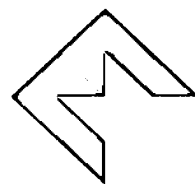


Report and Financial Statements

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31 March 2020



Creating Enterprise C.I.C.
Company Registration No. 09134089



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Content

<u>Company Information</u>	3
<u>Strategic Report</u>	5
<u>Directors' Report</u>	15
<u>Independent Auditor's Report to the members of Creating Enterprise C.I.C.</u>	19
<u>Statement of Income and Retained Earnings</u>	22
<u>Statement of Financial Position</u>	23
<u>Accounting Policies</u>	25
<u>Notes to the Financial Statements</u>	31

Company Information

Directors

Neil Ashbridge		
Mark Chadwick	Appointed 16.12.2019	
Sian Elinor Corbett-Jones	Appointed 18.07.2019	
Kathryn Coughlin		Resigned 16.12.2019
Peter Parry		Chair of Board
Elwen Roberts		

Co-Optee

Guto Lewis	Appointed 18.07.2019
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Company Secretary

Sandra Lee

Registered Office

Units 12 & 14
Cartrefi Conwy Business Park
Station Road
Mochdre
Conwy LL28 5EF

External Auditors

RSM UK Audit LLP
3 Hardman Street
Manchester M3 3HF

Internal Auditors

Mazars LLP
45 Church Street
Birmingham B3 2RT

**Panel of Solicitors
(for Corporate and Funding
Advice)**

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

Clarke Willmott LLP
Emperor House
Scott Harbour
Pierhead Street
Cardiff CF10 4PH

Trowers & Hamlins LLP
55 Princess Street
Albert Square
Manchester M2 4EW

Croftons Solicitors LLP
The Lexicon
Mount Street
Manchester M2 5FA

Bankers

Barclays Commercial Bank
Midlands Service Centre
PO Box 333, One Snowhill
Snow Hill Queensway
Birmingham B3 2WN

Funding Advisers

Centrus Financial Advisors Ltd
Senator House
85 Queen Victoria Street
London EC4V 4AB

Surveyors & Valuers

Savills (L&P) Limited
33 Margaret Street
London W1G 0JD

Public Relations Advisers

Ceidiog Communications
40 Brookhouse Road
Denbigh LL16 4RQ

Strategic Report

Financial Year End 31 March 2020

The directors have pleasure in submitting their strategic report for Creating Enterprise C.I.C. for the year ended 31 March 2020.

Review of the business

Creating Enterprise C.I.C, company number 09134089, was established in 2015 as a Community Interest Company and is a private company limited by guarantee without share capital.

Work during the early stages of formation and development of the business plan was supported by funding from the Community Housing Cymru Building Enterprise programme. This programme was aimed at supporting social enterprises and Registered Social Landlords in developing partnerships and encouraging new business models that will create and anchor wealth in disadvantaged communities.

Creating Enterprise is a wholly owned subsidiary of Cartrefi Conwy Cyfyngedig, a registered social landlord based in the County of Conwy. It was formed to build on Cartrefi Conwy Cyfyngedig's commitment to providing valuable and sustainable work related training and employment opportunities for its tenants and other residents, thereby contributing to social and economic regeneration in the county of Conwy and with aspirations to extend more widely across North Wales.

Cartrefi Conwy Cyfyngedig is currently the sole member of Creating Enterprise. No other person shall become a member of the company unless they are a Contracting Authority and the Directors have approved the application for membership.

Mission Statement

We will continue to provide the very best construction and training programmes to our stakeholders and the wider community in a respectful, ethical and socially responsible manner ensuring legacies are built in the communities we work.

Vision

Creating Enterprise will continue to provide the highest quality service to its customers whilst using its profits for social purpose: "gaining employment opportunities for those furthest from the job market".

It will innovate and grow its services and place its customers at the heart of its operations delivering the social benefits identified as strategic objectives by its stakeholders.

This includes:

- Continued development of opportunities for business efficiency through inter-group trading between Cartrefi Conwy Cyfyngedig and Creating Enterprise and providing its services to the wider communities.
- Creating Enterprise being operationally organised into two clearly distinct operating divisions.
 - Creating Futures which provides training and development needs to a range of stakeholders;
 - Commercial Services - operating a range of maintenance and construction services to Cartrefi Conwy Cyfyngedig and external clients

Creating Enterprise began the year with 62 employees working across an increased number of work streams, and ended the year with 74 employees.

The works supplied to both Cartrefi Conwy Cyfyngedig and also external stakeholders are increasing annually. The contracts we deliver include;

- Modular Build Solutions providing zero carbon homes
- Property Repairs
- Planned Maintenance and refurbishment
- Fuel Servicing of domestic properties
- Full House Heating Installation programmes
- Painting of dwellings and commercial properties (internal and external)
- Electrical Services
- Groundworks Contracts
- Property Clearance, garden maintenance and internal property clean service
- Communal area refurbishments

We are proud to have worked for a range of external clients during the year, included Conwy County Borough Council, University of Wales in Bangor and private sector developers in the local area.

FINANCIAL & OPERATIONAL REVIEW

Financial review

2019/2020 is Creating Enterprise's fifth full year of trading. The Board is pleased to report a trading surplus on ordinary activities in the year of £126,551 (2019: £147,089) before Corporation Tax.

The organisation has grown over the financial year with a year-end turnover of £10.6m compared to £9.8m in 2018/19. The growth in turnover has been, in the main, due to Cartrefi Conwy Cyfyngedig choosing Creating Enterprise as the social contractor of choice for the provision of its property maintenance works and management of their new build development contracts.

The organisation saw a reduction in turnover of £3.6m within the year compared to the April 2019 Business Plan forecast of £14.2m. This was in the main due to two development schemes seeing

minor unforeseen delays on site. These works have now been re-phased into 2020/21 for completion.

In addition, due to the impact of Covid-19, Creating Enterprise was unable to complete a number of contracts for Cartrefi Conwy Cyfyngedig. The last two weeks of March resulted in a loss of income of £93,000 against the April 2019 Business Plan. These works will be completed in 2020/21.

Calon Homes

In May 2018 Creating Enterprise entered into a Joint Venture with a North Wales based SME, Brenig Developments Limited, establishing Calon Homes as a Limited Liability Partnership. The partners can each appoint 2 Directors and there is an additional independent Director appointed by the Calon Homes Board.

