

Company number: 7737871

Charity Number: 1147150

Cre8 Macclesfield Ltd

Report and financial statements
For the year ended 31st August 2020

Cre8 Macclesfield Ltd

Reference and administrative information
for the year ended 31st August 2020

Company number 7737871

Charity number 1147150

Registered office and operational address The House-11 Belgrave Road
Macclesfield
Cheshire
SK11 7TW

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

James Andrew Booth
Martin Clarke Treasurer
Andrea Fitton
Ameera Fletcher
Jennifer Hardy
Jayne Shaw (Resigned 30/11/2020)
Adam Small
Ruth Thompson

Secretary Katy Wardle

Key management personnel Jonathan Aiken
Keirra Bexon
Ameera Fletcher Director
Oliver Gibson
Amy McFadden
Sarah Postlewhite
Emma Thomas
Katy Wardle
Tom Wardle (Resigned February 2020)

Bankers Unity Trust Bank
Nine Brindleyplace
Birmingham
B1 2HB

Independent examiner Jennifer Daniel FCCA DChA
Slade and Cooper
Beehive Mill
Jersey St
Ancoats
Manchester
M4 6JG

Cre8 Macclesfield Ltd
Trustees' annual report
for the year ended 31st August 2020

The trustees present their report and the unaudited financial statements for the year ended 31st August 2020. Included within the trustees' report is the directors' report as required by company law.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Objects

The charitable purposes of the company are:

- To advance the Christian faith for the public benefit;
- To act as a resource for young people living in Macclesfield and the surrounding area by providing advice and assistance and organising programmes of physical, educational and other activities to help young people develop their skills, capacities and capabilities, advancing education, relieving unemployment, and providing recreational and leisure activity;
- To promote social inclusion for the public benefit by preventing people from becoming socially excluded, relieving the needs of such people who are socially excluded and assisting them to integrate into society.

Activities

Cre8 Macclesfield has delivered a range of regular activities for public benefit over the past year. We provide innovative and life-changing ways of working with young people and the local community.

Cre8 Music: We successfully secured a further 2 years of funding from Youth Music that allows us to continue and develop our community music project. We held a Christmas concert at St Michael's church in December 2019. This enabled young people with a range of musical abilities to take part in a collaborative performance. The young people worked together towards delivering this project as part of the recognition of their commitment and creative achievements. We moved the music activities online during the lockdown. As a result we have run an alternative form of music instruction and tutoring, including music chat for primary and secondary age young people, young people acting as music leaders and mentors, music quizzes, songwriting workshops, music production, a music jam, and on-line concerts. Attendees have enjoyed talking to their peers outside a school environment, discussing their problems and working together to make music.

Working with our music tutors, the young people have earned certificates in guitar, ukulele, piano, singing, drums and, for the first time, music production. Our first two candidates who took their music production exams have both achieved distinctions.

This music outreach work has enabled us to successfully encourage NEET young people to engage with further education. We are looking to expand this work to connect with other young people who are struggling to deal with education or to gain meaningful employment.

Learning Plus: Cre8's Learning Plus is a one-to-one education project that is well embedded within our activities. As an established NOCN delivery centre, we have engaged young people with NOCN modules in Cooking, Baking and Volunteering. Cre8 makes a significant additional contribution to the range of alternative education provision that is available to schools and providers in our area. This year there

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was a focus on practical sessions such as woodwork and gardening. Throughout the pandemic we were able to safely adapt our provision to provide one-to-one education for those young people most in need across our local community.

Clubs: The youth work team faced significant challenges in their response to the COVID-19 pandemic. All our regular provision stopped and had to be adapted to online delivery. This necessary change created a challenging time for both the leaders and the young people. Emerging from the lockdown with socially distancing measures in place, Cre8 has been able to provide a reduced range of activities for young people, with more expansive and greater levels of risk assessment being applied to all our youth work including detached youth work outdoors in one-to-one situations and small groups with limited participants. This year we continued to deliver one-off trips, for example, to our local fire station and the local park. We also continued our connections with HOME theatre in Manchester where 6 young people enjoyed their first interactive theatre performance. Through gateway project work with Just Drop In & Wilmslow Youth our staff have benefited from training in young people's mental health & gender identity which brings greater depth to the level of support we can offer our young people. Our dedicated volunteers continue to play a key part in our success of working with local young people.

