

(Amending!)




Creating Enterprise C.I.C.

Report and Financial Statements

31 March 2022

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

THURSDAY	SATURDAY			
		ABY37RQQ		
		A03	25/02/2023	#127
		COMPANIES HOUSE		
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		A31	22/12/2022	#241
		COMPANIES HOUSE		

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Company Information

Directors

Neil Ashbridge
Mark Chadwick
Sian Elinor Corbett-Jones
Peter Parry *Chair of Board*
Elwen Roberts

Co-Optee

Guto Lewis (Resigned 4 August 2021)

Company Secretary

Sandra Lee

Registered Office

Morfa Gele
North Wales Business Park
Cae Eithin
Abergele
Conwy LL22 8LJ

External Auditors	RSM UK Audit LLP 3 Hardman Street Manchester M3 3HF
Internal Auditors	Mazars LLP First Floor Two Chamberlain Square Birmingham B3 3AX
Panel of Solicitors	Anthony Collins Solicitors LLP 134 Edmund Street Birmingham B3 2ES Blake Morgan LLP Harbour Court Compass Road North Harbour Portsmouth PO6 4ST Trowers & Hamlins LLP 55 Princess Street Albert Square Manchester M2 4EW Capital Law Limited Capital Building Tyndall Street 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 2022.

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 initial 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 local 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.

After the year end there was a post Covid19 review. Following this review, a decision was taken to relocate Creating Enterprise C.I.C. staff from the offices in Mochdre to the Cartrefi Conwy Cyfyngedig head office at Morfa Gele, Abergele. The review identified this move would provide greater business efficiency.

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 85 employees in post.

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

- Modular Build Solutions providing net zero carbon homes
- Manufacture of posi joists
- 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

2021/2022 is Creating Enterprise's seventh full year of trading. The Board is pleased to report a trading surplus on ordinary activities in the year of £53,850 (2021: £116,057) before Corporation Tax, interest and gains on the Joint Venture.

The organisation had a turnover of £8.1m in 2020/21. This financial year 2021/22 the turnover is £11.7m against the Business Plan figure of £12.3m. After a challenging couple of years for Creating Enterprise with the Covid19 government lockdown directives in place we are pleased to report that Creating Enterprise is back to pre-Covid levels of works activity.

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

Calon Homes LLP

In May 2018 Creating Enterprise entered a 50:50 Joint Venture with a North Wales based SME, Brenig Developments Limited, establishing Calon Homes as a Limited Liability Partnership.

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 completed the development of 11 'market sale' properties in Middlewich, Cheshire. 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 around 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.

The Group comprises of the association Cartrefi Conwy Cyfyngedig and two wholly owned subsidiaries Creating Enterprise, a Community Interest Company (CIC) and Cartrefi Developments Limited (Dormant as at 31st March 2022). Creating Enterprise has a 50% stake in a joint venture to

develop properties called Calon Homes LLP. On 25th August 2022 Cartrefi Developments purchased the 50% members interest in Calon previously held by Brenig Developments Limited.

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 net zero carbon 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

Creating Enterprise aims to develop over 300 homes across North Wales over a 5 year period from 2022/23.

To date our clients have included Anglesey County Council, Denbighshire County Council, Conwy County Borough Council, Clwyd Alyn and Cartrefi Conwy. The development of these properties aligns with the Welsh Government's 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 which is a new arm of manufacturing. At our new Rhyl site, Creating Enterprise is manufacturing 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 National Lottery was approved in March 21. Grant funding of £297k was received to assist in capital set up and revenue cost for the first 12 months.

A loan of £1,100,000 was received from the Welsh Government for the purchase of the freehold land, building, heavy plant and machinery. This loan is to support the Welsh Government's modern methods of construction' (MMC) strategy, known as 'Reimagining social house building in Wales'.

