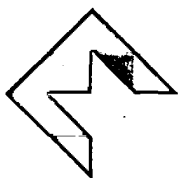


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# Report and Financial Statements

31 March 2023

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COMPANIES HOUSE

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

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# Company Information

Financial Year End 31 March 2023

## Directors

Neil Ashbridge

Mark Chadwick

Sian Elinor Corbett-Jones

Peter Parry

Elwen Roberts

Chair of Board

## Company Secretary

Aimee Tomalin

## Registered Office

Morfa Gele

North Wales Business Park

Cae Eithin

Abergele

Conwy LL22 8UJ

**External Auditors**

RSM UK Audit LLP  
Landmark, St Peter's Square, 1 Oxford Street  
Manchester M1 4BP

**Internal Auditors**

Mazars LLP  
First Floor Two Chamberlain Square  
Birmingham B3 3AX

**Panel of Solicitors**

Anthony Collins Solicitors LLP  
134 Edmund Street  
Birmingham B3 2ES

Blake Morgan LLP  
Harbour Court  
Compass Road  
North Harbour  
Portsmouth PO6 4ST

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

Capital Law Limited  
Capital Building  
Tyndall Street  
Cardiff CF10 4AZ

Devonshires Solicitors LLP  
30 Finsbury Circus  
London EC2M 7DT

**Bankers**

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

**Funding Advisers**

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

**Surveyors & Valuers**

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

**Public Relations Advisers**

Ceidiog Communications  
40 Brookhouse Road  
Denbigh LL16 4RQ

The directors have pleasure in submitting their strategic report for Creating Enterprise C.I.C. for the year ended 31 March 2023.

## Review of the business

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

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

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

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

## Mission Statement

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

## Vision

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

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

This includes:

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

Creating Enterprise ended the year with 83 (2022:85) employees in post.

The works supplied to both Cartrefi Conwy Cyfyngedig, Cartrefi Developments Ltd, Calon Homes LLP and external stakeholders are increasing annually. The contracts we deliver include;

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

## FINANCIAL & OPERATIONAL REVIEW

### Financial review

2022/2023 is Creating Enterprise's eighth full year of trading. The Board is pleased to report a operating surplus on ordinary activities in the year of £92,698 (2022: £50,058) before Corporation Tax and interest.

The organisation had a turnover of £11.7m in 2021/22. This financial year 2022/23 the turnover is £10.2m against the Business Plan figure of £9.6m. After a challenging couple of years for Creating Enterprise with the Covid19 government lockdown directives in place, Creating Enterprise is back to pre Covid levels of works activities.

The turnover included £8.3m works delivered to Cartrefi Conwy Cyfyngedig and £1.3m of works in the Rhyl factory for external contractors and Builders Merchants.

Our Creating Enterprise Modular Solutions (CEMS) factory has seen an increase in production working on manufacturing modular panels and posi joists for new build contracts. The Rhyl factory has a full programme of works for the next five years manufacturing modular panels, posi joists, fence panels and other timber products.

## **Calon Homes LLP**

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

During 2022/23 Cartrefi Developments Ltd, which is a wholly owned subsidiary of Cartrefi Conwy Cyfyngedig purchased the 50% share which was owned by Brenig Developments. The purchase of the 50% share of Calon Homes LLP took place on 25<sup>th</sup> August 2022.

The principal activities of Cartrefi Developments Ltd will be the development of new homes for Cartrefi Conwy Cyfyngedig and Calon Homes LLP's principal activities remain the same, that is, the development of new homes both for sale and rent.

Calon Homes LLP completed the development of 11 homes in Middlewich and has now started a programme of works to build 187 homes over the next six years. All the expected profits from the property sales, c£350k, will be used towards the funding of the next development.

Following the completion of new homes in Middlewich, Calon Homes LLP is now focused on delivering 107 new homes in Glan Conwy. Out of the 107 homes being built, Cartrefi Conwy Cyfyngedig will purchase 33 Section 106 homes for social and intermediate rent and 8 properties for market rent.

The aim of Calon Homes LLP remains the same with both Cartrefi Developments Ltd and Creating Enterprise C.I.C. bringing together their expertise in property development and their shared ethos of social enterprise values for the primary purpose of delivering new homes for market sale, social and intermediate rented properties. The benefits from this relationship are:

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

## **Creating Enterprise Modular Solutions**

Creating Enterprise Modular Solutions is a division within Creating Enterprise which concentrates on the manufacture and erection of property timber frames.

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

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

Beattie Passive was chosen as our preferred partner because:

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

Creating Enterprise aims to develop over 300 homes across North Wales over a 5 year period from 2022/23 utilising its timber frame factory which will include a 127 home development in the area of Pensarn on land owned by Cartrefi Conwy Cyfyngedig.

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

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

During July 2020 Creating Enterprise entered into a five-year licence agreement with Beattie Passive as a delivery partner to supply innovative modular construction methods delivering high quality energy efficient building methods to Passivhaus standard. Creating Enterprise has exclusivity rights in the North Wales area.

## **Creating Enterprise Posi Joist Factory**

Creating Enterprise are pleased to announce a further business venture which is a new arm of manufacturing. At our Rhyl factory site, Creating Enterprise is manufacturing metal web timber joists that will not only form an integral component of our modular build but also are widely used in the new build sector. A successful bid to the National Lottery was approved in March 21. Grant funding totalling £297k was received between April 2021 and June 2022 to assist with capital set up and revenue costs.

