr R N Owen  
Deputy Chief Executive Officer - E Bowman

## REGISTERED OFFICE AND OPERATIONAL ADDRESS

LCB Depot  
31 Rutland Street  
Leicester  
LE1 1RE

## AUDITORS

Guest Wilson Chartered Accountants  
8 Wolverton Road  
Snitterfield  
Stratford upon Avon  
Warwickshire  
CV37 0HB

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## Forward from our Chair of Trustees

This has certainly been a year of success for The Mighty Creatives.

**With invaluable support from Arts Council England, over 150,000 pupils have benefitted from Artsmark in over 370 settings; over 5,600 young people have secured their Arts Awards qualification. We have invested £412,750 through our Cultural Life Fund in 7 Cultural Education Partnerships, which in turn has generated £909,337 in match funding – a total of more than £1.3 million to give children and young people access to arts and culture; and we have been successful in leading a regional consortium in an application for further Arts Council funding for an exciting performance-led project, Splash! This is focusing on including children and young people with learning difficulties and their families in creative activities, linked to the region's canals and waterways.**

We have given more than 14,000 young people opportunities to take part in festivals and try out ideas as cultural entrepreneurs through our Emerge programmes, funded by Spirit 2012 (the Olympics' legacy scheme) and the Royal Bank of Scotland.

But numbers alone don't tell the full story.

Our work has led to transformational experiences for many children and young people across the region.

For example, our programme, Emerge, is working in many areas with high levels of social deprivation in the Midlands. In Dudley, Dani, who is 17, says:

*'The arts have helped me a lot in discovering who I am as a person and the type of people I want to be around. [Taking on those characters make me] I realise what traits I need or don't need in order to change to be a better person. It helps with self-expression which is very important for everyone as people these days tend to bottle up emotions and the arts is a way to express them without being judged.'*

Alarna – 18 – says: *'The arts have helped me a lot, because as a teenager you go through difficulties, the arts can take my mind off these things. In a way it's helped me to express the way I feel about these things going on in my life. It's something I have been involved in since I was little, about 2-3, it's all I know. I'm not a very logical person. More of a creative person. It's how I speak, how I think, breathe.'*

And we have many more stories where these came from. As Aaron Belcher, one of our young artists on Emerge says:

*'It's refreshing hearing all these responses, even from such young individuals, about what the arts mean to them. Hopefully, through the Emerge project we can keep these passions alive and have a knock-on effect even afterwards to change their lives. The arts offer so much to individuals and us all as a society, it helps to challenge people and topics, to inspire, to communicate in various other ways and help towards a positive change in the world and without them, the world would be a very different and mundane place.'*

The passion and enthusiasm of our young artists and creative entrepreneurs – is truly inspiring.

Finally, I'd like to thank our whole staff team for helping to transform our charity and make us better able to support children and young people in the region.



**Felicity Woolf**  
Chair of Trustees  
Signed on behalf of the Trustees

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## OPERATIONAL REVIEW

### Introduction

Established in 2009, The Mighty Creatives is a charity which has transformed the lives of children and young people through arts, culture and creativity. Based at the heart of the cultural quarter in Leicester, our beneficiaries are children and young people from birth to 30 years old across the East Midlands.

We are renowned for leading strategic partnerships, engaging stakeholders, designing and managing programmes of work, undertaking research and evaluation directly and as a commissioner. Our skilled and knowledgeable staff and trustees:

- have considerable expertise and experience in the fields of education, culture, youth engagement and empowerment
- manage a robust and financially sound organisation
- build excellent regional and national partnerships
- deliver tried and tested, scalable programmes that contribute to positive and lasting transformation for children and young people

### Our Vision, Mission and Theory of Change

Significant local, national and international research demonstrates that arts, creativity and cultural practice have a critical role in contributing to the fight against child poverty by providing access to personal, educational, social and economic opportunities which transform the lives of children and young people.

The role of The Mighty Creatives is to lead the fight for those opportunities for our beneficiaries, particularly those who are the most disadvantaged and excluded. Our vision is a world where all children and young people will harness the power of arts, creativity and culture in order to transform themselves, their communities and their futures.

Over the last 10 years children and young people have played a pivotal role in the charity, helping to co-design and produce strategic initiatives and partnership activity that have transformed children's and young people's lives. Listening and acting upon the creative voices of children and young people is at the heart of our mission, particularly those of the most excluded and disadvantaged. This is our unique selling point and is woven through our products and services to ensure that children and young people will:

- develop the self-esteem and confidence to be themselves
- take risks to challenge, innovate and test the world
- see themselves as active producers of culture, not just as passive consumers
- develop leadership skills
- influence their communities
- take their place on a world stage.

Our mission is driven by six strategic objectives:

- improving access to arts, culture and creativity
- raising aspirations of children and young people
- empowering children and young people to make positive social change
- advocating for the power of arts, culture and creativity
- increasing investment in children and young people's arts, culture and creativity
- sustaining the charity's organisational resilience to meet our vision.

We will work strategically and collaboratively to achieve these objectives. Our Theory of Change provides a summary of the changes that will occur as a result of achieving those objectives and provides the context for our partnerships with our funders and stakeholders.