The bespoke metal web joists (Posi-joist in partnership with Mi-Tek) are being manufactured along with our modular homes product. The new business area has created 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 will also be used in our modular build programme. We forecast a turnover of £1m per annum from 2023/24 onwards.

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:

Employment Academy

60 paid employment opportunities have now been made available to unemployed tenants. These opportunities were created at Creating Enterprise, Cartrefi Conwy Cyfyngedig and Clwyd Alyn, another North Wales housing association.

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 placement 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 81% 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. This support is delivered in Cartrefi Conwy's community house in Chester Avenue, Kinmel Bay, and our new community hub which opened in Llandudno covering localities in which we serve.

We supported 90 local people into employment during the year, with 100% of participants remaining in employment for at least 3 months post support.

Creating Enterprise continued to deliver the 'Making Work : Work For All' project, supporting working families who are struggling financially. 303 families registered to use our loyalty card and app, with 65 businesses registering to offer discounts for the families to access. We delivered 102

out of school activity sessions to 539 children. We held 2 co-production workshops and 35 families were involved in the co-production of the project.

We successfully delivered the Kickstart programme, offering 25 paid employment opportunities to young people across a few local organisations, with most moving on to employment at the end of their placements. Roles varied from labouring, admin support, marketing and events assistant to Play Workers and production assistants.

We delivered 8 'Passport to Construction' programmes to 22 individuals. The 'Passport to Construction' course was specifically for women and 100% of participants passed their Health and Safety Awareness Course and CSCS tests.

380 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 supporting individuals in creating CVs and completing sector specific workbooks. In addition, we delivered online group sessions to encourage discussions and thoughts relating to customers' goals.

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 needs furniture and household goods.

26 families were supported by the 'Second Chance' project and between them received 182 items of furniture which were donated from void properties.

Loan IT

41 Cartrefi Conwy tenants were supported through the Loan IT Project, with 44 training sessions held in sheltered accommodation schemes. 14 devices were donated to tenants upon completion of the programme as, they had sourced their own internet connection at home. A further 30 tenants received tablets through an initiative we had with Lloyds Bank.

Llandudno Community Hub

In 2021/22 we opened our new Llandudno Community Hub where we offer job search, digital support, tenancy money support sessions. Between the opening in September 2021 to the end of March 2022 we had 470 visitors.

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 alongside several 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.

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.

Other Events

We delivered a total of 404 activities/events to 435 individual tenants (with a total of 1,392 attendances). We ensured that there was a wide range of activities on offer, including Art Journaling, a series of courses and trip to art gallery, First Aid courses, outdoor Bingo, craft groups, friendship groups, cooking courses (including donating slow cookers to tenants and encouraging usage by hosting courses specifically for the slow cookers), gardening and estate maintenance sessions, walks (history and foraging) and e-biking.

We also donated sports packs to 100 families to encourage them to be more active and to spend time outside together, whether that be in gardens, communal areas or on the beach.

In addition, we hosted numerous information sessions relating to managing mental health, including breathing techniques and meditation/mindfulness.

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) • 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 • Short term support from our subcontractors on our works framework
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
Pandemics	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

KEY PERFORMANCE INDICATORS

Strategic objectives

Seven strategic objectives were adopted on formation. Progress against each of these are noted below.

Objective	Progress as at 31 March 2022
Market Target turnover for the financial year was £12.3m.	The resulting turnover for the year was £11.7m. There was contract handover slippage in relation to one of the Creating Enterprise Modular Solutions contracts. One contract which was delayed in the early days of Covid19 lockdowns has just been completed and to ensure we completed this contract before the end of March another contract was given a delayed start date.
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 Timber Solutions factory in Rhyl will generate a new income stream. The factory will manufacture posi-joists, fence panels and garden sheds.
Human Resources Establish a sustainable Employment Academy that delivers targeted social benefits	The Employment Academy has worked with a total of 60 tenants through the paid employment programme. A total of 44 have completed the programme and 81% 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 £1.1m was received from the Welsh Government for the acquisition of the Creating Enterprise Timber Solutions Rhyl factory premises and the purchase of the heavy plant and equipment.
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.	90 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.