I-Will Social Action Project: Through this project we have delivered day-to-day repairs and maintenance jobs. These actions included valuable life skills such as fixing door handles. We also made items for our community garden such as a bug hotel and helping to grow vegetables. Young people designed and built planters for a neighbouring local care home. The other key activities that took place as part of this project were social action days when we worked with organisations alongside our young people to complete work on our community building. We helped with a Carers' Christmas party and volunteer event.

The ideas for activities that were included during these events were inspired by the young people with suitable guided support. The activities were varied and helped improve the practical skills of the young people while also educating the young people of new processes and procedures including health & safety considerations and how their impact on delivering activities. For the young people, assisting at community events reinforced their understanding of how they are seen and fit within the local community. Working with new organisations during volunteer days meant that young people met new people including professionals and were able to share experiences with them as part of their mutual experience.

Social Enterprise CCF Funding: Due to Covid-19 this project was only staffed for one day per week during April and May and two days subsequently. This project will eventually ramp up to equate to three days per week during the next financial year. As part of this funding, we have reviewed and documented our previous history and experience with social enterprise activities. This work was primarily completed by doing interviews with managers, team leaders, and young workers who had previously been involved with this work. This research has allowed reflection and learning that will guide and inform future social enterprise activities. We have, as part of this ambition, also set up an initiative called Cre8 Enterprise. This project engages with hard to reach young people to provide work experience opportunities through small local work projects.

Cre8 Facilities is our social enterprise business. Cre8 Facilities delivers a high-standard fleet washing service to Creamline Dairies in Manchester. Cre8 has delivered this commercial contract from Creamline for the past seven years. The work ensures that Creamline vehicles, including its milk floats and vans are cleaned and jet-washed on a two weekly cycle. Because Creamline give Cre8 this regular financial contract, we are able to provide supported employment experience for young people and young adults who are led by an experienced Team Leader. Creamline works in partnership with Cre8 through this commercial contract. Creamline is supportive and understanding with its contract, recognising the

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challenges of employing hard-to-reach young people. This partnership is an exemplar of business and charity coming together in a way that provides mutual benefits.

Project Grow is funded by The National Lottery Community Fund. It is a project that recognises and mobilises our local talents while also building on our years of community experience. The first year of the project has progressed well. The Surplus Food Grocery is operating and feeding around 180 households each week through donated surplus food. The team of local volunteers collect, sort and redistribute perfectly good surplus food that would otherwise be bound for the bin. With this work we are able to help reduce food bills across the Macclesfield community. We have future plans to reach out to the four other housing estates across Macclesfield over the coming years.

The Garden & Allotment at St Barnabas Church is open to all one day each week, as well as for other groups who are able to use the space such as Tots, Cre8 Learning Plus and the local Brownie group. We have successfully run several one-off community events, providing food and activities organised and run by volunteers from our local area. We've organised a young people's couch to 5k course where young people took the lead on organising the exercises, routes, challenges and volunteering at our local 5k Park Run. We will build on the successes and learnings of our first year as we move forward to our second year of operations.

The trustees review the aims, objectives and activities of the charity each year.

This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits that the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure that the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

All trustees have confirmed in writing that they have read CC03 with respect to understanding their roles and responsibilities as trustees.

Several trustees have attended training related to Charity Governance and have reported back to the trustee team.

Achievements and performance

The charity's main activities and its main beneficiaries are described below. All its charitable activities are undertaken to further Cre8 Macclesfield Ltd's charitable purposes for the public benefit.

We have built capacity, resilience and developed a self-help model that reduces what corrodes and gnaws away at the emotional, physical and spiritual well-being of people in our community. We have done this by raising self-esteem, self-worth, self-confidence and consciously built a sense of community.

This year we have continued our partnership work with Just Drop In and Wilmslow Youth as part of the G8Way project. This work provides access to training opportunities around mental health for young people and for staff members.

Our performance and achievements have included:

- Prepared a successful bid to Cheshire Community Foundation that provided the opportunity to employ a Social Enterprise Business Development Manager to explore and create new models for

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Trustees' annual report
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delivering social enterprise. This work will produce long term solutions that provide meaningful work opportunities for young people who live locally.