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## Achievements in 2018 / 2019

We have a strong reputation for co-production with children and young people. Over the last 10 years children and young people have played a pivotal role in the charity helping to co-design and produce strategic initiatives and partnership activity that have transformed children's and young people's lives.

Our achievements this year have been:

1. Sector Support Investment from Arts Council England (**the Bridge Programme**) has led to:
  - 97 schools have registered with Artsmark in 2018/19
  - Schools engaging with Artsmark have steadily increased from 14.1% to 17.6%
  - 116 East Midlands Artsmark Schools (30.6%) are in IMD Decile 1-3 (LSOA) where 1 is an LSOA among the 10% most deprived
  - School registrations with Artsmark have increased from 19.2% to 27%
  - this commitment to arts and culture in the current 387 schools has the potential to reach 153,047 pupils on roll at these schools/colleges/settings
  - a growth in moderation for Arts Award, achieving 1000 Discover in a Day awards for one event
  - **Cultural Life Fund:** supporting eight Cultural Education Partnerships to develop and five innovation projects through our Cultural Life Fund
  - **Increase in investment:** We have more than doubled our investment from the Cultural Life Fund with a return on Investment to date of: £1,198,942
2. Through investment from Spirit of 2012, **Emerge Youth Arts Festival** has produced:
  - 8 youth arts festivals commissioned, designed and delivered and enjoyed by over 14,000 children, young people and their families across 8 locations across the Midlands
  - An emerging artists training and development programme for 26 young artists
  - Improved participants confidence and wellbeing
  - Improved participants' perceptions of disability
  - More children and young people engaged with their local community as well as feeling proud of their contribution to their community
  - More children and young people likely to feel that their views are heard in their community.
  - Recognition by community partners of the potential for the arts festival to contribute to a range of place-based outcomes.
3. **Creative Enterprise:** funded by RBS Skills and Opportunities Fund, the Emerge Creative Enterprise supported 64 young people aged 16-30 to develop their creative careers, exploring employed and self-employed routes into the Creative Industries and wider world of work. We achieved:
  - No. of businesses started : 36
  - No. of jobs created (including the business owner and additional posts) : 42
  - No. of qualifications gained by people: 28
  - No. of people finding employment: 16
  - No. of people with increased financial capability: 40
  - No. of people with increased enterprise skills: 40
  - No. of people reporting increased confidence as a result of project activities: 59
  - No. of events and workshops delivered: 36 days
  - No. of hours of training, mentoring and coaching support: 1112 hours
4. **Emerge Creative Skills:** Funded by Children in Need Large Grants, this three-year programme (2018 - 2021) is working with up to 60 young people (16-19) in the transition from care to independent living and work. Young people are based in the region and working with Creative Mentors and artists, overseen by The Amber Factory, on a one to one Creative Mentoring basis. The focus of the work is to evaluate the differences one to one Creative Mentoring support and one to many work-based skills workshops have on supporting young people into pathways into further education or employment. Match funding for year one mentoring and associated costs has been supported by Derbyshire County Council, with additional

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funding for years two and three to be secured from funding and local authorities partners for roll out across the region.

5. **Emergent Creative Leadership:** Funded by Children in Need Small grants, this two-year programme (2018 - 2020) with additional investment from Western Power Distribution, is working with up to 48 young people (16-19) from disadvantaged communities across Bassetlaw District. Young people work with artists in their studios at the Harley Gallery on Welbeck estate, producing handmade arts and craft products. Alongside learning artisan craft skills, the young people participate in workshops on social action and enterprise skills. The focus of this work is to support young people in developing skills, in building relationships and developing confidence to lead activity in the community. The project will develop skills to support young people develop pathways into further education, training or work. Match funding from the Harley Foundation, from a local grant funder, Focus on Young People in Bassetlaw and sponsors Western Power Distribution are supporting us to make a difference to young lives.
6. **Splash!** Funded by Arts Council England (2018 – 2019) is a jointly commissioned innovative, fun and accessible cultural programme for and by children and young people (CYP) with learning disabilities in the East Midlands. Inspired by the rivers and waterways of the East Midlands, Splash! is being delivered with a consortium of 10 partner organisations, an ensemble of 10 disabled artist educators and over 50 regional social, education and cultural organisations working together including schools, disability agencies, community groups, local authorities and universities. In 2018 / 19, the programme began with six months of research and audience engagement leading to an outdoor touring production on five public sites across the region in the summer of 2019.

## Plans for 2019/2020

We are planning to shape our portfolio around following four programmes:

- i. **Cultural Education** – supporting arts and cultural education for all children and young people
- ii. **Creative Communities** – supporting social and artistic placemaking through the creativity of children and young people
- iii. **Creative Careers** – supporting pathways into the creative and cultural sectors for children and young people
- iv. **Creative Leadership** – supporting partnerships, delivering training and events, mentoring and advice to young people and the children's workforce across the education, community and business sectors.