The aim of Calon Homes LLP is to bring together the partners' expertise in property development and their shared ethos of social enterprise values for the primary purpose of delivering new homes for market sale. The benefits from this relationship are;

- Competitively priced, quality homes for local people with profits recycled into the Group to further the supply of affordable homes across North Wales
- Social impact: meaningful paid work and volunteer opportunities for those experiencing difficulty in accessing or sustaining employment: personal development and up-skilling leading to increased financial independence, social and economic inclusion
- Enhanced opportunities for the Cartrefi Conwy Cyfyngedig group to increase the supply of affordable housing by partnering with Calon Homes LLP to meet s106 planning requirements within scheme applications

Calon Homes LLP is currently working on two planning applications to deliver market sale homes that will generate profits to further Cartrefi Conwy Cyfyngedig's affordable housing programme. Pending planning approval and taking into account the impact of Covid-19, we aim to start both schemes in 2020/21 financial year. The scheme details are as follows:

- Silver Birches, Middlewich, Cheshire. 11 Market Sale Homes
- Maes y Felin, Glan Conwy, Conwy. 111 Homes of which 30% will deliver affordable housing for Cartrefi Conwy Cyfyngedig.

Creating Enterprise C.I.C. received approval from the Board on 3 May 2018 to invest up to a total of £200,000 under a loan agreement for use by Calon Homes LLP as working capital. To date £100,000 has been drawn against this loan facility.

Creating Enterprise Modular Solutions

During 2018/19 Creating Enterprise partnered with Beattie Passive and launched its first modular factory in North Wales delivering timber framed properties to zero carbon Passivhaus standards. Grant funding was approved from the Coastal Communities Fund to assist in the set-up of the project. The grant of £174,580 was used to fund machinery and equipment (£69,000) and the

revenue costs (£105,580) over one year. The revenue costs include accommodation, utilities, professional and legal fees.

Beattie Passive was chosen as our preferred partner because:

1. They produce Zero Carbon homes to Passivhaus house standard
2. The ability to self-build through Creating Enterprise and in doing so giving employment opportunities to those furthest from the job market

Work in the factory commenced in the fourth quarter of 2018/19, manufacturing four sheltered bungalows for Anglesey County Council. The scheme was successfully completed in February 2020 meeting the necessary air and thermal testing requirements. Creating Enterprise has generated a number orders and has a pipeline for more than 100 homes across North Wales to be delivered over the next 12 months.

To date these clients include Anglesey County Council, Denbighshire County Council, Cartrefi Conwy Cyfyngedig and Conwy County Borough Council. The project completely aligns with Welsh Governments agenda for zero carbon homes built from modern methods of construction. It is our aim to establish ourselves as the leading producer of modular properties in the North Wales region.

During July 2020 Creating Enterprise entered into a five year licence agreement with Beattie Passive as a delivery partner to supply innovative modular construction methods delivering high quality energy efficient building methods to Passivhaus standard. Creating Enterprise will have exclusivity rights in the North Wales area. As part of this agreement an advanced licence fee was paid of £400,000 which will be expensed through the Statement of Income and Retained Earnings over the five year licence period.

Creating Futures review

During the last twelve months, the Employment Academy underwent a name change. It was felt that it needed a name that better reflected the wider work that the Academy now carries out within the community and the Employment Academy became known as Creating Futures.

Creating Enterprises' social values support unemployed tenants and people in the local community in to work and the organisation runs a number of programmes to support this aim:

Volunteering

A variety of volunteer roles are available across Creating Enterprise and Cartrefi Conwy Cyfyngedig departments. These volunteering roles include office administration, working with different property maintenance trades, caretaking and event logistics. Support is provided on a day to day basis through a 'Work Buddy' system and Mentors provide training and support to help develop employability skills and eventually move on to long term employment. 46 tenants volunteered during the year, equating to 4,634 hours of work, supported by 24 work buddies across Creating Enterprise C.IC. and Cartrefi Conwy Cyfyngedig.

Employment Academy

37 paid employment opportunities have now been made available to unemployed tenants. These were in the vocational areas of property painting, external groundworks, void property clearances, office administration and the manufacture of modular build timber frames. Each paid job is offered on a 12 or 18 month fixed term contract with support from a Mentor to help secure employment with other organisations at the end of the paid contract. During their employment, tenants are supported with 'on the job' training, formal qualifications, employability skills, personal development plans and job search assistance. The Employment Academy has a 93% success rate of tenants securing long term, permanent employment at the end of their contracts.

The Academy also extended its services to external contractors during the year and all sub-contractors who work across The Group who have contracts in excess of £1 million are expected to employ tenants who were previously unemployed for a fixed period of either 6 months or 12 months. During the year three sub-contractors employed a total of 5 tenants on various developments.

Employability

Creating Enterprise offer Cartrefi Conwy Cyfyngedig tenants and other members of the local community a number of opportunities to develop their employability skills and provide 1-1 job search support and a Job's Café twice a week. During the year Creating Enterprise received 369 referrals for support and their 'drop-in' training facility has been used by 1,415 people with 326 people using the Job Café and 97 people securing employment locally.

Creating Enterprise is also delivering a new 4 year project thanks to £500,000 Big Lottery Community Funding. The 'Making Work: Work for All' project supports working families who are struggling financially and over 100 families have taken part this year.

Creating Enterprise also secured funding from CITB to deliver a programme across North Wales called 'Passport to Construction' to support unemployed people into construction jobs. During the year 34 people attended the courses in Conwy, Anglesey and Denbighshire with 9 moving onto employment.

Creating Futures has also established a new project for tenants called 'Second Chance'. This project collects furniture left behind by tenants in void properties and volunteers sort and clean the furniture. This is then made available free of charge to any tenant that is in need of furniture and household goods. The project started in February 2020 and during the two months that it has been operational 100 items of furniture have been collected, 11 items donated and two families supported.

Social Enterprise Academy

The Social Enterprise Academy was launched in Wales in 2018, with Creating Enterprise holding the licence to operate it across Wales. We have partnered with The Wales Co-Operative Centre for the delivery of programmes in South Wales. During the year 15 facilitators were trained to be able to deliver the programmes across Wales and 22 programmes were delivered to 313 learners. Funding was secured for three years from Welsh Government to support its development and a bursary

fund was also secured from Conwy County Borough Council to support the cost of training for Conwy based social enterprises.

