

Creating Enterprise C.I.C.

Report and Financial Statements

31 March 2021

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



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Company Information

Directors

Neil Ashbridge

Mark Chadwick

Sian Elinor Corbett-Jones

Peter Parry

Elwen Roberts

Chair of Board

Co-Optee

Guto Lewis

(Resigned 4 August 2021)

Company Secretary

Sandra Lee

Registered Office

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External Auditors**RSM UK Audit LLP**

3 Hardman Street

Manchester M3 3HF

Internal Auditors**Mazars LLP**

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Birmingham B3 2RT

Panel of Solicitors**Anthony Collins Solicitors LLP**

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Trowers & Hamlins LLP

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Manchester M2 4EW

Capital Law Limited

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Cardiff CF10 4AZ

	Devonshires Solicitors LLP 30 Finsbury Circus London EC2M 7DT
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

The directors have pleasure in submitting their strategic report for Creating Enterprise C.I.C. for the year ended 31 March 2021.

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 ended the year with 74 employees in post.

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

FINANCIAL & OPERATIONAL REVIEW

Financial review

2020/2021 is Creating Enterprise's sixth full year of trading. The Board is pleased to report a trading surplus on ordinary activities in the year of £116,057 (2020: £126,551) before Corporation Tax, interest and losses on the Joint Venture.

The organisation had a turnover of £10.6m in 2019/20. This financial year 2020/21 the turnover is £8.1m against the Business Plan figure of £12.6m. It has been a challenging year for Creating Enterprise with the Covid19 government lockdown directives in place for part of the year. This resulted in the first three months of the financial year seeing less activity than was forecast in the Business Plan.

Our Creating Enterprise Modular Solutions (CEMS) factory production, development contracts and component replacement works suffered as a result of these enforced lockdowns. However, we have been able to re-phase these works for completion in 2021/22.

Calon Homes LLP

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 has now commenced works on developments of 11 properties in Middlewich, Cheshire. This site will be completed by February 2022 and all the profits will be used towards the next development which Calon Homes is delighted to report has secured planning permission for the construction of 107 family homes. These homes will provide much needed housing in the area of Glan Conwy in the County of Conwy of which 33 homes will be made available for Cartrefi Conwy to provide affordable accommodation. The profit share to Cartrefi Conwy within this development will be used by the Group to further its affordable housing aims.

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. We have now successfully delivered 20 homes for affordable housing need and currently on 2 sites we are building a further 36 homes.

Creating Enterprise aims to develop over 300 homes across North Wales over a 5 year period.

To date these clients include Anglesey County Council, Denbighshire County Council, Conwy County Borough Council, Clwyd Alyn and Cartrefi Conwy. The development of these properties aligns with the Welsh Governments agenda for zero carbon homes built from modern methods of construction.

It is our aim to establish Creating Enterprise as the leading producer of modular properties in the North Wales region and creating numerous job opportunities for those people furthest from the job market and maximising local supply of trades.

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 has exclusivity rights in the North Wales area.

Creating Enterprise Posi Joist Factory

Creating Enterprise are pleased to announce a further business venture moving into 2021/22 into the manufacturing of metal web timber joists that will not only form an integral component of our modular build but also are widely used in the new build sector. A successful bid to the lottery was approved in March 21 which will bring in £297k to assist in capital set up and revenue cost for the first 12 months. Any further funding will be bought in either via Creating Enterprise reserves or on-lending from Cartrefi Conwy.

The bespoke joists will be manufactured along with our modular homes product from a new unit in Rhyl, Denbighshire. The new business area will create over 9 local FTE employment opportunities with a real focus once again of giving opportunities to those furthest from the job market linking into our Kick Start programme. The joists will be sold to local developers, Housing Associations and also be used in our modular build programme. We anticipate a turnover of £1m per annum.

Creating Futures review

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. New roles have been developed over the last twelve months to meet local demand and needs of tenants. Traditionally, volunteering roles included office administration, working along side a number of our operatives who carry out property maintenance works and caretaking.

Support is provided on a day to day basis through a 'Work Buddy' system and Mentors provide training to help individuals develop employability skills and to move on to long term paid employment.

