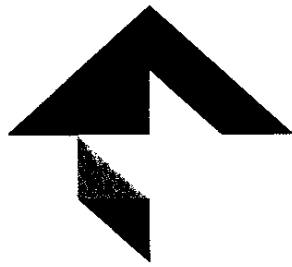


CREU MENTER CREATING ENTERPRISE



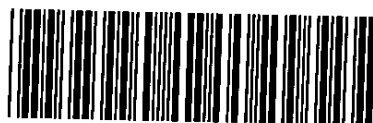
Y contractwr cymdeithasol delfrydol
The social contractor of choice

Report and Financial Statements 31 March 2019

Creating Enterprise C.I.C.

Company Registration No. 09134089

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COMPANIES HOUSE

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External Auditors

RSM UK Audit LLP
3 Hardman Street
Manchester M3 3HF

Internal Auditors

Mazars LLP
45 Church Street
Birmingham B3 2RT

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

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

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

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

Croftons Solicitors LLP
The Lexicon
Mount Street
Manchester M2 5FA

Bankers

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

Funding Advisers

David Tolson Partnership
Richard House
9 Winckley Square, Preston PR1 3HP

Surveyors & Valuers

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

Public Relations Advisers

Ceidiog Communications
40 Brookhouse Road
Denbigh LL16 4RQ

COMPANY INFORMATION

Directors

Neil Ashbridge	Appointed 30.01.2019	
Sian Elinor Corbett-Jones	Appointed 18.07.2019	
Kathryn Coughlin	Appointed 12.06.2017	
Peter Parry	Appointed 13.08.2017	Chair of Board
Elwen Roberts	Appointed 16.03.2015	
Sharon Williams	Appointed 13.11.2017	Resigned 04.09.2018

Co-Optee

Guto Lewis	Appointed 18.07.2019
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Company Secretary

Sandra Lee

Registered Office

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

STRATEGIC REPORT

The directors have pleasure in submitting their strategic report for Creating Enterprise C.I.C. for the year ended 31 March 2019.

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, formed to build on its 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.

In April 2018, Creating Enterprise moved out of the Cartrefi Conwy head office and into its own leased premises to better accommodate the expansion of its services within the Employment Academy and creating training facilities for tenants and the wider community.

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:

Creating Enterprise will be the exemplar social enterprise providing services to its clients, its stakeholders and the community at large in a friendly, ethical and socially responsible manner. Whilst generating a commercial surplus that benefits its stakeholders, it will do social good in both its own and the wider community that it serves.

Vision: Creating Enterprise will provide the highest quality service to its customers at the keenest possible price. 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
- Creating Enterprise being operationally organised into two clearly distinct operating divisions “the Employment Academy and the Commercial division”

- Within the Commercial division, establishing an appropriate structure in line with a partnering arrangement to manage construction aimed activity, delivering new build and refurbishment schemes at commercially competitive rates with guaranteed social outcomes and;
- Within the Employment Academy, continue with our on-going volunteering and skills training projects. There are a wider range of opportunities beyond existing property maintenance and semi-skilled trades which include areas such as office administration.

Creating Enterprise began the year with 48 employees working across an increased number of work streams, and ended the year with 57 employees.

The works supplied to both Cartrefi Conwy and also external stakeholders include;

- Property Clearance, garden maintenance and sparkle Clean service
- Painting of dwellings and commercial properties (internal and external)
- Gas and Oil Servicing of domestic properties
- Central heating Installations
- Full property rewires
- General labouring, fencing and concreting pathways i.e. groundworks
- Property Maintenance and refurbishment i.e. new kitchens, bathrooms, adapted bathrooms and small extensions
- Communal area refurbishments

External customers during the year, included Conwy County Borough Council, Bangor University and private sector developers.

FINANCIAL & OPERATIONAL REVIEW

FINANCIAL REVIEW

2018/2019 is Creating Enterprise's fourth full year of trading. The Board is pleased to report a trading surplus on ordinary activities in the year of £147,089 compared to a £83,437 surplus in the 2017/18 financial year.

The organisation has grown over the financial year with a year end turnover of £9.8m from an anticipated £8.9m within the April 2018 Business Plan. The growth in turnover has been in the main due to Cartrefi Conwy choosing Creating Enterprise as the social contractor of choice for the provision of its property maintenance works and management of their new build development contracts. Creating Enterprise have now started to manage all the new build development contracts for Cartrefi Conwy.