Risks and uncertainties

The Board is responsible for our system of risk management and internal control. Risk is a recognised part of the activities of Creating Enterprise. Risk assessments are incorporated into risk registers and the Board determines the risks that can be taken by Creating Enterprise.

We have a clear framework for identifying and managing risk, both at an operational and strategic level. The Board has established an assurance map based on the '3 lines of defence' model, designed to be responsive to the ever changing environment in which we operate.

The main strategic risks that may prevent Creating Enterprise from achieving its objectives are considered and reviewed by the Creating Enterprise Board at each meeting. The main strategic risks to the achievement of our objectives and related controls are:

Risk Category	Key Risks	Controls/Lines of Defence
Financial	Financial viability of work streams. Loss or withdrawal of funding.	<ul style="list-style-type: none"> • Management review financial performance monthly • Management Accounts reviewed at Board meetings
Contractual	Delivery failure or other breach of contractual terms.	<ul style="list-style-type: none"> • Appropriate Contract terms and conditions (i.e. Force Majeure) • Performance management and supplier / contractor reviews • Access to independent advice • Internal & External Audit Reviews
Resources	Inadequate or inefficient use of resources to deliver business objectives.	<ul style="list-style-type: none"> • Business Plan and budget planning processes • Monthly reviews of material supply chain and managed service arrangements • Staff training and performance reviews
Health & Safety	Loss of life or serious / life threatening injury (to employee or other)	<ul style="list-style-type: none"> • Parent (Cartrefi Conwy Cyfyngedig) retains a qualified Health & Safety Advisor to provide overview and monitor working practices • Recognised accreditation (CHAS)
Factory Production	Loss of operating premises	<ul style="list-style-type: none"> • Business Continuity Plans

Brexit	Delays with material supplies resulting in contract delivery risks	<ul style="list-style-type: none"> • Main supplier of materials have shipping controls and processes to manage the inbound supply of materials
Covid-19 Pandemic	Contract delivery failure and disruption to materials supply chain	<ul style="list-style-type: none"> • Performance management and supplier / contractor reviews • Access to independent advice • Internal & External Audit Reviews
Governance	Poor decision making resulting in management over ride of controls. Inadequate line of sight through the group governance structure	<ul style="list-style-type: none"> • Board appointment and appraisal processes • Parent Board determines standing orders, delegations and matters reserved for the Board

KEY PERFORMANCE INDICATORS

Strategic objectives

Seven strategic objectives were adopted on formation. Progress against each of these at the end of our fifth year is noted below.

Objective	Progress as at 31 March 2020
Market Target turnover for the financial year was £14.2m.	The out turn turnover for the year was £10.6m. The development programme was reviewed due to minor delays and the works have been re-phased into 2020/21 financial year. In addition, all works on site were suspended early due to the Covid-19 impact and will now be completed in 2020/21.
Innovation Develop new sources of income involving both the development of new work streams and also new target clients.	Workstreams (as listed in the Review section on page 3) have been developed and activity levels maintained or increased for each workstream. The opening of the Creating Enterprise Modular Solutions Factory in Holyhead has generated a new income stream. Contracts have been carried out with external organisations. The organisation aims to carry out works for external clients to the value of 20% of its turnover within the next 2 years.
Human Resources Establish a sustainable Employment Academy that delivers targeted social benefits	The Employment Academy has worked with a total of 42 tenants through the paid employment programme. A total of 21 have completed the programme and 21 have moved onto sustainable local long term employment. Services that were offered during year include Jobs Café, Job Fairs and digital training.

Financial Establish Creating Enterprise as a self-funding organisation in the sense that it does not require working capital or capital investment funding from Cartrefi Conwy Cyfyngedig, within the next 4 years.	Increased turnover to £10.6m. Creating Enterprise is a self-funding organisation and continues to grow relationships with external clients. No loans were drawn down from the parent to support the primary purpose of Creating Enterprise.
Productivity Achieve acceptable productivity levels for all staff. Agree and implement KPIs with all customers.	Cartrefi Conwy Cyfyngedig was the primary customer in the year. Productivity levels and KPIs were met in line with agreed targets for both the property services functions and the employment academy.
Social responsibility Those accessing the Employment Academy go on to full time employment in the local community after a defined training period.	126 people received job search assistance and 97 successfully gained full time employment.
Profit Generate a pre-tax surplus within 3 years	The target was met at the end of the year.

Liquidity

The company aims to hold cash at a level that enables it to not only meet its short to medium term commitments but also take advantage of any opportunities that could arise. It is reliant on the support of the parent as the company establishes itself and as such exposure to credit risk is not considered significant.

Financial support for growth

In view of the significant increase in trading activity since Creating Enterprise was established in March 2015 an on-lending loan facility remains in place with Cartrefi Conwy Cyfyngedig (the parent) of £500,000. This has now been increased after the financial year end to £600,00 and provides Creating Enterprise with an on-going facility to draw up to £600,000 for its primary purpose. As at the Balance Sheet date there were no drawdowns against this facility.

Impact of Covid-19 and re-mobilisation of workstreams

Impact of Covid-19 on financial year 2019/2020

The Covid-19 pandemic and subsequent lockdown of the UK has had an impact on the company's levels of works activity. All works on sites were suspended on 23 March 2020. This has resulted in a loss of revenue of £93,000 against the forecast year end position and had a minimal effect on the 2019/20 accounts.

Impact of Covid-19 post Balance Sheet date

Following the financial year end works on site continued to be suspended until June. This has resulted in a loss of turnover of £2.2m against a forecast turnover of £3.4m in the Business Plan.

Certain works have continued during the lockdown and these were the fuel servicing contract and heating repairs. To assist with funding the direct costs management took advantage of Government support offered through the Coronavirus Job Retention Scheme and the Welsh Government Economic Resilience Fund. A number of staff were also re-deployed to assist Cartrefi Conwy Cyfyngedig with supporting their tenants who were shielding and unable to leave their homes to do shopping and pick up prescriptions. In addition, preliminary costs were charged on contracts.

In June all external works, such as fencing, pathways and external property painting started back on site and those staff who worked internally on the fitting of replacement kitchens and bathrooms have been re-deployed to work on Cartrefi Conwy Cyfyngedig void properties.