The development of future products and services will be determined by how they:

- contribute to the six strategic objectives
- satisfy the six drivers of the creative voice
- align to the current programme framework
- are financially viable and contribute to the charity's long-term resilience and sustainability.

## Cultural Education: our offer

Our Cultural Education portfolio provides a diverse, targeted, multi-platform, high quality universal cultural education offer to children and young people of the Midlands.

Between 2019 -2022, this offer is funded by Arts Council England as a Sector Support Organisation (SSO) for the East Midlands region to meet Arts Council England's Cultural Education Challenge.

We do this through our **Bridge Programme** which will continue to provide and improve the sector support required to enable the regions' cultural and education sectors. We plan to address the socio-economic disadvantages tackled by the challenge – disability – faith, ethnicity, income, class, & geography by:

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- Promoting our universal offer so that more schools and cultural organisations take up the challenge with events, resources and networks
- Promoting and facilitating the take up of Artsmark & Arts Award
- Increasing our infrastructure in the region by supporting Local Cultural Education Partnerships and establishing thematic education partnerships
- Sustaining a high-quality cultural education infrastructure by leveraging more than pound for pound investment to align to our Cultural Life Fund
- Increasing our reach through clear and strategic audience development planning and delivery.

In the future, we will address the inequality of opportunity of children and young people in the region by prioritising investment on vulnerable children and young people from disadvantaged communities.

## **Creative Communities: our offer**

Our Creative Communities portfolio of services works with children young people and key community partners to generate creative social action projects, interventions and productions at the heart of communities.

By co-designing, leading and delivering activities which address community need, children and young people will develop vital transferable skills that support their progression into employment, education, training or enterprise.

Our successful projects, Act4Change, Emerge and Splash! drive our plans to extend this work to reach more children's communities across the region.

## **Emerge: UK Towns of Youth Culture**

Emerge: UK Towns of Youth Culture is a programme of creative, cultural and digital interventions and transformations for, by and with young people aged 16 -25, in 12 targeted locations across the Midlands (rural, urban and coastal) which will instil pride of place, transform cultural identities and generate sustainable economic impact, fuelled by an explosion of youth-led cultural and creative industry in those locations.

Emerge sees the future health and wealth of the region's towns being dependent upon the vitality, visibility and viability of the culture and creative energies of their young people. In order to harness and exploit those energies, Emerge will:

- Galvanise the research, development and production of cultural and creative, live and online interventions, products, services and experiences
- Improve creative and digital skills particularly for young people who are at risk of economic exclusion;
- Strengthen local leadership in the cultural, creative and digital industries
- Create coherent progression routes which promote employment and enterprise opportunities
- Generate creative cultural commissions for local young artists, creative and digital practitioners who are committed to developing their local communities
- Generate unforgettable, live and digital arts and cultural festivals
- Catalyse locations to become more attractive places to grow up in, work and visit
- Create community cohesion and pride of place in local identities.

We plan to extend the programme for a further three years, building on the success of Emerge between 2016 and 2019 which was funded by Spirit of 2012.



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## Splash!

Splash! is a jointly commissioned innovative, fun and accessible cultural programme for and by children and young people (CYP) with learning disabilities in the East Midlands. Inspired by the rivers and waterways of the East Midlands, Splash! is being delivered with a consortium of 10 partner organisations, an ensemble of 10 disabled artist educators and over 50 regional, social, education and cultural organisations working together including schools, disability agencies, community groups, local authorities and universities.

We are now focusing on how we can ensure the continued legacy of this inspiring work and strengthen the collaboration within communities in the sub regions, led by a strong voice from disabled children and young people.

In the future, our goal is to create 5 sub-regional hubs – the Splash! Scene Network (SSN) - which will facilitate and catalyse cultural programmes which young disabled people will lead in order to develop stronger community capabilities, life changing personal and social relationships, and transformed creative and social futures of all young disabled people.

## Creative Careers

Our Creative Careers portfolio programme stems from our long-standing commitment to providing creative enterprise and employment opportunities (including apprenticeships and traineeships) across the region.

This service supports young people's pathways into the creative industries and wider world of work. Young people aged 16-30, are helped to kick-start their creative careers with support from the charities easy access to information, training, finance and the support required to lead creative enterprises and more broadly enter the jobs market.

In 2019 – 2021 our Emerge Creative Skills and Leadership projects are resourced by funding from Children in Need with additional investment from Western Power Distribution.

In the future we will prioritise investment to the most vulnerable groups where specialist support is required, to enter the sector with the skills and confidence they need to succeed.

## Creative Leadership

At the core of our work is the belief that children and young people have the right to participate in arts and culture and apply their creativity to play an active role in decision-making.

Our creative leadership work leads our commitment to involving children and young people in every aspect of our work, from choosing our name to shaping the services we offer to children and young people. This makes our work more exciting, ambitious and valued by young people and enhances its impact by responding to young people's real needs, ambitions and abilities.

Whilst our work to date in supporting young people to have a voice in our work has been strong, we see a future where creative children and young people have even more control over the cultural and creative activities they take part in. We know young people are keen to play a lead role in helping to lead the fight, advocating for how arts and culture are offered to their peers and communities.

