

Creating Enterprise C.I.C.

Report and financial statements for the year end 31 March 2018



A18	*A7JWDWH4*	01/12/2018	#302
		COMPANIES HOUSE	
A06	*A7JBWVXU*	23/11/2018	#135
		COMPANIES HOUSE	
A27	*A7IME915*	13/11/2018	#8
		COMPANIES HOUSE	

Company Registration No. 09134089

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COMPANY INFORMATION

Directors

Kath Coughlin	Appointed 12.06.2017	
Richard James Illidge		Resigned 13.11.2017
Peter Parry	Appointed 13.08.2017	
Elwen Roberts		
Susan Shotter		Resigned 02.06.2017
Sharon Williams	Appointed 13.11.2017	

Company Secretary

Sandra Lee

Registered Office

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

External Auditors

RSM UK Audit LLP
3 Hardman Street
Manchester M3 3HF

Internal Auditors

Mazars LLP
45 Church Street
Birmingham B3 2RT

Panel of Solicitors (for Corporate and Funding Advice)

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham B3 2ES

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

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

Croftons Solicitors LLP
The Lexicon
Mount Street
Manchester M2 5FA

Funders & Bankers

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

Funding Advisers

David Tolson Partnership
7 Millwood Close
Withnell Fold Nr Chorley PR6 8AR

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 Limited for the year ended 31 March 2018.

REVIEW OF THE BUSINESS

Creating Enterprise Limited 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.

The formation of Creating Enterprise was led by Cartrefi Conwy Cyfyngedig, a registered social landlord based in the County of Conwy, 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.

Cartrefi Conwy Cyfyngedig is currently the sole member of Creating Enterprise.

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 all 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.

The Business Plan was reviewed at the commencement of the financial year for Creating Enterprise to support the reshaping of the business from April 1st 2017 in line with the following principles approved by the Board of Creating Enterprise and the Board of its parent company Cartrefi Conwy Cyfyngedig.

- Continued development of opportunities for business efficiency through inter-group trading between Cartrefi Conwy Cyfyngedig and Creating Enterprise
- Creating Enterprise being operationally organised into 2 clearly distinct operating divisions "People" and "Property"

- Within the 'Property' 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
- Within the 'People' division, on going development of the Employment Academy with both volunteering and skills training opportunities and, establish an Employment Agency to open up a wider range of such opportunities beyond existing property maintenance and semi-skilled trades to areas such as care sector and hospitality

The organisation has considerably grown over the financial year with a year end turnover of £5.4m from an anticipated £500k within the original plan. All outstanding loans from the parent have also been repaid.

Creating Enterprise began the year with 33 employees working across an increased number of work streams, and ended the year with 45 employees.

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

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

A number of contracts were also delivered to external companies during the year, including Conwy County Borough Council, Betsi Cadwaladr University Health Board, Brenig Construction, Dylans Restaurant and Bay of Colwyn Town Council. 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 trades, to caretaking and events. 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 tenants onto long term employment. 76 tenants were invited to work trials, with 24 tenants volunteering equating to volunteers contributing 2,091 work hours.

Paid Employment: 18 paid employment opportunities, only open to unemployed tenants were available in the year, these were in the vocational areas of property painting, external groundworks and void property clearances. 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 100% success rate of tenants securing permanent employment at the end of their contracts.

Creating Enterprise within its 3rd year of trading won the Social Enterprise of the Year at the Social Business Wales Awards in June 2017 which was such a positive achievement for the organisation.

FINANCIAL REVIEW

2017/2018 is Creating Enterprise's third full year of trading. The Board is pleased to report a trading surplus on ordinary activities in the year of £83,437 compared to a £19,895 surplus in the second year of trading.

The organisation saw an increase in its turnover and costs of sales and this 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.

In addition to providing Cartrefi Conwy's maintenance works Creating Enterprise project managed a newbuild development scheme, a programme of environmental works and property external wall insulation works.

EMPLOYMENT ACADEMY REVIEW

Creating Enterprises' awarding Employment Academy went from strength to strength in the financial year. We received 219 referrals to support tenants with employability training and delivered 175 soft skills sessions.