Albeit the drop currently in turnover is significant we have not 'lost' the work but instead have re-phased the planned works into future months within the year and into 2020/21. The Business Plan forecast a turnover of £12.6m for 2020/2021 and we are expecting to see a reduction of £2m in turnover. These works will now be completed in the financial year 2021/2022.

A Covid-19 Re-mobilisation plan has been put in place, setting out the health and safety requirements of the Group. This includes a complete review of the Risk Assessment Method Statements (RAMS) and working procedures, appropriate PPE being readily available, the introduction of Covid-19 Health & Safety Inspectors and ensuring communication is paramount throughout all levels of the business.

The Company has adopted the following "4Cs" to achieve full re-mobilisation and beyond:

Compliance	Government law, HSE, Governing bodies, Risk Assessment Method Statements and working procedures
Communication	Ensure all revised documentation are shared in the clearest way and understood by all stakeholders
Conform	A written confirmation of understanding and adherence to revised documents
Continue	To listen to regulators, colleagues and customers then review and act

Should we see another UK wide lockdown occur then Creating Enterprise will seek to obtain any Government support available, and discuss with Cartrefi Conwy Cyfyngedig about re-deploying staff to carry out support work for them. We would continue to charge preliminary costs against contracts. A loan funding arrangement remains in place between Cartrefi Conwy and the parent which allows the company to drawdown up to £600,000 as working capital. The works that are contracted for with Cartrefi Conwy Cyfyngedig will still need to be carried out and further discussions would take place to re-programme those outstanding works.

Value for money

The Board recognises the importance of value for money in all its activities, not just in terms of managing costs but also achieving sustainable value for its stakeholders and continuing to build financial robustness.

Our VFM approach includes:

- Detailed budgets, targets and service KPIs
- Optimising the use of resources to deliver objectives
- Working with tenants to find out what barriers they experience in getting into long term paid employment

Ethical objectives

Our aim is to develop a sustainable business for the benefit of all of our stakeholders (including our customers, employees and the wider community) and in so doing operate to the highest standards.

To achieve this demands the highest standards of behaviour in all business and personal dealings by our employees in relation to the activities that we as a business carry out. Our standards are underpinned by the following core values:

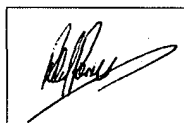
- Listening to and honouring our commitment to our employees, customers, suppliers, investors and to the wider community.
- Excellence, Expertise and Add Value in all that we undertake.
- Embracing the diversity and contributing to the sustainability of our communities

Corporate social responsibility objectives

Creating Enterprise, in all of its business activities, seeks to minimise the impact on the environment of its business and social activities. This involves:

- Delivering and maximising on social benefit objectives
- Managing the Creating Enterprise business responsibly and sustainably
- Maximising the re-use value of recovered items
- Maximising diversion from landfill and Minimising waste

By order of the Board



Peter Parry
Director

Date: 1 September 2020

Director's Report

Financial Year End 31 March 2020

The directors submit their report and the financial statements of Creating Enterprise C.I.C for the year ended 31 March 2020.

The directors have not disclosed the following sections of the directors' report, "business review, key performance indicators and risks and uncertainties" as these have been included within the strategic report on page 5.

Principal activities

Creating Enterprise is a community interest company administered by a Board of Management made up of 5 Directors.

The company's principal activities are providing property maintenance services to its parent company Cartrefi Conwy Cyfyngedig and other external parties. The added social value of all the work streams for Creating Enterprise is the Employment Academy which is an essential part of the organisation.

Director's responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company, and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Future developments

During our fifth year of trading, interest in service offerings has continued to be received from both public and private sector organisations. Working with them we will continue to develop innovative and value for money service models to support achievement of their social objectives as well as our own. We will continue to develop these evolving relationships and identify further opportunities for collaboration.

Creating Enterprise signed off its 5 year Business Plan at the 21st May 2020 Board with a forecast turnover of £57m over the next 5 years. Our areas of growth will be around our modular service offer whilst building on our success to date in ensuring a first class service is maintained for Cartrefi Conwy Cyfyngedig.

Calon Homes LLP has now secured its first two sites for development, which will deliver 120+ homes for market sale over the next 4 years. Creating Enterprise will benefit financially from the receipt of its profit share on realisation of the market sales from these homes.

Our relationship with Beattie Passive over the past year has attracted considerable interest in the modular build properties including our "Haus4One" particularly as a temporary accommodation solution for homeless people. We will continue to explore opportunities to expand our current order book and further the delivery of sustainable, affordable housing solutions. It is our aim to build 350 units over the next 5 years.

Directors

The parent company Cartrefi Conwy Cyfyngedig (currently the sole member) may appoint three people as Directors. The Creating Enterprise Board may appoint up to a further two Directors and each other member (as may be admitted from time to time in accordance with the Articles of Association) may appoint one Director. The parent may remove any or all of the Directors at any time. Directors are appointed subject to a maximum of 9 consecutive years' service.

Directors are required to act in the best interests of Creating Enterprise at all times, maintain confidentiality and present a positive, professional and caring image when acting as ambassadors for the Company. Throughout the year directors have shown their commitment and support by contributing in the board room through constructive debate and decision making. The board is aware of its responsibility to ensure that directors have the appropriate skills and competencies to govern the business in an increasingly challenging sector and economic environment. Directors have committed to and participated in an annual appraisal process.

The Directors have agreed not to hold an Annual General Meeting. The accounts of Creating Enterprise will be consolidated into the accounts of the parent Cartrefi Conwy Cyfyngedig.

In January 2019 the parent company introduced a Board remuneration framework, the scope of which includes the directors appointed to Creating Enterprise. Remuneration paid in the year is reported separately in the financial statements under Note 5.

Going Concern

The directors have considered the working capital requirements of the company for the foreseeable future (being at least 12 months from the signing of the financial statements) by considering the forecast profit and cash flows.

Given the uncertainty surrounding the coronavirus outbreak and the impact on future revenues, we have been exploring various scenarios. In our planning for these scenarios we have considered a number of possibilities and planned for what is, in the director's view, the most likely scenario and worst case scenario. As part of this work we have prepared forecasts considering the likely scenarios in order to understand the sensitivity to the business of possible future loss of revenues as we progress through this pandemic.

Management believe the most likely scenario is that lockdown will ease steadily allowing a steady increase in works activity, albeit there could potentially be localised lockdowns. As we move into 2021, we expect to see more confidence in the sector and expect a steady recovery to levels much closer to those we have historically enjoyed.