A loan of £1,100,000 was received from the Welsh Government in December 2021 for the purchase of the freehold land, building, heavy plant and machinery. This loan is to support the Welsh Government's modern methods of construction' (MMC) strategy, known as 'Reimagining social house building in Wales'.

The bespoke metal web joists (Posi-joist in partnership with Mi-Tek) are being manufactured along with our modular home's product. The new business area has created employment opportunities with a real focus once again of giving opportunities to those furthest from the job market linking into our Kick Start programme. The joists will be sold to local developers, Housing Associations and will also be used in our modular build programme.



## Creating Futures review

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

### Headline Figures

13 social housing tenants joined our Employment Academy in various roles (Environmental, Property Turnaround, Property Maintenance, Independent Living, Caretaker, Rhyl factory)

Every Employment Academy completer (8 tenants) gained employment elsewhere upon completion of their contract.

100 people were supported with job search, including help to create a CV and prepare for interviews.

74 people were supported into employment.

41 people completed Passport to Construction programme.

35 people volunteered 3,350 hours, including 14 community volunteers.

69 people were supported through the Loan IT project.

198 people accessed digital support and training in our Hubs and communal lounges.

42 families were supported through the Second Chance project, and 142 items were donated.

16 community groups were supported with Start Up and Small Grants.

13 community groups were supported through the Community Chest fund, and a total of £11,998 was awarded.

5,525 visits to our Hub and Community Facilities.

71 tenants completed cooking skills and cooking on a budget session; 30 air fryers were donated.

63 tenants, over 200 school children and 3 partner organisations got involved gardening and growing activities.

26 community groups were supported to deliver services and run events.

This year we launched our social impact strategy and delivered projects against key areas: Employability and Digital Inclusion, Tackling Poverty, Health & Wellbeing and Creating Cohesive Communities. This has enabled us to really focus on the value created when delivering our projects.

## Employability and Digital Inclusion

We supported 100 people with job search support, and 74 people progressed into employment. Most of the support was delivered in 1:1 sessions and small groups in the Jobs Café held in the Hub.

We introduced new Employment Academy roles in our factory in Rhyl and successfully recruited two social housing tenants into the roles. One of whom had previously been unsuccessful in a Joinery Apprenticeship, however gained valuable skills in the factory and were supported by the team to apply for another Apprenticeship role when it came up. He was successful and was happy to be starting his career as a Joiner.

All Employment Academy completers (8 tenants) secured employment at the end of their 12-month contract.

A volunteer and a tenant, Holly, who had been supported by the team and an onsite Work Buddy for 12 months was successful in gaining the Apprentice Electrical Engineer role. The feedback of her interview emphasised how her experiences and skills gained during her time volunteering made her really stand out from the other 40 applicants.

We supported more tenants than ever into jobs at Cartrefi Conwy Cyfyngedig and Creating Enterprise, which has resulted in 15% of our current workforce being tenants.

We received funding through the UK Community Regeneration Fund, hosted by Conwy County Borough Council to deliver Passport to Construction. 41 participants completed the training over the year, including completion of the Health and Safety Awareness course and CSCS tests.

We continued to deliver our Lottery funded Pathways volunteering programme and 39 people volunteered over 3,000 hours over the year.

Our digital provision continued to grow, and we established partnerships with North Wales Police Cyber Crime Unit, Age Connects, North Wales Recycle IT, CCBC Dementia Health Team, Vision Support, Telecare and M-Sparc who all supported our first Digital Open Day, shared referrals, and donated devices.

We started to deliver six-week sessions addressing the five basic digital skills: communicating, handling information, transacting, problem solving and being safe online. 198 individuals completed the six-week sessions.

A further 69 tenants benefitted from our Loan IT scheme, and this project was supported by 9 dedicated volunteer Digital Champions.

We held numerous engagement events with our virtual bike and BR headsets which gave tenants an opportunity to reminisce and learn new skills. We also piloted our first Digital Heroes programme in partnership with Clwyd Alyn, Digital Communities Wales, and Ysgol Dyffryn Conwy where secondary school pupils provided 1:1 digital support to older residents living in their community.

## Tackling Poverty

We saw a major increase in the demand for furniture, and worked closely with Cartrefi Conwy colleagues to encourage referrals and advise them on what was available: 142 items of furniture were donated to 42 families over the year (78 items donated to 26 families during the previous financial year).

We started to deliver our own cooking sessions which became extremely popular with tenants wanting to know more about ways to cook and save money. 30 tenants also received their own air fryers upon completion of the course which will help them to manage their energy costs.

## Health and Wellbeing

Our Community Development Coordinator qualified to deliver the NHS 'Eat Well Save Better' course after completing a 'Community Food and Nutritional Skills' course and delivered the training to groups in Llandudno.

We hosted sports days, subsidized costs for performing arts sessions through our working families' projects, ran craft sessions and self-defence sessions.

We also held community planting days in Llanrwst, Rhos on Sea and Chester Avenue.

## Creating Cohesive Communities

We recruited a Community Facilities Coordinator to manage our Community Hub in Llandudno and four existing community facilities: Y Fron, Parkway, Chester Avenue Community House and Peulwys. This had a significant impact on the number of tenants using the buildings to access support, for social events, training and to engage with community groups. 5,525 visits were made to the community hubs over the year – the most popular services were digital support, Warm Welcome sessions, job search support and social events.