During the Covid19 lockdown restrictions we were able to set up a team of Wellbeing Volunteers who were recruited to support tenant by carrying out regular welfare telephone calls, food shopping and food bank deliveries. A total of 13 volunteers were recruited. Between them they volunteered 610 hours, carried out 2,845 telephone calls and 216 food pickups.

Additionally, a team of Digital Champion Volunteers were recruited to support the 'Loan IT' project and they received training from Digital Communities Wales. Their role was to support isolated,

elderly tenants to make the most of services on the internet. 11 devices were loaned to tenants with 5 tenants arranging to set up access to the internet following the initial three month loan.

A total of 41 volunteers were recruited during the year, equating to 994 hours of work, supported by 4 work buddies across Creating Enterprise C.I.C. and Cartrefi Conwy Cyfyngedig.

Employment Academy

49 paid employment opportunities have now been made available to unemployed tenants. These opportunities were created at Creating Enterprise, Brenig Construction, Seddon and NWPS Construction Ltd.

The opportunities at Creating Enterprise offered a rotation between different vocational areas including:

- Property painting
- Groundworks
- Void property clearance
- Manufacture of modular build timber frames
- Environmental works and
- Installation of kitchens and bathrooms

Each paid job is offered a 12 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 an 85% success rate with tenants securing long term, permanent employment at the end of their contracts.

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. Much of this activity was carried out via telephone appointments and using Microsoft Teams.

During a challenging year we managed to support 81 local people into employment with the team recruiting additional staff as Job Search Coordinators.

Creating Enterprise continued to deliver the 'Making Work : Work For All' project, supporting working families who are struggling financially. We along with those families launched a 'loyalty card' giving those families access to discounts at 54 local businesses and we provided 431 activity packs (ranging from gardening to crafts and baking). This helped improve the quality of life at home.

Creating Enterprise became a Gateway Employer for the Government's 'Kickstart Scheme' working in partnership with Cartrefi Conwy, Brenig Construction, PF & S Ltd, Clwyd Alyn Housing

Association and Park City offering roles ranging between General Labourer vacancies, to Admin Assistants, Customer Service Assistants and Events Assistants. The Kickstart Scheme is the creation of six month paid job placements for young people aged 16 to 24 years of age, who are currently in receipt of Universal Credit and at risk of long term unemployment.

Employers receive funding for 100% of the relevant National Minimum Wage for 25 hours per week, plus associated Employer National Insurance and employer auto-enrolment pension contribution.

'Passport to Construction' and 'Passport To Care' programmes were piloted online to attract individuals seeking employment in those sectors. Conwy Communities for Work approached us to deliver four programmes for their customers.

Over 250 individuals on the DWP JETS Work and Health Programmes were supported through a partnership formed with Remploy Maximus. Support varied from 1:1 video calls and telephone calls helping individuals create CVs and to complete sector specific workbooks. As well as delivering online group sessions to encourage discussions and thoughts relating to customers' goals.

Mentoring support was provided to previously homeless tenants in Old Colwyn. The daytime activities being offered to sustain their tenancy, become more involved in their local community and potentially support those people that are ready to move on to employment.

Second Chance Furniture

In February 2020 Creating Futures 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.

77 families were supported by the 'Second Chance' project and between them received 283 items of furniture which were donated from void properties.

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 54 training days were delivered to 593 learners. The Academy was funded from a mix of corporate sponsorship, donations, a bursary and sales of courses.

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)
		<ul style="list-style-type: none"> • Relevant focused training programmes in place
Factory Production	Loss of operating premises	<ul style="list-style-type: none"> • Business Continuity Plans • Flying Factories on site
Brexit	Delays with material supplies resulting in contract delivery risks	<ul style="list-style-type: none"> • Main supplier of materials has 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 override 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
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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 2021
Market Target turnover for the financial year was £12.6m.	The resulting turnover for the year was £8.1m largely due to the impact of Covid19 on operational activity. The development programme was reviewed and the works have been re-phased into 2021/22 financial year. In addition, all works on site were suspended early due to the Covid-19 impact and will now be completed in 2021/22.
Innovation Develop new sources of income involving both the development of new work streams and also new target clients.	Workstreams 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 49 tenants through the paid employment programme. A total of 34 have completed the programme and 29 have moved onto sustainable local long term employment.
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.	Creating Enterprise is a self-funding organisation and continues to grow relationships with external clients. A loan of £400,000 was 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.	81 people successfully gained full time employment after receiving 1:1 job search support.
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 £1,200,000. As at the Balance Sheet date an amount of £400,000 was drawn down to grow the business. Creating Enterprise entered into a five year licence agreement with Beattie Passive. The licence has exclusivity rights in the North Wales area delivering innovative modular construction methods to Passivhaus standard.