CALON HOMES

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

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

- Competitively priced quality homes 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 to meet s106 planning requirements within scheme applications

CREATING ENTERPRISE MODULAR SOLUTIONS

During the year Creating Enterprise partnered with Beattie Passive and launched its first factory in North Wales delivering timber framed properties to zero carbon Passivhaus standards. Grant funding was approved from the Coastal Communities Fund. The grant of £174,580 is 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.

Work in the factory started during the fourth quarter producing timber frames to go into low-energy homes which have estimated running costs of circa £200 per year based on a 3 bedroom property. The premises on Holyhead's Penrhos Industrial Estate has already constructed the timber frames for four sheltered bungalows for Anglesey County Council and have received orders for more than 50 more homes.

Modular building is a relatively new and innovative concept for housing associations and developers and many are purchasing these buildings off the shelf. We have partnered with Beattie Passive to build a high quality energy efficient product with a very low carbon footprint.

The product will allow Creating Enterprise to deliver high quality homes but in doing so utilise those unemployed people from across North Wales the opportunity to gain workplace experience, training and qualifications.

Creating Enterprise have contracts to provide homes for Anglesey County Council, Denbighshire County Council, Cartrefi Conwy and Conwy County Borough Council and there is considerable interest from other local authorities and housing associations across North Wales and North West.

EMPLOYMENT ACADEMY REVIEW

Creating Enterprises' social values support unemployed tenants into 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 departments. These volunteering roles include office administration, working with different property maintenance trades, caretaking and events support. Support is provided on a day to day basis through a 'Work Buddy' system and Mentors provide training and support to help develop employability skills and eventually move on to long term employment. 44 tenants volunteered during the year, equating to volunteers contributing 3,299 hours of work.

Paid Employment: 28 paid employment opportunities have now been made available to unemployed tenants through the Employment Academy. These were in the vocational areas of property painting, external groundworks, void property clearances and office administration. Each paid job is offered on a 12 or 18 month fixed term contract with support from a Mentor to help secure employment with other organisations at the end of the paid contract. During the employment, tenants are supported with 'on the job' training, formal qualifications, employability skills, personal development plans and job search assistance. The Employment Academy has a 93% success rate of tenants securing long term permanent employment at the end of their contracts.

Employability

Creating Enterprise now 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, a Job's Café is run twice a week and support into employment is run through our 'Get Ready for Employment' programme which is grant funded by WCVA's Active Inclusion. During the year Creating Enterprise received 433 referrals for support and their 'drop-in' training facility has been used by 1,274 people with 247 people using the Job Café and 58 people securing employment locally.

Creating Enterprise also secured a 4 year grant with the Big Lottery Community Fund for £500,000 to support working families who are struggling financially. The project is called 'Making Work: Work for All'.

Social Enterprise Academy

Creating Enterprise undertook a feasibility study during the year to research the need in Wales to bring the very successful Social Enterprise Academy to Wales. The research showed that there was a definite need for this unique learning and development programme in Wales and from April 2019 the Academy will be launched in partnership with The Wales Co-operative Centre delivering affordable and accessible learning to enterprising organisations across Leadership; Enterprise; Learning and Social Impact programmes.

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 during each meeting. The main strategic risks to the achievement of its objects and related controls are noted below:

Risk Category	Key Risks	Controls/Lines of Defence
Financial	Financial viability of work streams. Loss or withdrawal of funding.	Management review financial performance monthly. Management Accounts reviewed at Board meetings.
Contractual	Delivery failure or other breach of contractual terms.	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.	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)	Parent (Cartrefi Conwy) retains a qualified Health & Safety Advisor to provide overview and monitor working practices. Recognised accreditation (CHAS).
Factory Production	Loss of operating premises.	Business Continuity Plans.
Governance	Poor decision making resulting in management over ride of controls. Inadequate line of sight through the group governance structure.	Board appointment and appraisal processes. Parent Board determines standing orders, delegations and matters reserved for the Board.