We hosted several fun days, parties, and activities to encourage usage of our facilities, including upcycling workshops, Jubilee and Christmas parties, fitness sessions, creative writing, basket weaving and graffiti workshops.

We worked in partnership with several organisations who offered their services from our facilities, including Mind, DWP, Youth Justice Service and Warm Wales.

We joined a Wales-wide network of providers to host the 'Warm Welcome' initiative from our community spaces: Y Fron, Parkway, Chester Avenue, Kennedy Court and Pentre Newydd. The Creating Futures and ILC team held weekly sessions in each of the five centres, offering hot drinks and lunch (soup and a roll) to everyone who came. We had over 1,000 visits to the Warm Welcome sessions, which became much more than a space to meet to have lunch: it was an opportunity for tenants to get to know each other and socialise. Four of the five groups continue to meet on a regular basis.

We engaged with our tenant community volunteers who provide valuable support to their peers living in our communities. This includes fundraising events, family fun days and opportunities to socialise.

A new youth club, initiated by two mums who saw the need for a warm space for young people in the area, some of whom were experiencing or initiating incidents of anti-social behaviour were supported to set up and were given access to Y Fron community centre as there is no youth provision from CCBC in Colwyn Bay. The group provide a warm meal, skills sessions, and an opportunity to socialise weekly, as the majority of the young people attending do not engage in any extracurricular activity and have no other opportunity to socialise outside of school: all attendees say it's something they look forward to every week.

The volunteers themselves have also benefitted as they have developed youth work skills through the initiation of the project, and it has been a great opportunity for the older attendees to become role models/mentors and build trusting relationships: something for them to be proud of. Over 50 young people have registered, with a minimum of 40 attending weekly.

We recruited a Youth Community Development Coordinator who held numerous engagement events throughout the year in priority areas experiencing youth Anti-Social Behaviour. This included a multi activity day in Rhos on Sea, sports days, Clubbercise and Nerf Wars. The Development Coordinator also engaged and built relationships with young people by visiting youth clubs and schools.

We developed relationships with local Councillors and potential parent volunteers to plan a Youth Shed in Rhos on Sea which will be in operation by Autumn 2023.

## **Community Groups**

We supported 29 community groups to deliver events and activities in their communities. They were supported to host their AGMs, access funding, to produce promotional materials and to run events such as community litter picks. We hosted a community networking event and invited guest speakers.

£11,998 was awarded to community groups through the 'Community Chest' funding. Several small grants were awarded to groups to host their own street parties to celebrate the Queen's Jubilee, to host their own fun days for families and activities.

## Risks and uncertainties

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

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

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

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

<b>Pandemics</b>	Contract delivery failure and disruption to materials supply chain	<ul style="list-style-type: none"> <li>• Performance management and supplier / contractor reviews</li> <li>• Access to independent advice</li> <li>• Internal &amp; External Audit Reviews</li> </ul>
<b>Governance</b>	Poor decision making resulting in management override of controls. Inadequate line of sight through the group governance structure	<ul style="list-style-type: none"> <li>• Board appointment and appraisal processes</li> <li>• Parent Board determines standing orders, delegations and matters reserved for the Board</li> </ul>

## KEY PERFORMANCE INDICATORS

### Strategic objectives

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

<b>Objective</b>	<b>Progress as at 31 March 2023</b>
<b>Market</b> Target turnover for the financial year was £9.6m.	The resulting turnover for the year was £10.2m. There was contract handover slippage in relation to one of the Creating Enterprise Modular Solutions contracts. One contract which was delayed in the early days of Covid19 lockdowns has just been completed and to ensure we completed this contract before the end of March another contract was given a delayed start date.
<b>Innovation</b> Develop new sources of income involving both the development of new work streams and new target clients.	Workstreams have been developed and activity levels maintained or increased for each workstream. The opening of the Creating Enterprise Timber Solutions factory in Rhyl will generate a new income stream. The factory will manufacture posi-joists, fence panels and garden sheds.
<b>Human Resources</b> Maintain a sustainable Employment Academy that delivers targeted social benefits and support into work.	The Employment Academy has supported 74 people into permanent employment, supported 41 people through the Passport To Construction programme and supported 198 people with digital support and training. 71 tenants completed cooking skills sessions.
<b>Financial</b> Establish Creating Enterprise as a self-funding organisation in the sense that it does not require working capital or capital investment funding from Cartrefi Conwy Cyfyngedig, within the next 5 years.	Creating Enterprise is a self-funding organisation and continues to grow relationships with external clients. Cartrefi Conwy Cyfyngedig provide an arms length loan facility with interest charged at commercial rates should Creating Enterprise require funding in the course of its business.
<b>Productivity</b> Achieve acceptable productivity levels for all	Cartrefi Conwy Cyfyngedig was the primary customer in the year. Productivity levels and KPIs were met in line

staff. Agree and implement KPIs with all customers.	with agreed targets for both the property services functions and the employment academy.
<b>Social Responsibility</b> Those accessing the Creating Futures training and employment programmes go on to full time employment in the local community after a defined training period.	100 people were supported with job search, 74 people were supported into employment and 41 people completed the Passport To Construction programme.
<b>Profit</b> Generate a pre-tax surplus within 3 years	The target was met at the end of the year.

## Liquidity

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

## Financial support for growth

In view of the significant increase in trading activity since Creating Enterprise was established in March 2015 an on-lending loan facility remains in place with Cartrefi Conwy Cyfyngedig (the parent) of £1,000,000 of which £995,000 has been drawn down.