Impact of Covid-19 and re-mobilisation of workstreams

Impact of Covid-19 on financial year 2020/2021

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.

Works on site continued to be suspended until June. Certain works 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 2020 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 were 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 the beginning of 2021/22. The Business Plan forecast a turnover of £12.6m for 2020/2021 and the actual year end outturn is £8.1m.

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 £1.2m as working capital.

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:

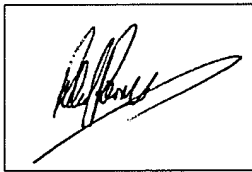
- Listening to and honouring our commitment to our employees, customers, suppliers, investors and to the wider community.
- Excellence, Expertise and Add Value in all that we undertake.
- Embracing the diversity and contributing to the sustainability of our communities

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 diversion from landfill and minimising waste

By order of the Board

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

Peter Parry
Director

1 September 2021

Director's Report

The directors submit their report and the financial statements of Creating Enterprise C.I.C for the year ended 31 March 2021.

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

Creating Enterprise signed off its 5 year Business Plan at the 11 March 2021 Board with a forecast turnover of £56m over the next 5 years.

In addition, at the 8 April 2021 Board approved the business case for establishing a new workstream "Posi Joist" and acquisition of the former Travis Perkins site in Rhyl, to be used to establish a factory from which to deliver the new work stream as well as the modular solutions "Stick & Panel" timber frames previously produced in Holyhead.

National Lottery funding has been secured for £297,450 over 2 years from the Coastal Communities Fund to be used to fund equipment purchase and cover the cost of 2 x FTE jobs relating to Posi Joist production in relation to the first twelve months.

The project is forecast to create up to 9.5 new direct jobs, 4.5 indirect jobs and an additional 20 construction jobs outside the Cartrefi Conwy group. At least two roles will be created for employment Academy participants, helping local people getting back into employment.

The forecast turnover from the Posi Joist factory manufacturing work stream is expected to be £6m over the next five 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.

Statement as to disclosure of information to the auditor

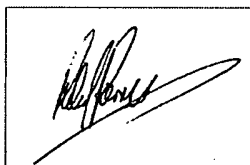
The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that

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 thin black rectangular border.

Peter Parry
Director

1 September 2021

Independent Auditor's Report to the members of Creating Enterprise CIC

Opinion

We have audited the financial statements of Creating Enterprise C.I.C (the 'company') for the year ended 31 March 2021 which comprise the Statement of Total Comprehensive Income and Retained Earning, Statement of Financial Position and notes to the financial statements, including 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 2021 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

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

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

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

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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Report of the Board for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board has 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 Report of the Board.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the Report of the Board.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 16, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

We consider that the most significant laws and regulations that may have an indirect impact on the financial statements if not complied with, are Health and Safety at Work Act 1974, and the General Data Protection Act as set in the Data Protection Act 2018

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business

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
St Philips Point
Temple Row
Birmingham
B2 5EF

Date 16 September 2021

Statement of income and retained earnings as at 31 March 2021

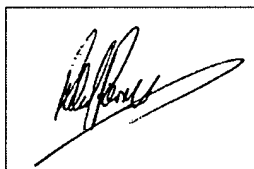
	Note	2021 £	2020 £
TURNOVER	3	8,110,476	10,578,615
Cost of Sales		(7,416,933)	(9,730,087)
GROSS PROFIT		693,543	848,528
Administrative Expenses		(853,883)	(721,977)
OPERATING (GROSS LOSS)/PROFIT BEFORE TAXATION	4	(160,340)	126,551
Interest Receivable		7,586	2,978
Other Operating Income		276,397	-
Interest Payable		(15,924)	(2,978)
Loss on undertakings in Joint Venture	9 & 13	(73,821)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		33,898	126,551
Taxation		(20,872)	(23,175)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		13,026	103,376
		-	-
PROFIT AND RETAINED EARNINGS FOR THE FINANCIAL YEAR		13,026	103,376
<hr/>			
RETAINED EARNINGS AT 1 APRIL 2020		101,193	(2,183)
RETAINED EARNINGS AT 31 MARCH 2021		114,219	101,193