90% of the works carried out by Creating Enterprise C.I.C are for the parent. With the ongoing support of Cartrefi Conwy Cyfyngedig we are in a position to re-phase works into 2021/22.

A worst case scenario would assume another prolonged period of complete lockdown takes place, which would lead to works on site being suspended with trade recovering thereafter in a slow manner and not achieving previous levels. Potentially Creating Enterprise could see a reduction in turnover of up to a further £2m. Should we see another UK wide lockdown then Creating Enterprise will seek to obtain any Government support available and discuss with Cartrefi Conwy Cyfyngedig regarding re-deploying staff to carry out support work for them. We would continue to charge preliminary costs against contracts. In addition, there is also a loan funding arrangement in place between Cartrefi Conwy Cyfyngedig which will allow the company to drawdown up to £600,000 as working capital.

The Brexit transition period will end on the 31st December 2020. It is hoped that a trade relationship with the European Union (EU) and third countries will continue, however, there is a possibility there may be a 'no-deal' exit from the EU. The organisation has assessed the operational impact this may have and concluded that this is currently minimal given the current staffing, income, supplier and material make-up.

As such the financial statements have been prepared on a going concern basis.

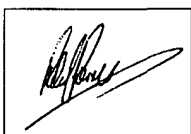
Statement as to disclosure of information to the auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

RSM UK Audit LLP have indicated their willingness to continue in office.

By order of the board

A handwritten signature in black ink, appearing to read 'Peter Parry', enclosed within a rectangular box.

Peter Parry
Director

1 September 2020

Independent Auditor's Report to the members of Creating Enterprise C.I.C.

We have audited the financial statements of Creating Enterprise C.I.C (the 'company') for the year ended 31 March 2020 which comprise Statement of Income and Retained Earnings, Statement of Financial Position 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 FRS 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 and 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; and
- 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 15, 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: <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.

RSM UK Audit LLP

KEITH WARD (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Date: 20th October 2020

Statement of income and retained earnings as at 31 March 2020

Financial Year End 31 March 2020

	Note	2020 £	2019 £
TURNOVER		10,578,615	9,823,522
Cost of Sales		(9,730,087)	(9,055,107)
GROSS PROFIT		848,528	768,415
Administrative Expenses		(721,977)	(621,326)
OPERATING PROFIT BEFORE TAXATION	3	126,551	147,089
Interest Receivable		2,978	259
Interest Payable		(2,978)	(259)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		126,551	147,089
Taxation		(23,175)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		103,376	147,089
PROFIT AND RETAINED EARNINGS FOR THE FINANCIAL YEAR		103,376	147,089

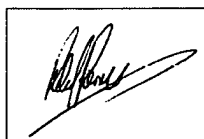
Turnover and operating profit for the year arises from the company's continuing operations.

Statement of financial position as at 31 March 2020

Financial Year End 31 March 2020

	Note	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Intangible Fixed Assets	6	4,529		6,793	
Tangible Fixed Assets	7	53,691		41,687	
CURRENT ASSETS					
Stocks	8	92,555		40,089	
Debtors	9	1,382,693		835,855	
Cash at bank and in hand		<u>235,752</u>		<u>629,759</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	10	<u>(1,668,027)</u>		<u>(1,404,438)</u>	
NET CURRENT ASSETS		42,973		101,265	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>101,193</u>		<u>149,745</u>
Debtors: Amounts falling due after more than one year					
		103,231		40,259	
Creditors: Amounts falling due after more than one year					
		(103,231)		(40,259)	
TOTAL NET ASSETS			<u>101,193</u>		<u>149,745</u>
CAPITAL AND RESERVES					
Profit and loss account			<u>101,193</u>		<u>149,745</u>
TOTAL EQUITY			<u>101,193</u>		<u>149,745</u>

The financial statements on pages 21 to 35 were approved by the board of directors and authorised for issue on 1 September 2020 and are signed on its behalf by:



Peter Parry
Director
1 September 2020

Company Registration No. 09134089

Statement of changes in equity

		Profit & Loss Account	Total
	£	£	£
Balance as at 1 April 2018		2,656	2,656
Profit for the year		147,089	147,089
Balance at 31 March 2019		149,745	149,745
Distributed to Cartrefi Conwy		(149,745)	(149,745)
Profit for the year	126,551	-	126,551
Taxation	(23,175)	-	(23,175)
Sub-total		103,376	103,376
18/19 Gift Aid payment out of		(2,183)	(2,183)
19/20 Surplus			
Balance at 31 March 2020		101,193	101,193

1. General Information

Creating Enterprise C.I.C. is a limited company without shares, company number 09134089, incorporated in England in 2015. The company is a Community Interest Company.

The address of the Company's registered office and principal place of business is:

Units 12 & 14, Cartrefi Conwy Business Park, Station Road, Mochdre LL28 5EF.

The Company's principal activities are the provision of gas servicing, painting, property repairs and clearance for its parent Cartrefi Conwy Cyfyngedig and other not for profit organisations. The Company also runs a training programme to upskill long term unemployed tenants.

2. Basis of Accounting

These financial statements have been prepared in accordance with 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006 and under the historical cost convention.

Reduced Disclosures

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of Cartrefi Conwy Cyfyngedig. The consolidated financial statements of Cartrefi Conwy Cyfyngedig are available from its registered office, Morfa Gele, North Wales Business Park, Cae Eithin, Abergele, Conwy LL22 8LJ.

Going Concern

The directors have considered the working capital requirements of the company for the foreseeable future (being at least 12 months from the signing of the financial statements) by considering the forecast profit and cash flows.

Given the uncertainty surrounding the coronavirus outbreak and the impact on future revenues, we have been exploring various scenarios. In our planning for these scenarios we have considered a number of possibilities and planned for what is, in the director's view, the most likely scenario and worst case scenario. As part of this work we have prepared forecasts considering the likely scenarios in order to understand the sensitivity to the business of possible future loss of revenues as we progress through this pandemic.

Management believe the most likely scenario is that lockdown will ease steadily allowing a steady increase in works activity, albeit there could potentially be localised lockdowns. As we move into 2021, we expect to see more confidence in the sector and expect a steady recovery to levels much closer to those we have historically enjoyed.

90% of the works carried out by Creating Enterprise C.I.C are for the parent. With the ongoing support of Cartrefi Conwy Cyfyngedig we are in a position to re-phase works into 2021/22.