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

### Impact of Covid19 on financial year 2022/2023

All workstreams re-commenced work during 2021/22 and there has been no further impact of Covid19 being evident.

During the impact of Covid19 certain materials became difficult to source, especially timber products. This is no longer the case and materials are continuing to be easier to source.

## 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 stakeholders (including our customers, employees, and the wider community) and in so doing operate to the highest standards.

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

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

## **Corporate social responsibility objectives**

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

- Delivering and maximising on social benefit objectives
- Managing the Creating Enterprise business responsibly and sustainably
- Maximising diversion from landfill and minimising waste

By order of the Board



**Peter Parry**  
Director

**Date:** 18/12/23



The directors submit their report and the financial statements of Creating Enterprise C.I.C for the year ended 31 March 2023.

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 pages 5 to 16.

## 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

Key areas of focus and delivery are set out below:

- Deliver a quality repairs and development programme to Cartrefi Conwy Cyfyngedig. The organisation will focus on “project DNA” and ensure our tenants are given the best in class service to ensure their homes are meeting all standards and safe secure and warm at all times. This will also include our annual compliance programmes ensuring:
  - electrical tests to Cartrefi Conwy Cyfyngedig properties on a rolling 5 year programme
  - Deliver a heating / fuel servicing programme to Cartrefi Conwy Cyfyngedig properties maintaining 100% compliance
  - FRA's and any follow on works to our common areas
- To drive forward our productivity from the factory in Rhyl, manufacturing and delivering modular timber frame “passivhaus” homes to over 150 new build properties developments. A site for 128 homes is currently in the planning process for a key strategic site within the county in Pensarn. The factory will also manufacture and produce timber frame components to Cartrefi Conwy's portfolio, housing development schemes along with external clients where resource allows. These products are key to the future growth ambitions of Cartrefi Conwy and will include metal web timber joists (posi-joists), fencing and also storage sheds for rear gardens for both new build as part of the DQR and retrofit where applicable.
- Creating Enterprise will also become the principal contractor for other key affordable and market sale sites for both Cartrefi Conwy and also Calon Homes LLP. It is the vision of the Board for the business to up-skill and add to its internal resource and produce more opportunities for Creating Futures by taking control of the pipeline of opportunities the Group has to offer. It will work alongside key strategic suppliers within its framework and look to build over 250 homes over the next 5 years. By ensuring this order book it will enable the organisation to further its social impact to the community by;
  - Continuing to maximise our social impact by supporting people with job search support and into permanent employment
  - To continue to deliver our Lottery funded Pathways volunteering programme
  - Continue to provide basic digital skills programme, with a focus on inclusion and online safety for tenants of all ages
  - Expand on our Tackling Poverty projects with additional Lottery funding, focusing on upskilling working families
  - Reach more tenants to overcome social isolation through regular activities in our community facilities, encouraging progression routes
  - Develop community projects with input from tenant community groups and young people

## Directors

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

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

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

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

During the year there were five board members – Neil Ashbridge, Mark Chadwick, Sian Elinor Corbett-Jones, Peter Parry and Elwen Roberts.

## Statement as to disclosure of information to the auditor

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

## Auditor

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



By order of the board

**Peter Parry**  
**Director**

**Date:** 18/12/23

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

Financial Year End 31 March 2023

## Opinion

We have audited the financial statements of Creating Enterprise C.I.C (the 'company') for the year ended 31 March 2023 which comprise the Statement of income and retained earnings, Statement of Financial Position, Statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's Report has been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Director's.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 17, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

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

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

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

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

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

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.

*John Guest*

John Guest (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Ninth Floor, Landmark  
St Peter's Square  
1 Oxford Street  
Manchester  
M1 4BP

Date 18/12/23



# Statement of income and retained earnings as at 31 March 2023

Financial Year End 31 March 2023

	Note	2023 £	2022 £
<b>TURNOVER</b>	3	10,254,161	11,705,690
Cost of Sales		(9,200,366)	(10,682,726)
<b>GROSS PROFIT</b>		<b>1,053,795</b>	<b>1,022,964</b>
Administrative Expenses		(961,097)	(972,906)
<b>OPERATING PROFIT BEFORE TAXATION</b>	4	<b>92,698</b>	<b>50,058</b>
Interest Receivable		76,840	24,520
Other Operating Income		-	3,792
Interest Payable		(129,609)	(54,737)
Surplus on undertakings in Joint Venture	9 & 13	37,447	36,374
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>77,376</b>	<b>60,007</b>
Taxation		-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>77,376</b>	<b>60,007</b>
 <b>PROFIT AND RETAINED EARNINGS FOR THE FINANCIAL YEAR</b>		 <b>77,376</b>	 <b>60,007</b>
 <b>RETAINED EARNINGS AT 1 APRIL 2022</b>		 174,226	 114,219
<b>RETAINED EARNINGS AT 31 MARCH 2023</b>		<b>251,602</b>	<b>174,226</b>