In addition, in December 2021 Creating Enterprise received £1.1m funding from the Welsh Government Innovative Housing Programme. This funding was for the acquisition of the premises of our new timber products manufacturing premises in Rhyl and the purchase and fit out of heavy plant and equipment.

Impact of Covid19 on financial year 2021/2022

Whilst workstreams were re-commenced for 21/22 the impact of Covid19 was still evident.

Most workstreams were less efficient due to restricted operative numbers allowed to work in close proximity.

Certain materials also became hard difficult to source, especially imported timber products.

By far the largest detrimental consequence of Covid19 was operative absence, due to having to self-isolate either from a positive PCR test or waiting on a test result whilst displaying symptoms. Not only was this difficult to manage operationally in terms of contract efficiency, but the problem was exasperated by the difficulty in backfilling our absent operatives with sub-contractors as they were experiencing the same frustrations. This meant we had to slow-down or even stop some workstreams to re-deploy operatives to prioritise other contracts, namely compliance contracts such as fuel Servicing.

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 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



Peter Parry
Director

Date: 1st September 2022

Directors' Report

The directors submit their report and the financial statements of Creating Enterprise C.I.C for the year ended 31 March 2022.

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 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 to 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.

During the year there were five board members – Neil Ashbridge, Mark Chadwick, Sian Elinor Corbett-Jones, Peter Parry and Elwen Roberts. There was also one co-optee, Guto Lewis.


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


Peter Parry
Director

Date 1st September 2022

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 2022 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 2022 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

29/09/22

Date

Statement of income and retained earnings as at 31 March 2022

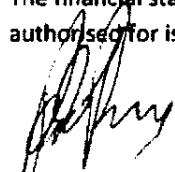
	Note	2022 £	2021 £
TURNOVER	3	11,705,690	8,110,476
Cost of Sales		(10,682,726)	(7,416,933)
GROSS PROFIT		1,022,964	693,543
Administrative Expenses		(972,906)	(853,883)
OPERATING (GROSS LOSS)/PROFIT BEFORE TAXATION	4	50,058	(160,340)
Interest Receivable		24,520	7,586
Other Operating Income		3,792	276,397
Interest Payable		(54,737)	(15,924)
Surplus/(Loss) on undertakings in Joint Venture	9 & 13	36,374	(73,821)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		60,007	33,898
Taxation		-	(20,872)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		60,007	13,026
		-	-
PROFIT AND RETAINED EARNINGS FOR THE FINANCIAL YEAR		60,007	13,026
RETAINED EARNINGS AT 1 APRIL 2021		114,219	101,193
RETAINED EARNINGS AT 31 MARCH 2022		174,226	114,219

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

Statement of financial position as at 31 March 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Intangible Fixed Assets	7	-		2,265	
Tangible Fixed Assets	8	883,118		48,735	
CURRENT ASSETS					
Stocks	10	257,845		34,051	
Debtors	11	4,446,412		2,269,026	
Cash at bank and in hand		<u>157,606</u>		<u>161,317</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	12	<u>(4,470,755)</u>		<u>(2,401,175)</u>	
NET CURRENT ASSETS			391,108	63,219	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,274,226</u>	<u>63,219</u>	
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13		(1,100,000)		-
TOTAL NET ASSETS			<u>174,226</u>	<u>114,219</u>	
CAPITAL AND RESERVES					
Profit and loss account			<u>174,226</u>	<u>114,219</u>	
TOTAL EQUITY			<u>174,226</u>	<u>114,219</u>	

The financial statements on pages 24 to 39 were approved by the board of directors and authorised for issue on 1 September 2022 and are signed on its behalf by:



Peter Parry
Director

Date: 1st September 2022

Company Registration No. 09134089

Statement of changes in equity

	Profit & Loss Account £	Total £
Balance as at 1 April 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	101,193
Profit for the year	60,007	33,898
Taxation	-	(20,872)
Balance at 31 March 2022	174,226	114,219

Accounting Policies

1. General Information

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

company number
Community Interest

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

of business is:

Morfa Gele, North Wales Business Park, Cae Eithin, Abergele LL22 8UJ.