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

Statement of financial position as at 31 March 2021

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Intangible Fixed Assets	7	2,265		4,529	
Tangible Fixed Assets	8	48,735		53,691	
CURRENT ASSETS					
Stocks	10	34,051		92,555	
Debtors	11	2,269,026		1,485,924	
Cash at bank and in hand		<u>161,317</u>		<u>235,752</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	12	<u>(2,401,175)</u>		<u>(1,771,258)</u>	
NET CURRENT ASSETS		63,219		42,973	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>63,219</u>		<u>101,193</u>
TOTAL NET ASSETS			<u>114,219</u>		<u>101,193</u>
CAPITAL AND RESERVES					
Profit and loss account			<u>114,219</u>		<u>101,193</u>
TOTAL EQUITY			<u>114,219</u>		<u>101,193</u>

The financial statements on pages 24 to 39 were approved by the board of directors and authorised for issue on 1 September 2021 and are signed on its behalf by:



Peter Parry
Director
1 September 2021

Company Registration No. 09134089

	Profit & Loss Account	Total
	£	£
Balance as at 1 April 2019	(2,183)	(2,183)
Profit for the year	103,376	103,376
Balance at 31 March 2020	101,193	101,193
Profit for the year	33,898	33,898
Taxation	(20,872)	(20,872)
Balance at 31 March 2021	114,219	114,219

Statement of changes in equity

Accounting Policies

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 increased knowledge surrounding the coronavirus outbreaks 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 believes there could potentially be localised lockdowns. As we move into 2021/22, we expect to see more confidence in the sector and expect a steady recovery to levels much closer to those we have historically enjoyed.

The Business Plan for shows 100% 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.

Other works include the Creating Enterprise Modular Solutions factory production. The worst case scenario would assume another prolonged period of complete lockdown takes place, which would lead to works in the factory being suspended with production recovering thereafter in a slow manner and not achieving previous levels.

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 £1,200,000 as working capital.

In coming to their conclusion as to the appropriateness of the going concern accounting policy the directors have noted that the Board of Cartrefi Conwy Cyfyngedig has documented that the company will continue to provide financial and other support to Creating Enterprise for at least twelve months from the sign off of the financial statements and thereafter for the foreseeable future to enable Creating Enterprise to continue to trade. 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 gain or loss arriving from the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Income & Retained Earnings.

The rates used for tangible fixed assets are:

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

Intangible fixed assets

Computer software and website development is capitalised and written off (amortised) evenly over five years. This represents the period over which the software is expected to give rise to an economic benefit.

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.

Jointly Controlled Entities

Jointly controlled entities e.g. Joint Ventures are contractual arrangements between two or more parties that is subject to joint control. The equity method of accounting is used, and the parties have rights to the net assets of the arrangement. Accordingly, the investment is recognised at its initial cost and subsequently adjusted for its share of the net profit or loss of the Joint Venture.

Coronavirus Job Retention Scheme

Government grants received in respect of the Coronavirus Job Retention Scheme are released in the profit and loss account in the period to which they relate and are recorded within other operating income.

Welsh Government Economic Resilience Fund

Government grant received in respect of the Welsh Government Economic Resilience Fund has been recognised in the Profit and Loss account to which it relates and recorded as grant within other operating income.