Our creative leadership portfolio will:

- Inspire art and cultural organisations, schools and communities to fully engage with children, young people and their families using their creativity
- Help young creative people thrive in their transition from education to work and from home to independent living, applying their creativity to lead change in their lives
- Help creative adults that work with children and young people develop their knowledge and skills through networking, training, and events.

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Our priority is to increase opportunities for children and young people to step up and lead action from diverse and disadvantaged backgrounds to work with us to make a difference to how future generations access the arts and connect to the creative and cultural sector.

## Conclusion

2019 is our 10th birthday, which we celebrated in style with a party and our second gala awards evening. We were able to recognise outstanding creative achievement by children, young people, emerging artists and their teachers and leaders.

This report shows the detail of our programmes and projects during 2018-19. Many are ongoing and will continue in the next financial year, when we hope to be able to share and celebrate further successes.

Finally, I'd like to thank our funders, partners and sponsors who generously supported us this year.

Signed on behalf of the Trustees on 30<sup>th</sup> October 2019.



**Felicity Woolf**  
Chair of the Board of Trustees

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## DIRECTORS' REPORT

The directors, who are also the trustees, present their report and accounts for the year ended 31 March 2019.

### LEGAL AND ADMINISTRATIVE INFORMATION

TMC is a company limited by guarantee, without share capital and incorporated on 21st 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, Felicity Woolf and Vice Chair and Chair of Operations & Finance, Alison Halls Taylor (resigned 29<sup>th</sup> July 2019) and Rachel Amery (appointed 29<sup>th</sup> July 2019).

We are grateful to all the Trustees, listed on page 2, 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.

At the end of March 2019, there were 10 serving Trustees on the Board. Under the terms of the Articles of Association, one third of Trustees will retire at the Annual General Meeting. Trustees who retire are eligible for re-appointment.

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, with the sum being made up over a five-year period.

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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 2019 holds £214,108 in unrestricted reserves (2018 - £149,055)

## **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. Senior staffing of the organisation stabilised during 2018/19 following some significant changes in the previous two years.

2018/19 began with the following senior leadership team in place:

- Chief Executive: Nick Owen
- Deputy Chief Executive: Emily Bowman

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 2018 / 2019 were of a financial or operational nature. They are summarised, along with the relevant mitigation measures, below:

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| TYPE OF RISK | POTENTIAL RISK  | Consequence of risk   | INHERENT ASSESSMENT   |                            | OVERALL LEVEL OF RISK | How to mitigate the Risk  |
|--------------|---|---|-----------------------|----------------------------|-----------------------|---|
|              |   |   | Pre-Mitigation impact | Pre-Mitigation Probability |                       |   |
| Operational  | 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  |
| Operational  | 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 |
| Operational  | 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  |
| Operational  | 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  |
| Operational  | 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.  |

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|-------------|--|---|---|---|---|---|
|             |  |   |   |   |   | Diversity Working group in place  |
| Operational | Lack of Safeguarding policy                            | Unable to deliver charity's vision or meet legislation  | 3 | 3 | 6 | Regular review of Safeguarding Policy and Action Plan; regular staff training in safeguarding provided; named safeguarding officers on staff team and on Board of Trustees                                |
| Financial   | 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   |
| Financial   | 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 |
| Governance  | 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   |
| Governance  | 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   |
| Governance  | 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;   |
| Governance  | Lack of knowledge by trustees of the charitable sector | Trustees make inappropriate decisions; are unable to inform   | 2 | 3 | 5 | Induction procedures for new trustees; regular training and   |

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|                     |  | charity's vision or contribute to advocating for it  |   |   | development plan for all trustees   |
|---------------------|--|--|---|---|---|
| Business Continuity | Major office disruption  | Lack of access to offices or equipment   | 2 | 2 | All staff provided with laptops; emergency comms strategy is in place; use of Cloud based computing technologies                                  |
| Business Continuity | Cyberattack  | IT systems are hacked into and fail  | 3 | 2 | All systems are regularly back up by external provider  |
| Business Continuity | Unplanned key staff absences   | Lack of knowledge and skills for projects; funding bids not being submitted on time                | 3 | 3 | Major project strategies are shared amongst key staff; processes for recruitment for new staff are in place                                       |
| Business Continuity | Reputational damage  | Adverse PR; loss of contracts and income; damaged operations due to stakeholder withdrawal         | 3 | 3 | Implementation of crisis management policy including comms strategies for both staff, trustees and external partners                              |
| Strategic           | Adverse political climate for arts and education                                       | Withdrawal of funding for the sector   | 3 | 3 | Regular, targeted and strategic advocacy and lobbying by key personnel and trustees   |
| Strategic           | Brexit   | Lack of international engagement; lack of funding from EU programmes; inability to deliver mission | 2 | 3 | Establish links with a wider base of international development agencies e.g. British Council, Dept of International Trade, EU and non-EU partners |
| Strategic           | non-prioritisation of children and young people in Arts Council England's 10 Year Plan | Bridge contract stops in 2022  | 3 | 3 | Advocate regularly for CYP at ACE and at national levels' diversify skill base of organisation & develop new contracts                            |

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## 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.