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

# Statement of financial position as at 31 March 2023

Financial Year End 31 March 2023

	Note	2023 £	2023 £	2022 £	2022 £
<b>FIXED ASSETS</b>					
Intangible Fixed Assets	7	-	-	-	-
Tangible Fixed Assets	8	871,005		883,118	
<b>FIXED ASSET INVESTMENT</b>					
Calon Homes LLP		1		-	
<b>CURRENT ASSETS</b>					
Stocks	10	458,397		257,845	
Debtors	11	4,335,645		4,446,412	
Cash at bank and in hand		83,874		157,606	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	12	(4,397,319)		(4,470,755)	
<b>NET CURRENT ASSETS</b>					
			480,597		391,108
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>1,351,602</u>		<u>1,274,226</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>					
	13		(1,100,000)		(1,100,000)
<b>TOTAL NET ASSETS</b>					
			<u>251,602</u>		<u>174,226</u>
<b>CAPITAL AND RESERVES</b>					
Profit and loss account			251,602		174,226
<b>TOTAL EQUITY</b>					
			<u>251,602</u>		<u>174,226</u>

The financial statements on pages 25 to 40 were approved by the board of directors and authorised for issue on 18/12/23 and are signed on its behalf by:

Peter Parry  
Director



# Statement of changes in equity

Financial Year End 31 March 2023

	<b>Profit &amp; Loss Account 2023 £</b>	<b>Total 2023 £</b>
Balance as at 1 April 2021	114,219	114,219
Profit for the year	60,007	60,007
Taxation	-	-
Balance at 31 March 2022	<b>174,226</b>	<b>174,226</b>
Profit for the year	77,376	77,376
Taxation	-	-
Balance at 31 March 2023	<b>251,602</b>	<b>251,602</b>

## 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:

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

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

## 2. Basis of Accounting

These financial statements have been prepared in accordance with 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the requirements of the Companies Act 2006 and under the historical cost convention. The Creating Enterprise financial statements are consolidated at Group level in Cartrefi Conwy Cyfyngedig financial statements.

### Reduced Disclosures

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

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

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

## Going Concern

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

Creating Enterprise has shown consistent profitability in the past and expects to maintain this trend in the future. The industry in which the company operates has demonstrated stability, and the management believes that it can withstand any potential adverse economic changes.

In addition, the Management believes that based on our experience throughout the main periods of the pandemic, March 2020 to March 2022 and our adjusted operational plans we feel confident in being able to manage these effectively should the company find itself in another pandemic situation.

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

Should we see another UK wide lockdown then Creating Enterprise will seek to obtain any Government support available and discuss with Cartrefi Conwy Cyfyngedig regarding re-deploying staff to carry out support work for them. We would continue to charge preliminary costs against contracts. In addition, there is also a loan funding arrangement in place between Cartrefi Conwy Cyfyngedig which allows the company to drawdown up to £1,000,000 as working capital. As at 31 March 2023, £995,000 had been drawn down from this loan facility.

In coming to their conclusion as to the appropriateness of the going concern accounting policy the directors have noted that the Board of Cartrefi Conwy Cyfyngedig has documented via a signed letter of support, that the company will continue to provide financial and other support to Creating Enterprise for at least twelve months from the sign off of the financial statements and thereafter for the foreseeable future to enable Creating Enterprise to continue to trade. As such the financial statements have been prepared on a going concern basis.

## Functional and presentational currencies

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

## Turnover

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

## Stock

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

## Gift Aid

Distribution of Gift Aid is equal to the taxable profits of Creating Enterprise at the time of the approval of the financial statements. The Gift Aid paid within nine months of the Balance Sheet date is equal to the taxable profits of the organisation at the time of payment. Any difference between the Gift Aid accrued and the Gift Aid donation paid is recognised at the time of payment. Gift Aid payments are reviewed on an annual basis by the Board. For 2022/23 the CE Board made the decision to retain the surplus in Creating Enterprise to support ongoing business development.

## Taxation

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

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

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

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

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

## Leases

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

## Employee Benefits

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

## Retirement Benefits

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

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

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

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

## Tangible fixed assets

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

The gain or loss arriving from the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Income & Retained Earnings.

The rates used for tangible fixed assets are:

<b>Land and buildings</b>	over 25 years
<b>Property components</b>	over 20 years
<b>Heavy plant</b>	between 15 and 25 years
<b>Tools and equipment</b>	over 4 years
<b>Furniture, fixtures and fittings</b>	over 10 years
<b>Computer hardware</b>	over 2 years

## **Intangible fixed assets**

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

## **Investment**

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

During 2022/23 Cartrefi Developments Ltd, which is a wholly owned subsidiary of Cartrefi Conwy Cyfyngedig purchased the 50% share which was owned by Brenig Developments. The purchase of the 50% share of Calon Homes LLP took place on 25<sup>th</sup> August 2022.

Previously Creating Enterprise has accounted for the profits or losses in Calon Homes LLP as an investment /jointly controlled entity using equity accounting.

To reflect the change of control and bring it's policy in line with the rest of the group, investments/jointly controlled group entities are measured at cost less accumulated impairment.

In the Creating Enterprise 2021/22 Financial Statements a provision for the share of the loss in Calon Homes LLP was reported under Short Term Creditors. The change in accounting policy and adoption of FRS102 15.9 (A) now shows an investment into Calon Homes LLP of £1.00.

As the change in accounting policy has not had a material impact on comparative amounts, no prior period adjustment has been made.

## **Financial Assets**

### **Trade Debtors**

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

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

## **Financial Liabilities**

### **Trade Creditors**

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



## **De-recognition of financial assets and liabilities**

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

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

## **Loan**

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

The £1,100,00 loan is held under Long Term Creditors.