Notes to the Financial Statements

3. Revenue

Revenue arises from:	2021 £	2020 £
Commercial works contracts	6,630,616	9,350,329
Timber frame property solutions	993,816	881,033
Creating Futures community support	421,817	342,411
Other revenue	64,227	4,842
	8,110,476	10,578,615
Other operating income includes:		
- Coronavirus Job Retention Scheme	176,397	-
- Welsh Government Economic Resilience Funding	100,000	-

4. Profit on ordinary activities before taxation

	2021 £	2020 £
Operating lease rentals		
- motor vehicles	22,824	8,058
- plant and equipment	12,568	13,977
- land and buildings	67,284	57,143
Auditors' remuneration		
- Fees payable to the Association's auditors for audit service	12,600	12,000
Depreciation – intangible fixed assets	2,264	2,264
Depreciation – tangible fixed assets	17,705	15,016
Amounts of stock recognised as an expense	47,002	66,572

5. Employees

Average monthly number of employees employed during the financial year expressed in full time equivalents, calculation based on a standard working week of 37 or 42 hours as appropriate.

	2021 Number	2020 Number
Management	1	2
Direct Labour	54	40
Administration	12	13
	67	55

The average number of employees employed in the financial year (including directors) is 74 (2020: 64).

	2021 £	2020 £
Wages and salaries	1,630,019	1,345,525
Social security costs	137,632	112,902
Pension	38,055	33,717
Total	1,805,706	1,492,144

6. Board Members

Directors	Basic Salary £	Expenses £	2021 Total £	2020 Total £
Directors	14,500	106	14,606	10,785
	14,500	106	14,606	10,785

The directors are defined as those with membership of the Board.

7. Intangible fixed assets

	Computer Software & Website £	2021 Total £
As at 1 April 2020	11,321	11,321
Additions during the year	-	-
At 31 March 2021	11,321	11,321
Depreciation and impairment		
As at 1 April 2020	6,792	6,792
Charge for the year	2,264	2,264
At 31 March 2021	9,056	9,056
Net book value		
As at 31 March 2021	2,265	2,265
As at 31 March 2020	4,529	4,529

8. Tangible fixed assets – other

	IT Hardware £	Furniture & Fittings £	Plant & Tools £	Total £
Cost				
As at 1 April 2020	12,917	55,235	19,684	87,836
Additions during the year	8,099	-	4,650	12,749
At 31 March 2021	21,016	55,235	24,334	100,585
Depreciation and impairment				
As at 1 April 2020	9,281	14,676	10,188	34,145
Charge for the year	7,685	5,524	4,496	17,705
At 31 March 2021	16,966	20,200	14,684	51,850
Net book value				
As at 31 March 2021	4,050	35,035	9,650	48,735
As at 31 March 2020	3,636	40,559	9,496	53,691

9. Joint ventures

Details of the company's joint ventures at 31 March 2021 are as follows:

Name of undertaking	Registered Office	Nature of Business	Interest held	% Held direct
Creating Enterprise C.I.C	Mochdre	Property development	Ordinary	50
Brenig Development Ltd	Mochdre	Social Enterprise	Ordinary	50

10. Stock

	2021 £	2020 £
Raw materials and components	34,051	92,555

Stock is made up of raw materials and components which comprises of kitchens, bathrooms and boilers.

11. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	277,082	342,250
Less: Provision for bad or doubtful debts	-	(208)
Other debtors	261,032	192,601
Grant funding	31,082	37,452
Prepayments and accrued income	483,113	18,378
Taxation	17,162	1,346
Loan to Calon Homes LLP	480,764	103,231
Amounts owed from Group	718,791	790,874
	2,269,026	1,485,924

Note 11 & 12

The loan to Calon Homes LLP in Note 11 Debtors and the loan from Cartrefi Conwy Cyfyngedig in Note 12 Creditors for 2020/21 have been presented as a short term debtor and a short term loan respectively, becoming due for repayment in under 12 months in order to be consistent with the Group disclosure. Previously they were both treated as falling due in more than 12 months in Creating Enterprise accounts. Therefore, the 2019/20 comparative of £103,231 in Note 11 Debtors and Note 12 Creditors has been re-presented accordingly.

12. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	557,597	801,213
Accruals and deferred income	556,289	418,962
Other creditors	310,052	424,677
Vat & Taxation	32,391	23,175
Loan from Cartrefi Conwy Cyfyngedig	871,025	103,231
Loss on undertakings in Joint Venture	73,821	-
	2,401,175	1,771,258

13. Provisions for joint venture

	2021 £	2020 £
Loss recognised on joint venture investment	73,821	-
Movement on provisions		
		Loss recognised on joint venture investment £
As at 1 April 2020		-
Provisions in the year		73,821
At 31 March 2021		73,821

14. Commitments under operating leases

	Vehicles £	Plant and equipment £	Office equipment £	Land & Buildings £	2021 £	2020 £
Within one year	1,149	2,888	-	-	4,037	4,502
Between one and five years	141,284	58,074	10,878	-	210,236	75,616
Over five years	-	-	-	663,201	663,201	714,893
	142,433	60,962	10,878	663,201	877,474	795,011

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.

15. Taxation

The taxable profits can be 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 2021, it was decided by the Board that to enable business growth there would be no Gift Aid distribution for 2020/21 and Corporation Tax would be payable on the taxable profits.

	2021	2020
	£	£
Profit/(loss) on ordinary activities before tax	33,898	126,551
Current tax charge for the year		
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 20%	-	-
Tax charge	20,872	23,175
Total current tax	<u>20,872</u>	<u>23,175</u>

16. 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.

17. Related Party Transactions

	2021	2020
	£'000	£'000
Amounts contracted for with Cartrefi Conwy Cyfyngedig	5,153	8,020
Amounts charged by Cartrefi Conwy for management and administration	191	130
Amounts charged by Cartrefi Conwy for office accommodation	58	56
Amounts charged by Cartrefi Conwy for direct support staff	137	126
Amounts charged by Cartrefi Conwy for the reimbursement of costs incurred	191	103
Amounts owed from Cartrefi Conwy for repairs and maintenance	1,683	1,157

Amounts owed from Cartrefi Conwy for management and administration	74	-
Amounts owed from Cartrefi Conwy for direct support staff	28	-
Amounts owed from Cartrefi Conwy for the reimbursement of costs incurred	303	310

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.

In the year the company secured undertakings in joint ownership of Calon Homes LLP. At the end of the year there was a loss in creditors of £73,821 (2020: £0)

CIC 34**Community Interest Company Report**

For official use
(Please leave blank)

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*Please
complete in
typescript, or
in bold black
capitals.*

**Company Name in
full**

CREATING ENTERPRISE C.I.C

Company Number

09134089

Year Ending

31/03/2021

(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.

2020/2021 is Creating Enterprise's sixth full year of trading.

Employees of Creating Enterprise are primarily drawn from the local community. The average number of Creating Enterprise employees during the year (including directors) increased from 64 to 74.

The organisation had a turnover of £10.6m in 2019/20. This financial year 2020/21 the turnover was £8.1m against the Business Plan figure of £12.6m. It has been a challenging year for Creating Enterprise with the Covid19 government lockdown directives in place for part of the year. This resulted in the first three months of the financial year seeing less activity than was forecast in the Business Plan. Our Creating Enterprise Modular Solutions (CEMS) factory production, development contracts and component replacement works suffered as a result of these enforced lockdowns. However, we have been able to re-phase these works for completion in 2021/22.

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

Calon Homes LLP has now commenced works on developments of 11 properties in Middlewich, Cheshire. This site will be completed by February 2022 and all the profits will be used towards the next Calon Homes development of 107 family properties in Glan Conwy in the County of Conwy, of which 33 will be made available for Cartrefi Conwy to provide affordable housing. The profit share to Cartrefi Conwy within this development will be used by the Group to further its affordable housing aims.

During July 2020 Creating Enterprise extended its partnering arrangement with Beattie Passive by entering into a five year licence agreement to continue this successful relationship delivering timber frames properties to zero carbon Passivhaus standards. We have now successfully delivered 20 homes for affordable housing need and currently we are building a further 36 homes across 2 sites. Creating Enterprise aims to develop over 300 homes across North Wales over a 5 year period. The development of these properties aligns with the Welsh Governments agenda for zero carbon homes built from modern methods of construction.

It is our aim to establish Creating Enterprise as the leading producer of modular properties in the North Wales region, creating numerous job opportunities for those people furthest from the job market and maximising local supply of trades.