Our largest source of income is Arts Council England (ACE), who fund us as the ACE Sector Support Organisation (£3.45m over 4 years) for the East Midlands and Splash! (£553k over 2 years).

This funding accounts for 75% of our income in 2019 / 20. This relationship is fundamental to delivering against our charitable aims; but we also are intent on not becoming completely dependent on one investor. We aim over the course of this business plan to reduce our dependency on a small number of funders to less than 50% of our turnover.

Since 2016 we have diversified our programme income to include Spirit of 2012, Lottery Fund and Children in Need. However, our core costs covered through our net income remain significantly dependent on ACE SSO funding.

Our financial ambition is built upon achieving the following goals:

- i) Maintenance of levels of provision delivered in 2018/19 within a financially sound and sustainable framework
- ii) Reduction of our dependence on a small number of investors
- iii) Achievable, realistic diversification of investment base
- iv) Maintain our reserves policy at 3 months running costs
- v) Implementing the growth agenda of our business plan.

In developing our Income Generation strategy, the charity's current priorities have been considered, and three have been highlighted as being particularly relevant: developing the charity's financial reserves, funding the development services (associated projects and programmes) outlined in the 2019 – 2024 Business Plan, and establishing income generation rules and procedures of best practice for delivery across the staff team and organisation as a whole.

Considering these factors, 5 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. Legacy Giving
5. Traded Services (Sales)

In addition, the strategy will support the development of the charity's infrastructure by targeting investment in developing our fundraising management and supporter data systems and processes.



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# THE MIGHTY CREATIVES

( A CHARITABLE COMPANY LIMITED BY GUARANTEE )

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## **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 30<sup>th</sup> October 2019.



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 2019 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 2019 and of its deficit 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 3, 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.

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](http://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 WILSON (SENIOR STATUTORY AUDITOR)**  
FOR AND BEHALF OF GUEST WILSON LIMITED, STATUTORY AUDITOR  
8 Wolverton Road, Snitterfield, Stratford upon Avon, CV37 0HB  
30<sup>th</sup> October 2019

# THE MIGHTY CREATIVES

( A CHARITABLE COMPANY LIMITED BY GUARANTEE )

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2019

|  | Notes     | Unrestricted<br>funds<br>£ | Restricted<br>funds<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|--|-----------|----------------------------|--------------------------|--------------------|--------------------|
| <b>INCOME</b>                                |           |                            |                          |                    |                    |
| Income from charitable activities            | 3         | 9,421                      | 1,518,996                | 1,528,417          | 1,394,755          |
| Income from other trading activities         |           |                            |                          |                    |                    |
| Consultancy                                  |           | 48,254                     | -                        | 48,254             | 15,343             |
| Investment income                            |           | 612                        | -                        | 612                | 131                |
| <b>Total income</b>                          |           | <b>58,287</b>              | <b>1,518,996</b>         | <b>1,577,283</b>   | <b>1,410,229</b>   |
| <b>EXPENDITURE</b>                           |           |                            |                          |                    |                    |
|  | 5         |                            |                          |                    |                    |
| <i>Charitable activities</i>                 |           |                            |                          |                    |                    |
| Grants made & activities undertaken directly |           | 14,324                     | 1,357,773                | 1,372,097          | 1,556,725          |
| Support costs                                |           | (30,000)                   | 110,953                  | 80,953             | 93,759             |
| Governance                                   |           | 8,910                      | -                        | 8,910              | 10,029             |
| <b>Total expenditure</b>                     |           | <b>(6,766)</b>             | <b>1,468,726</b>         | <b>1,461,960</b>   | <b>1,660,513</b>   |
| <b>Net income/(expenditure)</b>              |           | <b>65,053</b>              | <b>50,270</b>            | <b>115,323</b>     | <b>(250,284)</b>   |
| Net transfers between funds                  |           | -                          | -                        | -                  | -                  |
| <b>NET MOVEMENT IN FUNDS</b>                 |           | <b>65,053</b>              | <b>50,270</b>            | <b>115,323</b>     | <b>(250,284)</b>   |
| Fund balances brought forward                | 14        | 149,055                    | 95,240                   | 244,295            | 494,579            |
| <b>FUND BALANCES CARRIED FORWARD</b>         | <b>14</b> | <b>214,108</b>             | <b>145,510</b>           | <b>£ 359,618</b>   | <b>£ 244,295</b>   |

# THE MIGHTY CREATIVES

( A CHARITABLE COMPANY LIMITED BY GUARANTEE )