KEY PERFORMANCE INDICATORS

Strategic Objectives

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

Objective	Progress as at 31 March 2019
Market Target turnover for the financial year was £8.9m.	The target was met by the end of the year with a turnover of £9.8m.
Innovation Develop new sources of income involving both the development of new work streams and also new target clients.	Workstreams (as listed in the Review section on page 3) have been developed and activity levels maintained or increased for each workstream. The

	opening of the Creating Enterprise Modular Solutions Factory in Holyhead has generated a new income stream. Contracts have been carried out with external organisations. The organisation aims to carry out works for external clients to the value of 20% of its turnover within the next 2 years.
Human Resources Establish a sustainable Employment Academy that delivers targeted social benefits	The Employment Academy has worked with a total of 52 tenants through the paid employment programme. A total of 22 have completed the programme and all have moved onto sustainable local employment. New services that were offered during year – Jobs Café, Job Fairs and digital training.
Financial Establish Creating Enterprise as a self-funding organisation in the sense that it does not require working capital or capital investment funding from Cartrefi Conwy, within the next 4 years.	Increased turnover to £9.8m. Creating Enterprise is a self funding organisation and continuing to grow relationships with external clients. No loans were drawn down from the Parent to support the primary purpose of Creating Enterprise.
Productivity Achieve acceptable productivity levels for all staff. Agree and implement KPIs with all customers.	Cartrefi Conwy 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.	63 tenants were invited to work trials with 135 receiving job search assistance and 58 gaining full time employment
Profit. Generate a pre-tax surplus within 3 years	The target was met at the end of the year.

Liquidity

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

Financial Support for growth

In view of the significant increase in trading activity since Creating Enterprise was established in March 2015 an on-lending loan facility remains in place with Cartrefi Conwy Cyfyngedig (the Parent) of £500,000. This provides Creating Enterprise with an on-going facility to draw up to £500,000 for

its primary purpose. During the financial year a loan of £40,000 was drawn down from this facility to support the business.

Value for money

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

Our VFM approach includes:

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

Ethical Objectives

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

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

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

Corporate Social Responsibility Objectives

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

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

By order of the Board



Director

PETER PARRY

2 September 2019

DIRECTOR'S REPORT

The directors submit their report and the financial statements of Creating Enterprise C.I.C for the year ended 31 March 2019.

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 3.

Principal Activities

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

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

Director's Responsibilities

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

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

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

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

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

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

Future Developments

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

Calon Homes has now secured its first two sites for development, which will deliver 110+ homes for market sale over the next 4 years. Creating Enterprise will benefit financially from the receipt of its profit share on realisation of the market sales from these homes.

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

As the organisation continues to develop we will review and enhance our internal control processes. In this financial year, like many other organisations we noted an increased incidence in bogus requests for payment by fraudulent emails. It is regrettable that we report one incident of a fraudulent payment being made. This resulted in a financial loss of £1,291. There are no other frauds to report in the period covered by this report.

Directors

The parent company Cartrefi Conwy (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.

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.

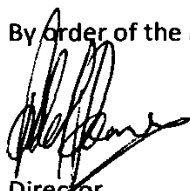
Statement as to disclosure of information to the auditor

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



Director
2 September 2019

PETER PARRY

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

Opinion

We have audited the financial statements of Creating Enterprise C.I.C (the 'company') for the year ended 31 March 2019 which comprise Statement of Income and Retained Earnings, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent

otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies

Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

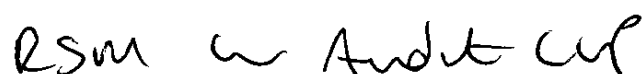
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 18/9/19

STATEMENT OF INCOME AND RETAINED EARNINGS AS AT 31 MARCH 2019

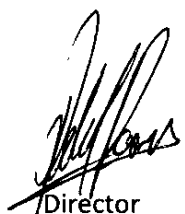
	Note	2019 £	2018 £
TURNOVER		9,823,522	5,368,330
Cost of Sales		(9,055,107)	(4,853,873)
GROSS PROFIT		768,415	514,457
Administrative Expenses		(621,326)	(431,020)
OPERATING PROFIT BEFORE TAXATION	3	147,089	83,437
Interest Receivable		259	-
Interest Payable		(259)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		147,089	83,437
Taxation		-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		147,089	83,437
PROFIT AND RETAINED EARNINGS FOR THE FINANCIAL YEAR		147,089	83,437
RETAINED EARNINGS AT 1 APRIL 2018		2,656	(21,660)
RETAINED EARNINGS AT 31 MARCH 2019		149,745	61,777