Alongside our modular homes product, Creating Enterprise is expanding in 2021/22 into the manufacture of metal web timber joists that will form an integral component of our modular build and be produced for commercial sale to the new build sector. The bespoke joists will be manufactured along with our modular homes product from a new manufacturing unit in Rhyl, Denbighshire. This will create over 9 new local FTE employment opportunities and give real focus to creating opportunities for those furthest from the job market, linking into our Kick Start programme.

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: A variety of volunteer roles are available across Creating Enterprise and Cartrefi Conwy Cyfyngedig departments. New roles have been developed over the last twelve months to meet local demand and needs of tenants. Support is provided on a day to day basis through a 'Work Buddy' system and Mentors provide training to help individuals develop employability skills and to move on to long term paid employment.

A total of 41 volunteers were recruited during the year, equating to 994 hours of work, supported by 4 work buddies across Creating Enterprise C.I.C. and Cartrefi Conwy Cyfyngedig.

Traditionally, volunteering roles included office administration, working along side a number of our operatives who carry out property maintenance works and caretaking.

In response to Covid19 we set up a team of Wellbeing Volunteers who were recruited to support Cartrefi Conwy tenants by carrying out regular welfare telephone calls, food shopping and food bank deliveries. 13 volunteers were recruited. Between them they volunteered 610 hours, carried out 2,845 telephone calls and 216 food pickups.

Additionally, a team of Digital Champion Volunteers were recruited to support the 'Loan IT' project and they received training from Digital Communities Wales. Their role was to support isolated, elderly tenants to make the most of services on the internet. 11 devices were loaned to tenants, with 5 tenants arranging to set up access to the internet following the initial three month loan.

Employment Academy: 49 paid employment opportunities have now been made available to unemployed tenants by including social value objectives in our contracting arrangements.

Each paid job is offered a 12 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. Despite the challenges of Covid19 during 2020/21, the Employment Academy achieved an 85% success rate of tenants securing long term, permanent employment at the end of their contracts.

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. During Covid 19 restrictions this year, much of this activity was carried out via telephone appointments and using Microsoft Teams and in a challenging year we supported 81 local people into employment with the team recruiting additional staff as Job Search Coordinators.

Employability projects and programmes:

- The 'Making Work: Work for All' project - supporting working families who are struggling financially. A 'loyalty card' was launched giving those families access to discounts at 54 local businesses and we provided 431 activity packs (ranging from gardening to crafts and baking). This helped improve the quality of life at home.
- Creating Enterprise became a Gateway Employer for the Government's 'Kickstart Scheme' working in partnership with Cartrefi Conwy, Brenig Construction, PF & S Ltd, Clwyd Alyn Housing Association and Park City offering roles ranging between General Labourer vacancies, to Admin Assistants, Customer Service Assistants and Events Assistants. The Kickstart Scheme is the creation of six month paid job placements for young people aged 16 to 24 years of age, who are currently in receipt of Universal Credit and at risk of long term unemployment.
- 'Passport to Construction' and 'Passport To Care' programmes were piloted online to attract individuals seeking employment in those sectors. Conwy Communities for Work approached us to deliver four programmes for their customers.
- Over 250 individuals on the DWP JETS Work and Health Programmes were supported through a partnership formed with Remploy Maximus. Support varied from 1:1 video calls and telephone calls helping individuals create CVs and to complete sector specific workbooks, as well as delivering online group sessions to encourage discussions and thoughts relating to customers' goals.
- Mentoring support was provided to previously homeless tenants in Old Colwyn. The daytime activities being offered to sustain their tenancy, become more involved in their local community and potentially support those people that are ready to move on to employment.
- The 'Second Chance' project – This project commenced in February 2020. We collect 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. 77 families have been supported by the 'Second Chance' project and between them received 283 items of furniture which were donated from void properties.
- 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: 54 training days were delivered to 593 learners. The Academy was funded from a mix of corporate sponsorship, donations, a bursary and sales of courses.

(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 6 on Page 34 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.

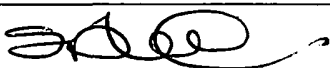
No transfer of assets other than for full consideration has been made.

(Please continue on separate continuation sheet if necessary.)

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

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

Signed



Date

23/11/2021

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 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 8UJ	
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)