## BALANCE SHEET as at 31 March 2019

|  | Notes | 2019<br>£        | 2018<br>£        |
|--|-------|------------------|------------------|
| <b>FIXED ASSETS</b>  |       |                  |                  |
| Tangible assets  | 9     | 18,394           | 4,423            |
| <b>CURRENT ASSETS</b>  |       |                  |                  |
| Debtors  | 10    | 114,793          | 104,400          |
| Bank and cash balances   |       | 397,907          | 329,325          |
|  |       | <b>512,700</b>   | <b>433,725</b>   |
| <b>CREDITORS: amounts falling due within one year</b>          | 11    | <b>(171,476)</b> | <b>(193,853)</b> |
| <b>NET CURRENT ASSETS</b>                                      |       | <b>341,224</b>   | <b>239,872</b>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       | <b>359,618</b>   | <b>244,295</b>   |
| <b>CREDITORS: amounts falling due after more than one year</b> | 12    | -                | -                |
|  |       | <b>£ 359,618</b> | <b>£ 244,295</b> |
| <b>INCOME FUNDS</b>  |       |                  |                  |
| Unrestricted general funds                                     | 14    | 214,108          | 149,055          |
| Restricted funds   | 14    | 145,510          | 95,240           |
|  |       | <b>£ 359,618</b> | <b>£ 244,295</b> |

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 30<sup>th</sup> October 2019 and signed on their behalf by:

*Felicity Woolf*

Director

# THE MIGHTY CREATIVES

( A CHARITABLE COMPANY LIMITED BY GUARANTEE )

## STATEMENT OF CASHFLOWS for the year ended 31 March 2019

|  | 2019<br>£       | 2018<br>£        |
|--|-----------------|------------------|
| <b>Reconciliation of net movement in funds to net cashflow from operating activities</b> |                 |                  |
| Net movement in funds  | 115,323         | (250,284)        |
| Depreciation   | 7,062           | 7,850            |
| Profit on disposal of fixed assets   | -               | -                |
| Interest received  | (612)           | (131)            |
| (Increase)/decrease in debtors   | (10,393)        | (7,331)          |
| Increase/(decrease) in creditors   | (22,377)        | 110,077          |
| <b>Net cash inflow/(outflow) from operating activities</b>                               | <b>89,003</b>   | <b>(139,819)</b> |
| <b>Cashflows from investing activities</b>   |                 |                  |
| Purchase of tangible fixed assets  | (21,033)        | -                |
| Interest received  | 612             | 131              |
| <b>Net cash inflow/(outflow) from investing activities</b>                               | <b>(20,421)</b> | <b>131</b>       |
| <b>Increase/(decrease) in cash in the year</b>   | <b>68,582</b>   | <b>(139,688)</b> |
| <b>Cash at the beginning of the year</b>   | <b>329,325</b>  | <b>469,013</b>   |
| <b>Cash at the end of the year</b>   | <b>397,907</b>  | <b>329,325</b>   |

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# THE MIGHTY CREATIVES

( A CHARITABLE COMPANY LIMITED BY GUARANTEE )

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## NOTES TO THE FINANCIAL STATEMENTS

at 31 March 2019

### 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 £214,108. After consideration of the current business plan to 2019/20 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

# THE MIGHTY CREATIVES

( A CHARITABLE COMPANY LIMITED BY GUARANTEE )

## 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<br>Unrestricted<br>£ | Restricted<br>£ | 2019<br>£ | 2018<br>£ |
|-------------------------------------|------------------------------|-----------------|-----------|-----------|
| Grants received (see note 4)        | -                            | 1,518,996       | 1,518,996 | 1,394,755 |
| Donations                           | 3,285                        | -               | 3,285     | -         |
| Sponsorship                         | 3,050                        | -               | 3,050     | -         |
| Fundraising                         | 2,003                        | -               | 2,003     | -         |
| Other                               | 1,083                        | -               | 1,083     | -         |
|                                     | 9,421                        | 1,518,996       | 1,528,417 | 1,394,755 |

| 4 GRANTS RECEIVED – ALL RESTRICTED          | 2019<br>£ | 2018<br>£ |
|---|-----------|-----------|
| ACE Bridge Extension                        | 53,359    | 55,009    |
| ACE National Portfolio Funding              | 862,477   | 862,477   |
| ACE Splash!                                 | 214,518   | -         |
| Spirit of 2012 - Emerge                     | 351,599   | 431,989   |
| Children In Need – small grant              | 7,951     | -         |
| Children in Need – main grant               | 29,092    | 10,000    |
| RBS Creative Enterprises                    | -         | 16,490    |
| Artsmark Delivery & School Support          | -         | 40,930    |
| Artsmark Small & Rural Schools Consultation | -         | 1,000     |
| Creative Europe (Risk Change)               | -         | (23,140)  |
|   | 1,518,996 | 1,394,755 |



# THE MIGHTY CREATIVES

( A CHARITABLE COMPANY LIMITED BY GUARANTEE )