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

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

## **Judgments in Applying Accounting Policies and Key Sources of Estimation Uncertainty**

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

## **Provisions and Accruals**

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

## **Grant Funding**

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

**Coronavirus Job Retention Scheme**

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

# Notes to the Financial Statements

Financial Year End 31 March 2023

## 3. Revenue

Revenue arises from:	2023 £	2022 £
Commercial works contracts	8,295,700	8,843,864
Timber frame property solutions	1,268,730	2,158,687
Creating Futures community support	606,968	586,017
Other revenue	82,763	117,122
	<b>10,254,161</b>	<b>11,705,690</b>
Other operating income includes:		
- Coronavirus Job Retention Scheme	-	3,792

## 4. Profit on ordinary activities before taxation

	2023 £	2022 £
Operating lease rentals		
- motor vehicles	54,830	45,307
- plant and equipment	37,748	29,488
- office equipment	3,435	2,536
- land and buildings	13,817	55,237
Auditors' remuneration		
- Fees payable to the Association's auditors for audit service	17,160	15,600
Amortisation – intangible fixed assets	-	2,264
Depreciation – tangible fixed assets	56,032	50,388
Amounts of stock recognised as an expense	153,862	73,186

## 5. Employees

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

	<b>2023 Number</b>	<b>2022 Number</b>
Management	1	1
Direct Labour	63	61
Administration	13	14
	<b>77</b>	<b>76</b>

The average number of employees employed in the financial year (including directors) is 85 (2022: 83).

	<b>2023 £</b>	<b>2022 £</b>
Wages and salaries	2,134,902	1,870,251
Social security costs	202,768	163,585
Pension	51,683	43,292
<b>Total</b>	<b>2,389,353</b>	<b>2,077,128</b>

## 6. Board Members

<b>Directors</b>	<b>Basic Salary £</b>	<b>Expenses £</b>	<b>2023 Total £</b>	<b>2022 Total £</b>
Directors	12,333	336	12,669	14,054
	<b>12,333</b>	<b>336</b>	<b>12,669</b>	<b>14,054</b>

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

**8. Tangible fixed assets – other**

	Land & Buildings	Heavy Plant	IT Hardware	Furniture & Fittings	Plant & Tools	Total
	£	£	£	£	£	£
<b>Cost</b>						
As at 1 April 2022	791,596	53,150	59,088	57,187	24,334	<b>985,355</b>
Additions during the Year	-	21,611	15,821	346	6,142	<b>43,920</b>
<b>At 31 March 2023</b>	<b>791,596</b>	<b>74,761</b>	<b>74,909</b>	<b>57,533</b>	<b>30,475</b>	<b>1,029,275</b>
<b>Depreciation and impairment</b>						
As at 1 April 2022	14,756	2,331	40,052	25,918	19,180	<b>102,237</b>
Charge for the year	14,756	3,050	26,946	5,753	5,527	<b>56,032</b>
<b>At 31 March 2023</b>	<b>29,512</b>	<b>5,381</b>	<b>66,998</b>	<b>31,671</b>	<b>24,707</b>	<b>158,269</b>
<b>Net book value</b>						
<b>As at 31 March 2023</b>	<b>762,084</b>	<b>69,380</b>	<b>7,911</b>	<b>25,862</b>	<b>5,768</b>	<b>871,005</b>
<b>As at 31 March 2022</b>	<b>776,840</b>	<b>50,819</b>	<b>19,036</b>	<b>31,269</b>	<b>5,154</b>	<b>883,118</b>

**9. Investment**

	2023 £	2022 £
Investment – historical cost	1	-

The investment relates to a 50% holding in a jointly held entity, Calon Homes LLP. The remaining 50% share is held by Cartrefi Developments Ltd, a subsidiary of the Cartrefi Conwy Group. Calon Homes LLP is consolidated in the financial statements of Cartrefi Conwy Cyfyngedig.

**10. Stock**

	2023 £	2022 £
Raw materials and components	458,397	257,845

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

## 11. Debtors

	2023 £	2022 £
<b>Due within one year</b>		
Trade debtors	1,421,525	1,054,838
Less: Provision for bad or doubtful debts	-	-
Other debtors	118,080	353,467
Grant funding	-	6,160
Prepayments and accrued income	304,648	643,947
Taxation	1,707	24,849
Loan to Calon Homes LLP	1,342,267	1,276,049
Amounts owed from Group	1,147,418	1,087,102
	<b>4,335,645</b>	<b>4,446,412</b>

In order to be consistent with the Group disclosure, the loan to Calon Homes LLP in Note 11 Debtors has been presented as a short-term debtor becoming due for repayment on demand.

## 12. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,219,130	1,285,991
Accruals and deferred income	634,579	506,986
Other creditors	91,449	382,239
Vat & Taxation	178,482	24,014
Loan from Cartrefi Conwy Cyfyngedig	2,273,679	2,234,078
Loss on undertakings in Joint Venture	-	37,447
	<b>4,397,319</b>	<b>4,470,755</b>

In order to be consistent with the Group disclosure, the loan from Cartrefi Conwy Cyfyngedig in Note 12 Creditors has been presented as a short term creditor becoming due for repayment on demand.

In 2022 the Creditors held a provision for 50% losses in the Calon Homes LLP contractual Joint Venture with Brenig Construction Ltd. In 2023 Cartrefi Developments acquired the 50% share held by Brenig Construction. Calon Homes LLP is now a subsidiary in the Cartrefi Conwy Group and is consolidated at group level.