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Intangible Fixed Assets	6	6,793		9,057	
Tangible Fixed Assets	7	41,687		49,258	
CURRENT ASSETS					
Stocks	8	40,089		18,723	
Debtors	9	835,855		1,052,329	
Cash at bank and in hand		<u>629,759</u>		<u>280,676</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	10	<u>(1,404,438)</u>		<u>(1,305,493)</u>	
NET CURRENT ASSETS		101,265		46,235	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>149,745</u>		<u>104,550</u>
Debtors: Amounts falling due after more than one year		40,259		-	
Creditors: Amounts falling due after more than one year		(40,259)		(42,773)	
TOTAL NET ASSETS			<u>149,745</u>		<u>61,777</u>
CAPITAL AND RESERVES					
Profit and loss account			<u>149,745</u>		<u>61,777</u>
TOTAL EQUITY			<u>149,745</u>		<u>61,777</u>

The financial statements on pages 16 to 27 were approved by the board of directors and authorised for issue on 2 September 2019 and are signed on its behalf by:


Director PETER PARRY

2 September 2019

Company Registration No. 09134089

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 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 102. '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 Flow 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. The consolidated financial statements of Cartrefi Conwy are available from its registered office, Morfa Gele, North Wales Business Park, Cae Eithin, Abergele, Conwy LL22 8LJ.

Going Concern

The directors have prepared detailed forecasts and are confident that the company has sufficient financial resources to meet its working capital requirements for the foreseeable future. The accounts, therefore, 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. Turnover is recognised when substantially all risks and rewards of ownership have been transferred.

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.

Taxation

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

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

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

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

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

Leases

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

Employee Benefits

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

Retirement Benefits

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

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

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

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

Tangible fixed assets

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

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

Financial Assets

Trade Debtors

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

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

Financial Liabilities

Trade Creditors

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

De-recognition of financial assets and liabilities

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

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

Judgments in Applying Accounting Policies and Key Sources of Estimation Uncertainty

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

Provisions and Accruals

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

3 Profit on ordinary activities before taxation

	2019	2018
	£	£
Operating lease rentals		
- motor vehicles	9,480	14,238
- plant and equipment	12,618	7,558
 Auditors' remuneration		
- Fees payable to the Association's auditors for audit service	8,400	4,300
 Depreciation – intangible fixed assets	2,264	2,264
Depreciation – tangible fixed assets	13,566	11,896
 Amounts of stock recognised as an expense	54,394	32,709

4 Employees

	2019	2018
	Number	Number
The average monthly number of persons (including directors) employed by the company during the year was:		
Management	6	5
Direct Labour	44	37
Administration	8	7
	<u>58</u>	<u>49</u>
	2019	2018
	£	£
Wages and salaries	1,177,579	861,030
Social security costs	97,405	73,051
Pension	21,038	6,805
Total	<u>1,296,022</u>	<u>940,866</u>

5 Board Members

Directors	Basic Salary £	2019 Total £	2018 Total £
Directors	1,375	1,375	-
	1,375	1,375	-

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

6 Intangible fixed assets

	Computer Software & Website £	2019 Total £	2018 Total £
Cost			
As at 1 April 2018	11,321	11,321	-
Additions during the year	-	-	11,321
At 31 March 2019	11,321	11,321	11,321
Depreciation and impairment			
As at 1 April 2018	2,264	2,264	-
Charge for the year	2,264	2,264	2,264
At 31 March 2019	4,528	4,528	2,264
Net book value			
As at 31 March 2019	6,793	6,793	9,057
As at 31 March 2018	9,057	9,057	-

7 Tangible fixed assets – other

	Vehicles	IT Hardware	Furniture & Fittings	Plant & Tools	Total
	£	£	£	£	£
Cost					
As at 1 April 2018	7,920	3,755	44,718	6,349	62,742
Additions during the year	-	1,890	2,083	2,021	5,994
At 31 March 2019	7,920	5,645	46,801	8,370	68,736
Depreciation and impairment					
As at 1 April 2018	3,960	1,877	4,472	3,174	13,483
Charge for the year	3,960	2,833	4,680	2,093	13,566
At 31 March 2019	7,920	4,710	9,152	5,267	27,049
Net book value					
As at 31 March 2019	-	935	37,649	3,103	41,687
As at 31 March 2018	3,960	1,878	40,246	3,175	49,259