## 5 EXPENDITURE

| <b>Charitable activities</b>   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2019<br>£        | 2018<br>£        |
|--|----------------------------|--------------------------|------------------|------------------|
| <b>Grants made &amp; activities undertaken directly</b><br><i>(note relates expenditure to source of funds as shown below)</i> |                            |                          |                  |                  |
| ACE National Portfolio funding   | -                          | 329,379                  | 339,379          | 558,679          |
| ACE Splash!  | -                          | 212,337                  | 212,337          |                  |
| Bridge Extension   | -                          | 29,030                   | 29,030           | 29,050           |
| RBS Creative Enterprise  | -                          | 3,210                    | 3,210            | 5,714            |
| Spirit of 2012 - Emerge  | -                          | 307,290                  | 307,290          | 322,470          |
| Children in Need – small grant   | -                          | 3,127                    | 3,127            | -                |
| Children in Need – main grant  | -                          | 4,605                    | 4,605            | -                |
| Creative Europe (RISK Change)  | -                          | -                        | -                | 15,453           |
| ACE Artsmark Delivery & School Support   | -                          | -                        | -                | 52,608           |
| ACE Artsmark Small & Rural Schools   | -                          | -                        | -                | 1,181            |
| Traineeships   | -                          | -                        | -                | 378              |
| Act 4 Change – social action project   | -                          | -                        | -                | 12,872           |
| Internships  | -                          | -                        | -                | 433              |
| Mighty Schools   | -                          | -                        | -                | 48               |
| Creative Employment  | -                          | -                        | -                | 270              |
| Arts Council (CEP) Apprenticeships   | -                          | -                        | -                | 3,200            |
|  | -                          | 888,978                  | 888,978          | 1,002,356        |
| Staff costs associated with above expenditure  | 14,324                     | 468,795                  | 483,119          | 554,369          |
|  | 14,324                     | 1,357,773                | 1,372,097        | 1,556,725        |
| <b>Support costs</b>   |                            |                          |                  |                  |
| Staff costs  | (110,953)                  | 110,953                  | -                | -                |
| Training   | 7,054                      | -                        | 7,054            | 4,078            |
| Staff welfare  | 2,560                      | -                        | 2,560            | 1,602            |
| Recruitment  | 681                        | -                        | 681              | 1,044            |
| Travel   | 581                        | -                        | 581              | 717              |
| Telephones & IT  | 21,440                     | -                        | 21,440           | 21,508           |
| Legal & professional   | 1,024                      | -                        | 1,024            | 4,651            |
| Bank charges   | 1,085                      | -                        | 1,085            | 1,125            |
| Depreciation   | 7,063                      | -                        | 7,063            | 7,850            |
| Income generation  | 4,948                      | -                        | 4,948            | -                |
| Rent   | 27,065                     | -                        | 27,065           | 27,023           |
| PR and communications  | 5,182                      | -                        | 5,182            | 20,484           |
| Local office administration  | 1,180                      | -                        | 1,180            | 1,347            |
| Insurance  | 1,090                      | -                        | 1,090            | 2,330            |
|  | (30,000)                   | 110,953                  | 80,953           | 93,759           |
| <b>Governance</b>  |                            |                          |                  |                  |
| Trustee travel costs   | -                          | -                        | -                | -                |
| Trustee meeting costs  | 477                        | -                        | 477              | 1,636            |
| Trustee hospitality  | -                          | -                        | -                | -                |
| Audit & accountancy  | 8,433                      | -                        | 8,433            | 8,393            |
|  | 8,910                      | -                        | 8,910            | 10,029           |
| <b>Total expenditure</b>   | <b>(6,766)</b>             | <b>1,468,726</b>         | <b>1,461,960</b> | <b>1,660,513</b> |

# THE MIGHTY CREATIVES

( A CHARITABLE COMPANY LIMITED BY GUARANTEE )

| 6 STAFF COSTS         | 2019<br>£      | 2018<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 432,192        | 496,881        |
| Social security costs | 36,181         | 39,200         |
| Other pension costs   | 15,882         | 18,288         |
|                       | <b>484,255</b> | <b>554,369</b> |

The average number of employees, including part-time, during the year was 16.7 (2018: 16.5).

No employee earned in excess of £60,000 (2018 - Nil).

The company operates a defined contribution pension scheme. The charge for the period was £15,882 (2018 – £18,288). There were outstanding contributions of £Nil at the year end (2018 - £Nil).

| 7 NET INCOME FOR THE YEAR        | 2019<br>£ | 2018<br>£ |
|----------------------------------|-----------|-----------|
| This is stated after charging:   |           |           |
| Operating lease costs - property | 24,850    | 24,850    |
| Auditors' remuneration           |           |           |
| As auditors                      | 3,000     | 3,000     |
| Other services                   | 5,400     | 5,400     |
| Depreciation                     | 7,062     | 7,850     |

## 8 DIRECTORS' REMUNERATION

No remuneration was paid to Directors for their services, but £307.43 was paid as reimbursement of travel and other expenses.