24 tenants volunteered to carry out various job related roles including administration and basic trade skills. In total almost 2,100 hours of their time were given across both Creating Enterprise and Cartrefi Conwy.

The new Job Search Service saw 43 tenants supported with help to find employment and 18 to date have found permanent employment.

Our Paid Employment Programme saw tenants take up paid employment within Creating Enterprise for a twelve month period across a number of workstreams.

Grant funding for four years was awarded from 'The Big Lottery Fund'. This grant funding was secured for our Stepping Stones Project to support tenants to move towards employment.

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 is assessed using a systematic risk management model covering both external and internal factors and the potential impact and likelihood of occurrence of those risks. 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. Our risk identification and mitigation processes have been designed to be responsive to an 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 the end of each meeting.

Creating Enterprise has identified the following main strategic risks to the achievement of its objectives and these are considered below:

Key Risk	Status
Management accounts & project monitoring Financial costs exceed those provided for in the Business Plan, leading to failure to become self-financing and/or generate funds for further investment.	Management review financial performance monthly in order to identify threats and invoke mitigation strategies. Management accounts reviewed at Board meetings.
Risk assessment and project evaluation Reduction / withdrawal of project specific external funding.	Risk assessments and project evaluation carried out before submission of bids and prior to acceptance of funding.
Training programme and performance management Reputational risk due to lack of skilled workforce. Poor workmanship damages reputation.	A structured training programme has been established. Unskilled workers are managed closely by managers experienced in this kind of unskilled work. Training Academy performance is reported and monitored by the Board.
Health & Safety Loss of life or serious / life threatening injury (to employee or other) arising from operational practices.	The Parent (Cartrefi Conwy Cyfyngedig) retains a qualified Health and Safety Manager and Advisor to provide overview and monitor performance. Employees are trained and appropriate Health & Safety procedures are in place, including the issue of appropriate protective clothing and Lone Worker monitoring systems.
Governance Inadequate skill set among Board members to address all areas of the business and growth aspirations.	Skills based assessment and recruitment to Board.

KEY PERFORMANCE INDICATORS

Strategic Objectives

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

	As at 31 March 2018
Market Target turnover in excess of £500,000 within 2 years.	The target was met by the end of the year with a forecast turnover of c£35m over the next 5 years.
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 increased in all cases. Potential new clients have been identified, and 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 43 tenants through the paid employment programme, a total of 18 have completed the programme and all have moved onto sustainable local employment. New services have been developed to work with more tenants.
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 4 years.	Increased turnover to £5.1mm. The initial parent company start up loan was repaid in the year.
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 also 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.	76 tenants were invited to work trials with 43 receiving job search assistance and 18 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, at their last Board meeting (22/03/2018) the Creating Enterprise Board agreed that the on-lending arrangement with Cartrefi Conwy (the Parent) of £50,000 (in place since establishment) be increased by £150,000. This would provide Creating Enterprise with an on-going facility to draw up to £200,000 for its primary purpose.

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 order to underpin 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

Date: 30.8.18

DIRECTOR'S REPORT

The directors submit their report and the financial statements of Creating Enterprise Limited for the year ended 31 March 2018.

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 voluntary Board of Management made up of three independent members.

The company's principal activities are providing property maintenance services to 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 third year of trading, interest in service offerings has been received from both public and private sector organisations. Working with them we will 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.

To assist in furthering the strategic and charitable aims, Calon Homes LLP was established in May 2018 as a 50/50 Joint Venture Limited Liability Partnership between Creating Enterprise C.I.C and Brenig Developments Limited. The purpose of this is to provide a vehicle through which housing and other properties can be developed or refurbished and then offered for sale or rent at commercial market rates, without compromising social housing assets. Any profits arising from the business activities of Calon Homes LLP, unless retained within that business, will be shared on a 50/50 basis between the members (Creating Enterprise C.I.C and Brenig Developments Limited). Creating Enterprise will then have the option of making a Gift Aid payment from this up to the parent Cartrefi Conwy for further investment in new social housing.