A worst case scenario would assume another prolonged period of complete lockdown takes place, which would lead to works on site being suspended with trade recovering thereafter in a slow manner and not achieving previous levels. Potentially Creating Enterprise could see a reduction in turnover of up to a further £2m. Should we see another UK wide lockdown then Creating Enterprise will seek to obtain any Government support available and discuss with Cartrefi Conwy Cyfyngedig regarding re-deploying staff to carry out support work for them. We would continue to charge preliminary costs against contracts. In addition, there is also a loan funding arrangement in place between Cartrefi Conwy Cyfyngedig which will allow the company to drawdown up to £600,000 as working capital.

The Brexit transition period will end on the 31st December 2020. It is hoped that a trade relationship with the European Union (EU) and third countries will continue, however, there is a possibility there may be a 'no-deal' exit from the EU. The organisation has assessed the operational impact this may have and concluded that this is currently minimal given the current staffing, income, supplier and material make-up.

As such the financial statements have been prepared on a going concern basis.

Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

Turnover

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers during the year. Revenue in respect of goods is recognised once an appropriate stage of completion can be proven, when the revenue can be measured reliably and when there is probability of economic benefits flowing to the entity.

Stock

Stock held is in relation to materials needed for repairs. Stock is valued at the lower of cost and net realisable value. At each reporting date, the company assesses whether stocks are impaired or if an impairment loss that has been recognised in prior periods has reversed.

Gift Aid

Distribution of Gift Aid is equal to the taxable profits of Creating Enterprise at the time of the approval of the financial statements. The Gift Aid paid within nine months of the Balance Sheet date is equal to the taxable profits of the organisation at the time of payment. Any difference between the Gift Aid accrued and the Gift Aid donation paid is recognised at the time of payment. Gift Aid payments are reviewed on an annual basis by the Board.

Taxation

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other taxable profits.

Current and deferred tax is charged or credited in profit or loss when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Leases

All leases are operating leases and the annual rentals are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Employee Benefits

Short term employee benefits are recognised as a liability and an expense in the period in which they were incurred. Short term benefits include annual leave pay.

Retirement Benefits

The People's Pension is a trust based defined contribution workplace pension scheme for non-associated employers (i.e. a "master trust" pension scheme). The People's Pension was set up by B&CE (Building and Civil Engineering Holidays Scheme Management Limited – a company Limited by guarantee) in 2011 for employers requiring a scheme to fulfil their workplace pension duties under the Pensions Act 2008.

There is one legal trust and one trustee board, but a number of non-associated employers in addition to Creating Enterprise participate in the scheme. Each participating employer has a section within the master agreement. The trustee takes on governance responsibility for each section on matters such as investment funds and ensures compliance with regulatory duties. The decisions over benefit and contribution levels remain with the participating employer.

The Board of B&CE has an Independent Chairman and comprises representatives from the following trade bodies:- The Civil Engineering Contractors Association, Federation of Master Builders, National Specialist Contractors Council, UK Contractors Group, Scottish Building Federation and National Federation of Builders and representatives from the following trade unions: Unite, UCATT and GMB.

The amount charged to profit and loss in respect of pension costs is the contributions payable in the year.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment loss. Depreciation is provided evenly on the cost of tangible fixed assets to write them down to their estimated residual values over their expected useful lives. The rates used for tangible fixed assets are:

Plant and tools	over 4 years
Furniture, fixtures and fittings	over 10 years
Computer software	over 5 years
Computer hardware	over 2 years

Financial Assets

Trade Debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial Liabilities

Trade Creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction cost.

De-recognition of financial assets and liabilities

A financial asset is recognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party.

A financial liability (or part thereof) is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

Judgments in Applying Accounting Policies and Key Sources of Estimation Uncertainty

The preparation of the financial instruments in conformity with generally accepted accounting principles requires the Board to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Board believe that the critical accounting policies where judgments and estimations are necessarily applied are summarised below:

Provisions and Accruals

Management bases its judgments on the circumstances relating to each specific event and upon currently available information. However, given the inherent difficulties in estimating liabilities in these areas, it cannot be guaranteed that additional costs will not be incurred beyond the amounts accrued.

Grant Funding

Grants received are recognised under the performance model. If there are no specific performance requirements, the grants are recognised when received or receivable. If there are specific performance criteria, the grant is recognised as a liability until the performance requirements are met, when the grant is recognised in the turnover.

Notes to the Financial Statements

Financial Year End 31 March 2020

3. Profit on ordinary activities before taxation

	2020 £	2019 £
Operating lease rentals		
- motor vehicles	8,058	9,480
- plant and equipment	13,977	12,618
- land and buildings	57,143	53,456
Auditors' remuneration		
- Fees payable to the Association's auditors for audit service	12,000	8,400
Depreciation – intangible fixed assets	2,264	2,264
Depreciation – tangible fixed assets	15,016	13,566
Amounts of stock recognised as an expense	66,572	54,394

4. Employees

	2020 Number	2019 Number
The average monthly number of persons (including directors) employed by the company during the year was:		
Management	6	6
Direct Labour	49	44
Administration	9	8
	<u>64</u>	<u>58</u>

	2020	2019
	£	£
Wages and salaries	1,356,310	1,177,579
Social security costs	112,902	97,405
Pension	33,717	21,038
Total	1,502,929	1,296,022

5. Board Members

Directors	Basic Salary £	2020 Total £	2019 Total £
Directors	10,785	10,785	1,375
	10,785	10,785	1,375

The directors are defined as those with membership of the Board. Remuneration to Board Members was introduced January 2019.

6. Intangible fixed assets

	Computer Software & Website £	2020 Total £
Cost		
As at 1 April 2019	11,321	11,321
Additions during the year	-	-
At 31 March 2020	11,321	11,321
Depreciation and impairment		
As at 1 April 2019	4,528	4,528
Charge for the year	2,264	2,264
At 31 March 2020	6,792	6,792
Net book value		
As at 31 March 2020	4,529	4,529
As at 31 March 2019	6,793	6,793

7. Tangible fixed assets – other

	IT Hardware	Furniture & Fittings	Plant & Tools	Total
	£	£	£	£
Cost				
As at 1 April 2019	5,645	46,801	8,370	60,816
Additions during the year	7,272	8,434	11,314	27,020
At 31 March 2020	12,917	55,235	19,684	87,836
Depreciation and impairment				
As at 1 April 2019	4,710	9,152	5,267	19,129
Charge for the year	4,571	5,524	4,921	15,016
At 31 March 2020	9,281	14,676	10,188	34,145
Net book value				
As at 31 March 2020	3,636	40,559	9,496	53,691
As at 31 March 2019	935	37,649	3,103	41,687

8. Stock

	2020	2019
	£	£
Raw materials and components	92,555	40,089

Stock is made up of raw materials and components which comprises of kitchens, bathrooms and boilers. Stock was purchased during March which could not be used due to the Covid-19 and the Central Government 'lockdown' directive. These materials will be used for the 2020/21 programme of works.

9. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	342,250	143,203
Less: Provision for bad or doubtful debts	(208)	(5,724)
Other debtors	192,601	54,015
Grant funding	37,452	48,202
Prepayments and accrued income	18,378	8,865
Taxation	1,346	-
Amounts owed from Group	790,874	587,294
	1,382,693	835,855

10. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	801,213	450,144
Accruals and deferred income	418,962	354,943
Other creditors	424,677	552,291
Revenue grant	-	47,060
Taxation	23,175	-
	1,668,027	1,404,438

11. Commitments under operating leases

	Vehicles £	Plant and equipment £	Office equipment £	Land & Buildings £	2020 £	2019 £
Within one year	-	3,931	571	-	4,502	-
Between one and five years	8,196	13,627	13,230	40,563	75,616	35,344
Over five years	-	-	-	714,893	714,893	748,384
	8,196	17,558	13,801	755,456	795,011	783,728

The commitments under Land & Buildings operating leases includes a lease on the office premises between Creating Enterprise and Cartrefi Conwy Cyfyngedig for a period of fifteen years with a break clause at five years.

12. Taxation

The taxable profits of the company in financial year 2019 were distributed to the parent, Cartrefi Conwy Cyfyngedig under Gift Aid. Cartrefi Conwy is a Community Benefit Society organisation with charitable rules (registered number 30457R). In financial year 2020, it was decided by the Board that to enable business growth there would be no Gift Aid distribution for 2019/20 and Corporation Tax would be payable on the taxable profits.

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	126,551	147,089
Current tax charge for the year		
Profit on ordinary activities multiplied by standard rate of	-	29,418
Corporation tax in the UK of 20%	-	(29,418)
Tax relief on Gift Aid donations	-	-
Tax charge 2019/20	23,175	-
Total current tax	23,175	-

13. Ultimate parent undertaking

The ultimate parent undertaking is Cartrefi Conwy Cyfyngedig, a registered provider of social housing registered under the Co-operative and Community Benefit Societies Act 2014.

The smallest and largest group of which Creating Enterprise is a member and for which group accounts are drawn up is that headed by Cartrefi Conwy Cyfyngedig. Consolidated accounts of Cartrefi Conwy Cyfyngedig, which include the results of this company, are available from its registered office, Morfa Gele, North Wales Business Park, Cae Eithin, Abergele, Conwy LL22 8LJ.

In the opinion of the Directors there is no single controlling party.

14. Related Party Transactions

	2020 £'000	2019 £'000
Amounts contracted for with Cartrefi Conwy Cyfyngedig	8,020	8,274
Amounts charged by Cartrefi Conwy for management and administration	130	105
Amounts charged by Cartrefi Conwy for office accommodation	56	56
Amounts charged by Cartrefi Conwy for direct support staff	126	82
Amounts charged by Cartrefi Conwy for the reimbursement of costs incurred	103	140
Amounts owed from Cartrefi Conwy for repairs and maintenance	1,157	925
Amounts owed from Cartrefi Conwy for the reimbursement of costs incurred	310	243

Cash receipts relate to services provided to Cartrefi Conwy by the subsidiary.

Purchases relate to invoices that are charged to the subsidiary for overhead recharges based on a budget based on work stream activity levels.

Purchases also include payroll costs which were charged for specific staff who work directly for the subsidiary.

14. Contingent Asset

The organisation recognises material assets and liabilities, which arise from past events, whose existence can only be confirmed by the occurrence of one or more uncertain future events, which are not wholly within the organisation's control.

The organisation is currently exploring potential future manufacturing opportunities and is collaborating with the Welsh Government to further these aims. As this is still at the initial phase and subject to due diligence, future funding is probable but not yet certain. For these reasons no income has been reflected in the 2019/20 financial statements.

CIC 34

Community Interest Company Report

For official use
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typescript, or
in bold black
capitals.*

**Company Name in
full**

CREATING ENTERPRISE C.I.C

Company Number

09134089

Year Ending

31/03/2020

(The date format is required in full)

Please ensure the company name is consistent with the company name entered on the accounts.

This template illustrates what the Regulator of Community Interest Companies considers to be best practice for completing a simplified community interest company report. All such reports must be delivered in accordance with section 34 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 and contain the information required by Part 7 of the Community Interest Company Regulations 2005. For further guidance see chapter 8 of the Regulator's guidance notes and the alternate example provided for a more complex company with more detailed notes.

(N.B. A Filing Fee of £15 is payable on this document. Please enclose a cheque or postal order payable to Companies House)

PART 1 - GENERAL DESCRIPTION OF THE COMPANY'S ACTIVITIES AND IMPACT

In the space provided below, please insert a general account of the company's activities in the financial year to which the report relates, including a description of how they have benefited the community.

Creating Enterprise was established in 2015 as a Community Interest Company and is a private company limited by guarantee without share capital. It commenced trading with effect from 1st April 2015. It is the wholly owned subsidiary of Cartrefi Conwy Cyfyngedig, a Registered Social Landlord, operating in North Wales. Cartrefi Conwy is currently the sole member of Creating Enterprise.

2019/2020 is Creating Enterprise's fifth full year of trading. The organisation has grown over the financial year with a year-end turnover of £10.6m compared to £9.8m in 2018/19. The growth in turnover has been, in the main, due to Cartrefi Conwy choosing Creating Enterprise as the social contractor of choice for the provision of its property maintenance works and management of their new build development contracts. Employees of Creating Enterprise are primarily drawn from the local community. The average number of Creating Enterprise employees during the year increased from 58 to 64.