8 Stock

	2019	2018
	£	£
Raw materials and components	40,089	18,723

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

9 Debtors

	2019	2018
	£	£
Due within one year		
Trade debtors	143,203	41,833
Less: Provision for bad or doubtful debts	(5,724)	-
Other debtors	54,015	65,212
Grant funding	48,202	65,068
Prepayments and accrued income	8,865	9,060
Amounts owed from Group	587,294	871,156
	835,855	1,052,329

10 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	450,144	280,952
Accruals and deferred income	354,943	109,832
Other creditors	552,291	893,440
Revenue grant	47,060	21,269
Amounts owed to Group	-	-
	1,404,438	1,305,493

11 Commitments under operating leases

	Vehicles	Plant and equipment	Office equipment	Land & Buildings	2019	2018
	£	£	£	£	£	£
Within one year	-	-	-	-	-	-
Between one and five years	9,363	24,124	1,857	-	35,344	49,465
Over five years	-	-	-	748,384	748,384	801,840
	9,363	24,124	1,857	748,384	783,728	851,305

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

12 Taxation

The profits of the company will be paid under Gift Aid to the parent, Cartrefi Conwy Cyfyngedig, a Community Benefit Society organisation with charitable rules (registered number 30457R). No provision is required for deferred tax for the period.

	2019	2018
	£	£
Profit/(loss) on ordinary activities before tax	147,089	61,777
Current tax charge for the year		
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 20%	29,418	12,355
Tax relief on Gift Aid donations	(29,418)	(12,355)
Total current tax	<u>-</u>	<u>-</u>

13 Ultimate parent undertaking

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

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

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

14 Related Party Transactions

	2019	2018
	£'000	£'000
Amounts contracted for with Cartrefi Conwy	8,274	5,176
Amounts charged by Cartrefi Conwy for management and administration	105	139
Amounts charged by Cartrefi Conwy for office accommodation	56	14
Amounts charged by Cartrefi Conwy for direct support staff	82	-
Amounts charged by Cartrefi Conwy for the reimbursement of costs incurred	140	239
Amounts owed from Cartrefi Conwy for repairs and maintenance	925	871
Amounts owed from Cartrefi Conwy for the reimbursement of costs incurred	243	108

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.

700734 £15

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

31/03/2019

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 commenced trading with effect from 1st April 2015. It is the wholly owned subsidiary of Cartrefi Conwy, a Registered Social Landlord, operating in North Wales.

2018/19 is the fourth full year of trading. The organisation has grown over this financial year with a yearend turnover of £9.8m from an anticipated £8.9m within the April 2018 Business Plan. The growth in turnover has been in the main due to increased contracting with its Parent, Cartrefi Conwy.

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. One of the benefits of this is to provide meaningful paid work and volunteer opportunities for those experiencing difficulty in accessing or sustaining employment: personal development, and up-skilling leading to financial independence, social and economic inclusion.

During the year Creating Enterprise partnered with Beattie Passive to establish its first factory in North Wales delivering timber frames properties to zero carbon Passivhaus standards. The product allows Creating Enterprise to deliver high quality, affordable homes using relatively unskilled local labour and support this workforce to gain wider workplace experience, training and qualifications.

Employees of Creating Enterprise are primarily drawn from the local community. The average number of Creating Enterprise employees during the year increased from 49 to 58.

Creating Enterprise's social values support unemployed residents of the community, including more specifically, tenants of Cartrefi Conwy;

- 44 tenants volunteered during the year, contributing 3,299 hours of work
- 28 paid employment opportunities were made available to unemployed tenants through the Employment Academy. The Academy has a 93% success rate of tenants securing long term permanent employment at the end of their training contracts.
- 433 referrals to support tenants with volunteering and employability training. 1,274 people used the 'drop-in' training facility and 58 people secured employment locally.
- Creating Enterprise also secured a 4 year grant with the Big Lottery Community Fund to support working families who are struggling financially.

(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 (Beattie Passive & Brenig Developments)

Corporate Customers and their Service Users

Funders (Big Lottery etc)

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

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

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

Note 5 on Page 23 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

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

Signed 

Date 6/11/2019

Office held (delete as appropriate) Director/Secretary

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

The Company Secretary, Creating Enterprise C.I.C	
Morfa Gele, North Wales Business Park	
Cae Eithin, Abergele, LL22 8LJ	
Tel 0300 124 0040	
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

The accounts and CIC34 **cannot** be filed online

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