## 9 TANGIBLE FIXED ASSETS

|                           | Office<br>equipment<br>£ |
|---------------------------|--------------------------|
| <b>Cost or valuation:</b> |                          |
| At 1 April 2018           | 50,156                   |
| Additions                 | 21,033                   |
| Disposals                 | (20,498)                 |
| At 31 March 2019          | 50,691                   |
| <b>Depreciation:</b>      |                          |
| At 1 April 2018           | 45,733                   |
| Charge for the year       | 7,062                    |
| Eliminated on disposals   | (20,498)                 |
| At 31 March 2019          | 32,297                   |
| <b>Net book value</b>     |                          |
| At 31 March 2019          | <b>18,394</b>            |
| At 1 April 2018           | 4,423                    |

| 10 DEBTORS                                 | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| <b>Amounts falling due within one year</b> |                |                |
| Trade debtors                              | 9,000          | 87,519         |
| Prepayments and accrued income             | 104,290        | 15,396         |
| Other debtors                              | 1,503          | 1,485          |
|  | <b>114,793</b> | <b>104,400</b> |

# THE MIGHTY CREATIVES

( A CHARITABLE COMPANY LIMITED BY GUARANTEE )

| 11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 2019           | 2018           |
|---|----------------|----------------|
|   | £              | £              |
| Trade creditors                                   | 90,590         | 112,519        |
| Other taxes and social security                   | 9,861          | 9,417          |
| Other creditors                                   | -              | -              |
| Deferred income (see also Note 12)                | -              | -              |
| Accrued expenses                                  | 71,025         | 71,917         |
|   | <b>171,476</b> | <b>193,853</b> |

| 12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 2019 | 2018 |
|--|------|------|
|  | £    | £    |
| Deferred income  | -    | -    |

| DEFERRED INCOME  | £ |
|--|---|
| At 1 April 2018  | - |
| 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 2019   | - |

| 13 FUNDS ANALYSIS     | General<br>Unrestricted<br>fund<br>£ | Restricted fund<br>£ | 2019<br>£ | 2018<br>£ |
|-----------------------|--------------------------------------|----------------------|-----------|-----------|
| Tangible fixed assets | 18,394                               | -                    | 18,394    | 4,423     |
| Current assets        | 270,148                              | 242,552              | 512,700   | 433,725   |
| Liabilities           | (74,434)                             | (97,042)             | (171,476) | (193,853) |
| Net assets            | 214,108                              | 145,510              | 359,618   | 244,295   |

| 14 MOVEMENT IN FUNDS                   | At 1 April<br>2018<br>£ | Incoming<br>resources<br>£ | Outgoing<br>resources<br>£ | Transfers<br>£ | At 31<br>March 2019<br>£ |
|--|-------------------------|----------------------------|----------------------------|----------------|--------------------------|
| <b>Restricted funds</b>                |                         |                            |                            |                |                          |
| ACE National Portfolio Funding         | -                       | 862,477                    | (781,231)                  | -              | 81,246                   |
| ACE Bridge Extension                   | 1,070                   | 53,359                     | (53,338)                   | -              | 1,091                    |
| ACE Artsmark Delivery & School Support | 3,652                   | -                          | -                          | -              | 3,652                    |
| ACE Splash!                            | -                       | 214,518                    | (247,867)                  | -              | (33,349)                 |
| Spirit of 2012 – Emerge                | 76,052                  | 351,599                    | (353,861)                  | -              | 73,790                   |
| RBS – Creative Enterprise              | 10,952                  | -                          | (10,877)                   | -              | 75                       |
| Children in Need – small grant         | -                       | 7,951                      | (7,430)                    | -              | 521                      |
| Children in Need – main grant          | 3,514                   | 29,092                     | (14,122)                   | -              | 18,484                   |
|  | 95,240                  | 1,518,996                  | (1,468,726)                | -              | 145,510                  |
| <b>Unrestricted funds</b>              |                         |                            |                            |                |                          |
| General                                | 149,055                 | 58,287                     | 6,766                      | -              | 214,108                  |
|  | 244,295                 | 1,577,283                  | (1,461,960)                | -              | 359,618                  |

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# THE MIGHTY CREATIVES

( A CHARITABLE COMPANY LIMITED BY GUARANTEE )

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## 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.

**ACE Artsmark Delivery & School Support:** funding to deliver Artsmark Development Days and support in the test phase of the new Artsmark Award, an accreditation and planning tool for schools to improve cultural education and the cultural offer in school.

**ACE Splash!** – strategic touring funding for a jointly commission cultural programme and touring show for and by children and young people with learning disabilities in the East Midlands. Splash! is being delivered with a consortium of 10 partner organisations, an ensemble of 10 disabled artist educators and over 50 regional organisations.

**Spirit of 2012 – Emerge:** Funding to manage 24 young people led, young artist directed arts festivals across the Midlands between 2017-19. Inspired by Shakespeare, these festivals are programmed to take place in some of the most culturally disengaged parts of the region.

**RBS – Creative Enterprise:** funding to support 36 young participants – 16-25 - and help them follow up on this inspiration with a program of training, mentoring and support to kick-start their creative careers.

**Children in Need – Small - Emerge Creative Leadership** provides social action training and creative skills sessions for vulnerable and disadvantaged young people from communities in North Nottinghamshire. 24 participants annually develop creative skills alongside activity to plan, deliver and evaluate creative social action projects. Workshop sessions take place in two forms, once a week for 3 hours over an 18-week period and intensively for week-long residencies.

**Children in Need – Main - Emerge Creative Skills** delivers an employment transition programme for young care leavers across the region. 20 participants engage annually in an interactive programme which provides weekly one to one creative mentoring sessions and group workshop activity. With the aim to improve skills for work and life, participants explore enterprising activity and routes into employment, further education or training.