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 8UJ.

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 further localised lockdowns. However, based on our experience throughout the main periods of the pandemic, March 2020 to March 2022 and our adjusted operational plans we feel confident in being able to manage these effectively.

The Business Plan for April 2021 showed 100% of works to properties being carried out by Creating Enterprise C.I.C for the parent. With the ongoing support of Cartrefi Conwy Cyfyngedig we were able 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 allows 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 and revenue grants. Revenue in respect of goods and services is

recognised once an appropriate stage of completion can be proven, can be measured reliably and when there is probability of economic the entity.

when the revenue benefits flowing to

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. For 2021/22 the CE Board made the decision to retain the surplus in Creating Enterprise to support ongoing business development.

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 arising 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:

Land and buildings	over 25 years
Property components	over 20 years
Heavy plant	between 15 and 25 years
Tools and equipment	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.

Loan

A loan is held by the organisation from the Welsh Government. The Welsh Government loan is based on an interest rate of 0% and the loan maturity date is 1 April 2030. The loan was utilised for the purchase of freehold land and buildings and plant and machinery at the Rhyl site. The set up of the Rhyl manufacturing site is to support the modern methods of construction (MMC) to deliver additional housing in Wales and provide employment opportunities.

If the organisation fails to use the loan for any other purpose, then a rate of 1% interest per annum above the European Commission's base rate will be applied.

If the loan is not paid when it becomes due, then interest on the outstanding amount of the loan from the date it became due until the date of payment will have a 2% per annum interest rate over the relevant interest rate payable will be applied

Welsh Government Charge

The Welsh Government holds a charge over the land, building and heavy plant at the Rhyl manufacturing site.

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:	2022 £	2021 £
Commercial works contracts	8,843,864	6,630,616
Timber frame property solutions	2,158,687	993,816
Creating Futures community support	586,017	421,817
Other revenue	117,122	64,227
	11,705,690	8,110,476
Other operating income includes:		
- Coronavirus Job Retention Scheme	3,792	176,397
- Welsh Government Economic Resilience Funding	-	100,000

4. Profit on ordinary activities before taxation

	2022 £	2021 £
Operating lease rentals		
- motor vehicles	45,307	22,834
- plant and equipment	29,488	12,568
- land and buildings	55,237	67,284
Auditors' remuneration		
- Fees payable to the Association's auditors for audit service	15,600	12,600
Depreciation – intangible fixed assets	2,264	2,264
Depreciation – tangible fixed assets	50,388	17,705
Amounts of stock recognised as an expense	73,186	47,002

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.

	2022 Number	2021 Number
Management	1	1
Direct Labour	61	54
Administration	14	12
	<u>76</u>	<u>67</u>

The average number of employees employed in the financial year (including directors) is 83 (2021: 74).

	2022 £	2021 £
Wages and salaries	1,870,251	1,630,019
Social security costs	163,585	137,632
Pension	43,292	38,055
Total	<u>2,077,128</u>	<u>1,805,706</u>

6. Board Members

Directors	Basic Salary £	Expenses £	2022 Total £	2021 Total £
Directors	14,000	54	14,054	14,606
	<u>14,000</u>	<u>54</u>	<u>14,054</u>	<u>14,606</u>

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

7. Intangible fixed assets

	Computer Software & Website £	2022 Total £
As at 1 April 2021	11,321	11,321
Additions during the year	-	-
At 31 March 2022	11,321	11,321
Depreciation and impairment		
As at 1 April 2021	9,056	9,056
Charge for the year	2,264	2,264
At 31 March 2022	11,321	11,321
Net book value		
As at 31 March 2022	-	-
As at 31 March 2021	2,265	2,265