Directors

All the directors are unpaid. The parent company Cartrefi Conwy (currently the sole member) may appoint three people as Directors and each other member 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.

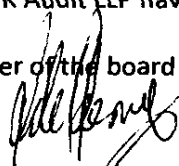
Statement as to disclosure of information to the auditor

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 **PETER PARRY**

Date: **30.8.18**

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

Opinion on financial statements

We have audited the financial statements of Creating Enterprise C.I.C (the 'company') for the year ended 31 March 2018 which comprise Statement of Income and Retained Earnings, and 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 2018 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 9, 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.

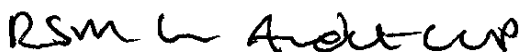
Auditor's responsibilities for the audit of the financial statements

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:

26/18

STATEMENT OF INCOME AND RETAINED EARNINGS AS AT 31 MARCH 2018


	Note	2018 £	2017 £
TURNOVER		5,368,330	1,285,926
Cost of Sales		(4,853,873)	(1,008,925)
GROSS PROFIT		514,457	277,001
Administrative Expenses		(431,020)	(256,718)
OPERATING PROFIT BEFORE TAXATION	3	83,437	20,283
Interest and financing costs		-	(388)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		83,437	19,895
Taxation		-	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		83,437	19,895
 PROFIT AND RETAINED EARNINGS FOR THE FINANCIAL YEAR		 83,437	 19,895
 RETAINED EARNINGS AT 1 APRIL 2017		 (21,660)	 (41,555)
RETAINED EARNINGS AT 31 MARCH 2018		61,777	(21,660)

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Intangible Fixed Assets	5	9,057			
Tangible Fixed Assets	6	49,258		4,762	
CURRENT ASSETS					
Stocks	7	18,723		23,621	
Debtors	8	1,052,329		15,330	
Cash at bank and in hand		<u>280,676</u>		<u>137,308</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	9	<u>(1,305,493)</u>		<u>(202,681)</u>	
NET CURRENT ASSETS/(LIABILITIES)		46,235		(26,422)	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>104,550</u>		<u>(21,660)</u>
Creditors: Amounts falling due after more than one year		(42,773)		-	
TOTAL NET ASSETS			<u>61,777</u>		<u>(21,660)</u>
CAPITAL AND RESERVES					
Profit and loss account			<u>61,777</u>		<u>(21,660)</u>
TOTAL EQUITY			<u>61,777</u>		<u>(21,660)</u>

The financial statements on pages 13 to 23 were approved by the board of directors and authorised for issue on.....30.8.18.....and are signed on its behalf by:


 Director PETER PARRY

Date: 30.8.18

Company Registration No. 09134089

ACCOUNTING POLICIES

1 General Information

Creating Enterprise C.I.C. is a limited company domiciled and incorporated in England. It is a Community Interest Company.

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

Units 12 & 14, Parc Busnes Cartrefi Conwy, Station Road, Mochdre LL28 5EF

The Company's principal activities is the provision of gas servicing, painting, property repairs and clearance for 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

	2018	2017
	£	£
Operating lease rentals		
- motor vehicles	14,238	14,815
- plant and equipment	7,558	3,521
Auditors' remuneration		
- Fees payable to the Association's auditors for audit service	4,300	3,240
Depreciation – intangible fixed assets	2,264	-
Depreciation – tangible fixed assets	11,896	1,587
Amounts of stock recognised as an expense	241,578	241,578

4 Employees

	2018	2017
	Number	Number
The average monthly number of persons (including directors) employed by the company during the year was:		
Management	2	1
Direct Labour	37	29
Administration	7	3
	46	33
	2018	2017
	£	£
Wages and salaries	861,030	619,765
Social security costs	73,051	46,351
Pension	6,805	3,013
Total	940,886	669,129

None of the directors received any remuneration from Creating Enterprise C.I.C. The disclosures have been made in the group accounts of Cartrefi Conwy.