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Welsh Government loan	1,100,000	1,100,000

As at 31 March 2023 the Welsh Government loan had an interest rate of 0%.

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

**14. Commitments under operating leases**

	<b>Vehicles</b>	<b>Plant and equipment</b>	<b>Office equipment</b>	<b>Land &amp; Buildings</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	-	13,781	-	-	<b>13,781</b>	<b>17,148</b>
Between one and five years	226,490	45,045	6,265	-	<b>277,800</b>	<b>213,367</b>
Over five years	-	-	-	-	-	-
	<b>226,490</b>	<b>58,826</b>	<b>6,265</b>	<b>-</b>	<b>291,581</b>	<b>230,515</b>

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

**15. Taxation**

The taxable profits can be distributed to the parent, Cartrefi Conwy Cyfyngedig under Gift Aid. Cartrefi Conwy is a Community Benefit Society organisation with charitable rules (registered number 30457R). In financial year 2023, it was decided by the Board that to enable continued business growth there would be no Gift Aid distribution for 2022/23 and Corporation Tax would be payable on the taxable profits.

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Profit/(loss) on ordinary activities before tax	77,376	60,007
<b>Current tax charge for the year</b>		
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 20%	-	-
Tax charge	-	-
Total current tax	-	-
For 2022/23 there is no Corporation Tax liability.		

## 16. Ultimate parent undertaking

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

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

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

## 17. Related Party Transactions

	2023 £'000	2022 £'000
Amounts contracted for with Cartrefi Conwy Cyfyngedig	5,738	6,844
Amounts charged by Cartrefi Conwy for management and administration	253	192
Amounts charged by Cartrefi Conwy for office accommodation	58	58
Amounts charged by Cartrefi Conwy for direct labour staff	-	97
Amounts charged by Cartrefi Conwy for the reimbursement of costs incurred	174	137
Amounts owed from Cartrefi Conwy for repairs and maintenance	1,878	1,597
Amounts owed from Cartrefi Conwy for management and administration	213	49
Amounts owed from Cartrefi Conwy for direct labour staff	242	33
Amounts owed from Cartrefi Conwy for the reimbursement of costs incurred	207	552
Amounts owed from Calon Homes LLP for services and staffing costs	24	-
Amounts owed from Cartrefi Developments Ltd for property design fees	876	-
Loans owed from Calon Homes LLP	1,342	1,276
Loans owed to Cartrefi Conwy	2,274	2,234

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.



# CIC 34

## Community Interest Company Report

<b>For official use</b> <i>(Please leave blank)</i>	
<b>Company Name in full</b>	CREATING ENTERPRISE C.I.C
<b>Company Number</b>	09134089
<b>Year Ending</b>	31/03/2023

*(The date format is required in full)*

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

**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)**

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## **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 C.I.C, was established in 2015 as a Community Interest Company and is a private company limited by guarantee without share capital. It commenced trading with effect from 1<sup>st</sup> April 2015. Creating Enterprise is a wholly owned subsidiary of Cartrefi Conwy Cyfyngedig, a registered social landlord based in the County of Conwy. 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.

Creating Enterprise was formed to build on Cartrefi Conwy Cyfyngedig's commitment to providing valuable and sustainable work-related training and employment opportunities for its tenants and other local residents, thereby contributing to social and economic regeneration in the county of Conwy and with aspirations to extend more widely across North Wales.

2022/2023 is Creating Enterprise's eighth full year of trading.

Employees of Creating Enterprise are primarily drawn from the local community. The average number of Creating Enterprise employee during the year (including directors) increased from 83 to 85.

The organisation had a turnover of £11.7m in 2021/22. This financial year 2022/23 the turnover is £10.2m against the Business Plan figure of £9.6m. After a challenging couple of years for Creating Enterprise with the Covid19 government lockdown directives in place, Creating Enterprise is back to pre-Covid levels of works activities.

Creating Enterprise is a partner in Calon Homes LLP. Both partners in Calon Homes LLP (Cartrefi Developments Ltd and Creating Enterprise C.I.C) bring together their expertise in property development and shared ethos of social enterprise values for the primary purpose of delivering new homes for market sale, social and intermediate rented properties. The benefits from this relationship are:

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

Calon Homes LLP completed the development of 11 homes in Middlewich with the expected profits from the property sales being used towards the funding of the next development.

Following the completion of new homes in Middlewich, Calon Homes LLP is now focused on delivering 107 new homes in Glan Conwy. Out of the 107 homes being built, Cartrefi Conwy Cyfyngedig will purchase 33 Section 106 homes for social and intermediate rent and 8 properties for market rent. The profit share within this development will be used by the Cartrefi Conwy Group to further its affordable housing aims.

During July 2020 Creating Enterprise entered into a five-year licence agreement with Beattie Passive as a delivery partner to supply innovative modular construction methods delivering high quality energy efficient building methods to Passivhaus standard. It is our aim to establish Creating Enterprise as the leading producer of modular properties in the North Wales region and creating numerous job opportunities for those people furthest from the job market and maximising local supply of trades. To date our clients have included Anglesey County Council, Denbighshire County Council, Conwy County Borough Council, Clwyd Alyn and Cartrefi Conwy. The development of these properties aligns with the Welsh Government's agenda for zero carbon homes built from modern methods of construction.