8. Tangible fixed assets – other

	Land & Buildings £	Heavy Plant £	IT Hardware £	Furniture & Fittings £	Plant & Tools £	Total £
Cost						
As at 1 April 2021	-	-	21,016	55,235	24,334	100,585
Additions during the year	791,596	53,150	38,072	1,952	-	884,770
At 31 March 2022	791,596	53,150	59,088	57,187	24,334	985,355
Depreciation and impairment						
As at 1 April 2021	-	-	16,967	20,199	14,684	51,850
Charge for the year	14,756	2,331	23,085	5,719	4,496	50,387
At 31 March 2022	14,756	2,331	40,052	25,918	19,180	102,237
Net book value						
As at 31 March 2022	776,840	50,819	19,036	31,269	5,154	883,118
As at 31 March 2021			4,050	35,035	9,650	48,735

9. Joint ventures

Details of the company's joint ventures at 31 March 2022 are as follows:

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

10. Stock

	2022 £	2021 £
Raw materials and components	257,845	34,051

Stock is made up of raw materials and components which comprises of kitchens, bathrooms and boilers. Following the acquisition and set up of the timber solutions factory in Rhyl, stocks of wood are held on site.

11. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	1,054,838	277,082
Less: Provision for bad or doubtful debts	-	-
Other debtors	353,467	261,032
Grant funding	6,160	31,082
Prepayments and accrued income	643,947	483,113
Taxation	24,849	17,162
Loan to Calon Homes LLP	1,276,049	480,764
Amounts owed from Group	1,087,102	718,791
	4,446,412	2,269,026

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 2021/22 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.

12. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,285,991	557,597
Accruals and deferred income	506,986	556,289
Other creditors	382,239	310,052
Vat & Taxation	24,014	32,391
Loan from Cartrefi Conwy Cyfyngedig	2,234,078	871,025
Loss on undertakings in Joint Venture	37,447	73,821
	4,470,755	2,401,175

13. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Welsh Government loan	1,100,000	-

As at 31 March 2022 the Welsh Government loan had an interest rate of 0%.

14. Provisions for joint venture

	2022 £	2021 £
As at 1 April 2021	(73,821)	-
Gain/(Loss) recognised on joint venture investment	36,374	(73,821)
At 31 March 2022	(37,447)	(73,821)

15. Commitments under operating leases

	Vehicles £	Plant and equipment £	Office equipment £	Land & Buildings £	2022 £	2021 £
Within one year	1,723	1,608	-	13,817	17,148	4,037
Between one and five years	138,838	67,179	7,350	-	213,367	210,236
Over five years	-	-	-	-	-	663,201
	140,561	68,787	7,350	13,817	230,515	877,474

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.

16. 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 2022, it was decided by the Board that to enable continued business growth there would be no Gift Aid distribution for 2021/22 and Corporation Tax would be payable on the taxable profits.

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	60,007	33,898
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
Total current tax	-	20,872

17. 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.

18. Related Party Transactions

	2022 £'000	2021 £'000
Amounts contracted for with Cartrefi Conwy Cyfyngedig	6,844	5,153
Amounts charged by Cartrefi Conwy for management and administration	192	191
Amounts charged by Cartrefi Conwy for office accommodation	58	58
Amounts charged by Cartrefi Conwy for direct labour staff	97	137
Amounts charged by Cartrefi Conwy for the reimbursement of costs incurred	137	191

Amounts owed from Cartrefi Conwy for repairs and maintenance	1,597	1,683
Amounts owed from Cartrefi Conwy for management and administration	49	74
Amounts owed from Cartrefi Conwy for direct labour staff	33	28
Amounts owed from Cartrefi Conwy for the reimbursement of costs incurred	552	303

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 £37,447 (2021: £73,821 Loss).

212020/15 212020/15

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

31/03/2022

(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.