In May 2018 Creating Enterprise entered into a Joint Venture with a North Wales based SME- Brenig Developments Limited, establishing Calon Homes LLP. The aim of this is to bring together the partners' expertise in property development and their shared ethos of social enterprise values. The benefits from this relationship are;

- Competitively priced, quality homes for local people with profits recycled into the Group to further the supply of affordable homes across North Wales
- Social impact: meaningful paid work and volunteer opportunities for those experiencing difficulty in accessing or sustaining employment: personal development and up-skilling leading to increased financial independence, social and economic inclusion
- Enhanced opportunities for the Cartrefi Conwy group to increase the supply of affordable housing by partnering with Calon Homes LLP to meet s106 planning requirements within scheme applications

During 2018/19 Creating Enterprise partnered with Beattie Passive and launched its first modular factory in North Wales delivering timber frames properties to zero carbon Passivhaus standards. Work in the factory commenced in the fourth quarter of 2018/19. Beattie Passive was chosen as our preferred partner because:

1. They produce Zero Carbon homes to Passivhaus house standard
2. The ability to self-build through Creating Enterprise and in doing so giving employment opportunities to those furthest from the job market

During July 2020 Creating Enterprise entered into a five year licence agreement with Beattie Passive to continue this successful relationship.

Creating Enterprises' social values support unemployed tenants and people in the local community in to work and the organisation runs a number of programmes under the brand of Creating Futures to support this aim:

Volunteering: 46 tenants volunteered during the year, equating to 4,634 hours of work, supported by 24 work buddies.

Employment Academy: 37 paid employment opportunities have been made available to unemployed tenants. The Employment Academy has a 93% success rate of tenants securing long term, permanent employment at the end of their contracts.

The Academy also extended its services to external contractors during the year and all sub-contractors who work across the Group who have contracts in excess of £1 million are expected to employ tenants who were previously unemployed for a fixed period of either 6 months or 12 months. During the year three sub-contractors employed a total of 5 tenants on various developments.

Employability: Creating Enterprise offer Cartrefi Conwy tenants and other members of the local community a number of opportunities to develop their employability skills and provide 1-1 job search support and a Job's Café twice a week. During the year Creating Enterprise received 369 referrals for support and their 'drop-in' training facility has been used by 1,415 people with 326 people using the Job Café and 97 people securing employment locally.

Creating Enterprise is also delivering:

- The 'Making Work: Work for All' project - a new 4 year project using £500,000 Big Lottery Community Funding to support working families who are struggling financially. Over 100 families have taken part this year.
- The 'Passport to Construction' project – using funding from CITB to deliver a programme across North Wales to support unemployed people into construction jobs. During the year 34 people attended the courses in Conwy, Anglesey and Denbighshire with 9 moving onto employment.
- The 'Second Chance' project - furniture left behind by tenants in void properties is collected and volunteers sort and clean the furniture. This is then made available free of charge to any tenant that is in need of furniture and household goods. The project started in February 2020 and during the two months that it has been operational 100 items of furniture have been collected, 11 items donated and two families supported.
- The Social Enterprise Academy Wales – Launched in Wales in 2018, with Creating Enterprise holding the licence to operate it across Wales. We have partnered with The Wales Co-Operative Centre for the delivery of programmes in South Wales. During the year 15 facilitators were trained to be able to deliver the programmes across Wales and 22 programmes were delivered to 313 learners. Funding was secured for three years from Welsh Government to support its development and a bursary fund was also secured from Conwy County Borough Council to support the cost of training for Conwy based social enterprises.

(If applicable, please just state "A social audit report covering these points is attached").

(Please continue on separate continuation sheet if necessary.)

PART 2 – CONSULTATION WITH STAKEHOLDERS – Please indicate who the company's stakeholders are; how the stakeholders have been consulted and what action, if any, has the company taken in response to feedback from its consultations? If there has been no consultation, this should be made clear.

The Company's stakeholders during the reporting period were;

Cartrefi Conwy (Parent Company)

Employees

Local Residents accessing Training and Volunteer opportunities

Local Residents accessing work and lifestyle related help and support through funded programmes managed / delivered by Creating Enterprise

Business Partners (Public & Private sector)

Public & Private sector customers and their Employees / Service Users

Funders (Big Lottery, CITB etc)

Active engagement and consultation with these stakeholders has been various and is on-going in order to develop and increase business work streams and personal skills development, promote the business, establish sound working practices and measure service satisfaction. Feedback from customers and service users is used to aid continuous improvement and shape service delivery.

(If applicable, please just state "A social audit report covering these points is attached").

PART 3 – DIRECTORS' REMUNERATION – if you have provided full details in your accounts you need not reproduce it here. Please clearly identify the information within the accounts and confirm that, "There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed" (See example with full notes). If no remuneration was received you must state that "no remuneration was received" below.

Note 5 on Page 32 of the accounts refers. There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office, which require to be disclosed.

PART 4 – TRANSFERS OF ASSETS OTHER THAN FOR FULL CONSIDERATION – Please insert full details of any transfers of assets other than for full consideration e.g. Donations to outside bodies. If this does not apply you must state that "no transfer of assets other than for full consideration has been made" below.

No transfer of assets other than for full consideration has been made.


(Please continue on separate continuation sheet if necessary.)

PART 5 – SIGNATORY (Please note this must be a live signature)

(DD/MM/YY)

The original report must be signed by a director or secretary of the company

Signed



Date

12/11/2020

Please note that it is a legal requirement for the date format to be provided in full throughout the CIC34 report.

Applications will be rejected if this information is incorrect.

Office held (delete as appropriate) ~~Director~~/Secretary

You do not have to give any contact information in the box opposite but if you do, it will help the Registrar of Companies to contact you if there is a query on the form. The contact information that you give will be visible to searchers of the public record.

The Company Secretary, Creating Enterprise C.I.C	
Morfa Gele, North Wales Business Park	
Cae Eithin, Abergele, LL22 8LJ	
Tel 01745 335507	
DX Number	DX Exchange

When you have completed and signed the form, please attach it to the accounts and send both forms by post to the Registrar of Companies at:

For companies registered in England and Wales: Companies House, Crown Way, Cardiff, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland: Companies House, 4th Floor, Edinburgh Quay 2, 139
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

For companies registered in Northern Ireland: Companies House, 2nd Floor, The Linenhall, 32-38
Linenhall Street, Belfast, BT2 8BG

(N.B. Please enclose a cheque for £15 payable to Companies House)