Creating Enterprise have a further business venture which is a new arm of manufacturing. At our Rhyl factory site, Creating Enterprise is manufacturing metal web timber joists that will not only form an integral component of our modular build but also are widely used in the new build sector. The new business area has created employment opportunities with a real focus once again of giving opportunities to those furthest from the job market linking into our Kick Start programme.

Creating Enterprises' social values support unemployed tenants and people in the local community in to work and the organisation runs a number of programmes to support this aim. This year we launched our social impact strategy and delivered projects against key areas: Employability and Digital Inclusion, Tackling Poverty, Health & Wellbeing and Creating Cohesive Communities. This has enabled us to really focus on the value created when delivering our projects.

**Employability and Digital Inclusion:** Creating Enterprise supported 100 people with job search support, and 74 people progressed into employment. Most of the support was delivered in 1:1 sessions and small groups in the Jobs Café held in the Hub.

We introduced new Employment Academy roles in our factory in Rhyl and successfully recruited two social housing tenants into the roles. One of whom had previously been unsuccessful in a Joinery Apprenticeship, however gained valuable skills in the factory and were supported by the team to apply for another Apprenticeship role when it came up. He was successful and was happy to be starting his career as a Joiner.

All Employment Academy completers (8 tenants) secured employment at the end of their 12-month contract. Creating Enterprise supported more tenants than ever into jobs at the Cartrefi Conwy Group, which has resulted in 15% of our current workforce being tenants.

Creating Enterprise's digital provision has continued to grow, by establishing partnerships with North Wales Police Cyber Crime Unit, Age Connects, North Wales Recycle IT, CCBC Dementia Health Team, Vision Support, Telecare and M-Sparc who all supported a Digital Open Day, shared referrals, and donated devices. Six-week sessions have been delivered addressing the five basic digital skills: communicating, handling information, transacting, problem solving and being safe online. 198 individuals completed the six-week sessions.

A further 69 tenants benefitted from the Loan IT scheme, and this project was supported by 9 dedicated volunteer Digital Champions. Numerous engagement events with virtual bikes and BR headsets which gave tenants an opportunity to reminisce and learn new skills. A Digital Heroes pilot programme has also been launched in partnership with Clwyd Alyn, Digital Communities Wales, and Ysgol Dyffryn Conwy where secondary school pupils provided 1:1 digital support to older residents living in their community.

**Tackling Poverty:** Creating Enterprise has seen a major increase in the demand for furniture, and worked closely with Cartrefi Conwy colleagues to encourage referrals and advise them on what was available: 142 items of furniture were donated to 42 families over the year (78 items donated to 26 families during the previous financial year). Cooking sessions have been delivered which became extremely popular with tenants wanting to know more about ways to cook and save money. 30 tenants also received their own air fryers upon completion of the course which will help them to manage their energy costs.

**Health and Wellbeing:** Creating Enterprise delivered the NHS 'Eat Well Save Better' course after completing a 'Community Food and Nutritional Skills' course. Sports days were also hosted and costs were subsidized for performing arts sessions.

**Creating Cohesive Communities:** Creating Enterprise recruited a Community Facilities Co-ordinator to manage our Community Hub in Llandudno and four existing community facilities. This had a significant impact on the number of tenants using the buildings to access support, for social events, training and to engage with community groups. 5,525 visits were made to the community hubs over the year – the most popular services were digital support, Warm Welcome sessions, job search support and social events.

**Community Groups:** Creating Enterprise supported 29 community groups to deliver events and activities in their communities. They were supported to host their AGMs, access funding, to produce promotional materials and to run events such as community litter picks.

**Other:**

- 100 people were supported with job search, including help to create a CV and prepare for interviews.
- 74 people were supported into employment.
- 41 people completed the Passport to Construction programme.
- 35 people volunteered 3,350 hours, including 14 community volunteers.
- 69 people were supported through the Loan IT project.
- 198 people accessed digital support and training in our Hubs and communal lounges.
- 42 families were supported through the Second Chance project, and 142 items were donated.
- 16 community groups were supported with Start Up and Small Grants.
- 13 community groups were supported through the Community Chest fund, and a total of £11,998 was awarded.
- 5,525 visits to our Hub and Community Facilities.
- 71 tenants completed cooking skills and cooking on a budget session; 30 air fryers were donated.
- 63 tenants, over 200 school children and 3 partner organisations got involved gardening and growing activities.
- 26 community groups were supported to deliver services and run events.

*(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 volunteering opportunities
- Local Residents accessing work and lifestyle related help and support through funded programmes managed/ delivered by Creating Enterprise
- Business Partners (Public & Private Sector)
- Public and Private Sector customers and their employees/ service users
- Funders (Big Lottery, CITB etc)

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

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

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

Note 6 on Page 36 of the accounts refers. There were no other transactions or arrangements in connection with the remuneration of directors, or compensation for director's loss of office which require to be disclosed.

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

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

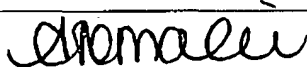
*(Please continue on separate continuation sheet if necessary.)*

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

(DD/MM/YY)

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

Signed



Date

20/12/23

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

Applications will be rejected if this information is incorrect.

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

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

The Company Secretary, Creating Enterprise C.I.C

Morfa Gele, North Wales Business Park

Cae Eithin, LL22 8LJ

Tel 01745 335683

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, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139  
Fountainbridge, Edinburgh, EH3 9FF DX 235 Edinburgh or LP – 4 Edinburgh 2

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

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