5 Intangible fixed assets

	Computer Software & Website £'000	2018 Total £'000	2017 Total £'000
Cost			
As at 1 April 2017	-	-	-
Additions during the year	11,321	11,321	-
At 31 March 2018	11,321	11,321	-
Depreciation and impairment			
As at 1 April 2017	-	-	-
Charge for the year	2,264	2,264	-
At 31 March 2018	2,264	2,264	-
Net book value			
As at 31 March 2018	9,057	9,057	-
As at 31 March 2017	-	-	-

6 Tangible fixed assets – other

	Vehicles	IT Hardware	Furniture & Fittings	Plant & Tools	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
As at 1 April 2017	-	-	-	6,349	6,349
Additions during the year	7,920	3,755	44,718	-	56,393
At 31 March 2018	7,920	3,755	44,718	6,349	62,742
Depreciation and impairment					
As at 1 April 2017	-	-	-	1,587	1,587
Charge for the year	3,960	1,877	4,472	1,587	11,896
At 31 March 2018	3,960	1,877	4,472	3,174	13,483
Net book value					
As at 31 March 2018	3,960	1,878	40,246	3,175	49,258
As at 31 March 2017				4,761	4,761

7 Stock

	2018 £	2017 £
Raw materials and consumables	18,723	23,621

8 Debtors

	2018 £	2017 £
Due within one year		
Trade debtors	41,833	7,096
Less: Provision for bad or doubtful debts	-	-
Other debtors	65,212	1,235
Grant funding	65,068	-
Prepayments and accrued income	9,060	5,193
Amounts owed from Group	871,156	1,806
	1,052,329	15,330

9 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	280,952	157,018
Accruals and deferred income	109,832	14,494
Other creditors	893,440	27,708
Revenue grant	21,269	-
Amounts owed to Group	-	3,461
	1,305,493	202,681

10 Commitments under operating leases

	Vehicles	Plant and equipment	Office equipment	Land & Buildings	2018	2017
	£	£	£	£	£	£
Within one year	-	-	-	-	-	3,922
Between one and five years	12,640	34,397	2,428	-	49,465	-
Over five years	-	-	-	801,840	801,840	-
	12,640	34,397	2,428	801,840	851,305	3,922

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.

11 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.

	2018	2017
	£	£
Profit/(loss) on ordinary activities before tax	61,777	(21,660)
Current tax charge for the year		
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 20%	12,355	-
Tax relief on Gift Aid donations	(12,355)	-
Total current tax	-	-

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CIC 34

Community Interest Company Report

For official use
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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

31/03/2018

CREATING ENTERPRISE C.I.C
09134089
31/03/2018

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 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.

The organisation has considerably grown over this financial year with a year end turnover of £5.4m from an anticipated £500k within the original plan. Employees of Creating Enterprise have been drawn from the local community. During the year staffing levels have increased from 33 to 45.

Commercial contracts with the parent company have delivered increased value for money in the provision of social and affordable housing, ensuring that the end service user (those in housing need) continue to receive a quality product and increased service offerings. A number of contracts were also delivered to external companies during the year, including Conwy County Borough Council, Betsi Cadwaladr University Health Board, Brenig Construction, Dylans Restaurant and Bay of Colwyn Town Council. Creating Enterprises' social values support unemployed tenants into work and the organisation runs a number of programmes to support this aim

We received 219 referrals to support tenants with employability training and delivered 175 soft skills sessions.

Volunteering: A variety of volunteer roles are available across Creating Enterprise and Cartrefi Conwy departments. These volunteering roles include office administration, working with different trades, to caretaking and events. 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 tenants onto long term employment. 76 tenants were invited to work trials, with 24 tenants volunteering equating to volunteers contributing 2,091 work hours.

Paid Employment: 18 paid employment opportunities, only open to unemployed tenants were available in the year, these were in the vocational areas of property painting, external groundworks and void property clearances. 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 100% success rate of tenants securing permanent employment at the end of their contracts.

Creating Enterprise won the Social Enterprise of the Year at the Social Business Wales Awards in June 2017, a positive achievement for the organisation in only its 3rd year of trading.

(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
- Volunteers
- Corporate Customers and their Service Users

Active engagement and consultation with these stakeholders has been 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.

Paragraph 4 on Page 19 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.

No remuneration was received.

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

8/11/2018

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)