2021/2022 is Creating Enterprise's seventh 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 74 to 83.

The organisation had a turnover of £8.1m in 2020/21. This financial year 2021/22 the turnover is £11.7m against the Business Plan figure of £12.3m. After a challenging couple of years for Creating Enterprise with the Covid19 government lockdown directives in place we are pleased to report that Creating Enterprise is back to pre Covid levels of works activity.

Creating Enterprise is a partner in Calon Homes LLP, the aim of which 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 has recently commenced a new 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 within this development will be used by the Cartrefi Conwy 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. 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. To date our clients have included Anglesey County Council, Denbighshire County Council, Conwy County Borough Council, Clwyd Alyn and Cartrefi Conwy. 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.

Alongside our modular homes product, Creating Enterprise has expanded its operations into the manufacture of metal web timber joists. These form an integral component of our modular build and are also being produced for commercial sale to the new build sector. This new business area has created employment opportunities with a real focus once again on giving opportunities to 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:

Employment Academy : By working in partnership with our local housing associations, 60 paid employment opportunities have now been made available to unemployed tenants. 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 placement 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 81% 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. This support is delivered in Cartrefi Conwy's community house in Chester Avenue, Kinmel Bay, and our new community hub which opened in Llandudno covering localities in which we serve.

We supported 90 local people into employment during the year, with 100% of participants remaining in employment for at least 3 months post support.

Creating Enterprise continued to deliver the 'Making Work : Work For All' project, supporting working families who are struggling financially. 303 families registered to use our loyalty card and app, with 65 businesses registering to offer discounts for the families to access. We delivered 102 out of school activity sessions to 539 children. We held 2 co-production workshops and 35 families were involved in the co-production of the project.

We successfully delivered the Kickstart programme, offering 25 paid employment opportunities to young people across a few local organisations, with most moving on to employment at the end of their placements. Roles varied from labouring, admin support, marketing and events assistant to Play Workers and production assistants.

We delivered 8 'Passport to Construction' programmes to 22 individuals. The 'Passport to Construction' course was specifically for women and 100% of participants passed their Health and Safety Awareness Course and CSCS tests.

380 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 supporting individuals in creating CVs and completing sector specific workbooks. In addition, we delivered online group sessions to encourage discussions and thoughts relating to customers' goals.

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 needs furniture and household goods. 26 families were supported by the 'Second Chance' project and between them received 182 items of furniture which were donated from void properties.

Loan IT: 41 Cartrefi Conwy tenants were supported through the Loan IT Project, with 44 training sessions held in sheltered accommodation schemes. 14 devices were donated to tenants upon completion of the programme as, they had sourced their own internet connection at home. A further 30 tenants received tablets through an initiative we had with Lloyds Bank.

Llandudno Community Hub: In 2021/22 we opened our new Llandudno Community Hub where we offer job search, digital support, tenancy money support sessions. Between the opening in September 2021 to the end of March 2022 we had 470 visitors.

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 alongside several 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.

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.

Other Events: We delivered a total of 404 activities/events to 435 individual tenants (with a total of 1,392 attendances). We ensured that there was a wide range of activities on offer, including Art Journaling, a series of courses and trip to art gallery, First Aid courses, outdoor Bingo, craft groups, friendship groups, cooking courses (including donating slow cookers to tenants and encouraging usage by hosting courses specifically for the slow cookers), gardening and estate maintenance sessions, walks (history and foraging) and e-biking.

We also donated sports packs to 100 families to encourage them to be more active and to spend time outside together, whether that be in gardens, communal areas or on the beach.

In addition, we hosted numerous information sessions relating to managing mental health, including breathing techniques and meditation/mindfulness.

(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.

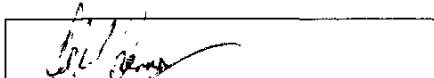
No transfer of assets other than for full consideration has been made.

(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

20/12/22

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)