- Adapting our Project Grow to deliver emergency food parcels during the pandemic across Macclesfield.
- Supporting the establishment of a Food Network Partnership across Macclesfield, with HOPE North East Cheshire.
- Young people designed and built planters for a local nursing care home.
- Tutoring young people and supporting them to take professional music exams
- Delivering music concert performances entirely with young people, including live sound engineering, for our second Ceilidh during Burns Night, a community fundraiser with approximately 80 guests.
- Continuing to work with Creamline Dairies through Cre8 Facilities.

During the second half of the financial year, and due to COVID-19, Cre8 Macclesfield adapted its services to provide emergency food provision across Macclesfield with the procurement of a refrigerated vehicle. Food was collected from Manchester and delivered to over 80 households each day and 5 days a week. As lock-down conditions eased this emergency provision was reduced and we returned to our day-to-day activities (described above). Cre8 utilised additional emergency funding from a variety of grant funders in order to support the community in different ways in the later phases of the pandemic.

We give thanks to our major funders; Cheshire Community Foundation, CO-OP Local Community Fund, National Lottery Community Fund, Macclesfield Town Council, and Cheshire East Council.

We continuously appreciate the support of all our individual donors, and all the volunteers who provide their time to support our community to enable change to happen.

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

Beneficiaries of our services

There are three geographical categories of beneficiaries of our services. Young people and their families living on the Moss Rose Estate have benefited from our clubs and residentials, the music project and Project Grow. Young people and their families living in Macclesfield have benefited from our Cre8 Facilities and social enterprise businesses. Young people and their families from Cheshire East have benefited from our Learning Plus project.

Financial review

Cre8 made a small surplus of £2K in the 2020 financial year, which is similar to the result in 2019 (surplus of £4K). Both income and costs increased by just over 20%, reflecting the growth in grant income for restricted projects, the main constituents being:-

- First full year of grant from the National Lottery Fund for our community-based food project (£16.6K).

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- A grant of £23.4K from Cheshire Community Fund to employ a person to promote and grow our social enterprise business.
- A grant of £20.4K from the Rank Foundation to employ an intern.
- Successful completion of the Youth Music 2017 to 2019 project (£10.0K), which lead to the grant of a further 2 years funding.

The trustees have again prudently budgeted for a deficit in 2021, to take account of the potential effects of the Covid 19 pandemic, but the signs for income and costs are encouraging and we are confident of compliance with our reserves policy in 2021.

In summary, total funds increased by £2K in 2020 (2019: £4K increase). At the end of the year total funds stood at £158K (2019: £156K), with cash reserves at £148K (2019: £148K).

Reserves policy

The current policy (previously set out in 2018) is to maintain unrestricted reserves at a minimum of 6 months budgeted net costs. At August 2020, unrestricted reserves had reduced slightly to 9.7 months of budgeted net cost (2019: 9.9 months).

Plans for the future

Learning from our recent experience we will further expand Project Grow. We are looking forward to beginning the well-being aspects of our small group work which have been paused while we focussed primarily on food provision during the pandemic. We have welcomed a new senior youth worker to Cre8 and hope to soon again deliver small group trips as well as residential later in the year. We anticipate continued demand for our Learning Plus project from referring agencies, and have therefore planned to continue with this project for the foreseeable future. We shall seek to develop social enterprise work, and explore possibilities for paid employment opportunities for the hardest to reach young people in our community. We continue to focus on three strategic priorities:

- To continue delivering the highest quality professional youth and community work
- To provide support to others who want to do good things in our community
- To connect people together who want to do good things in our community

Structure, governance and management

The Trustees are selected to ensure an appropriate balance of skills and experience and involvement in the local area. We have an established Trustee team, which has remained constant over the last year, and who have specialist skills including Law, Social Care and Youth Work and Health.

Recruitment of Trustees follows Cre8's Volunteering Policy and Procedures. We have advertised for Trustees with specific skills, utilizing local advertising groups such as Cheshire East Community & Voluntary Services. Once an enquiry has been made, the potential Trustee meets separately with the

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Trustees' annual report
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Director and the Chair of Trustees, before completing an application form, references, confidential self-declaration form and DBS check. The appointment of a person as a Trustee is subject to approval by the Trustees at a Board meeting.

The Board of Trustees comprises a minimum of five Trustees.

The organisation is a charitable company limited by guarantee, incorporated on 11 August 2011 and registered as a charity on 4 May 2012.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31st August 2020 was 9 (2019;9). The Trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 10 to the accounts.

Related parties and relationships with other organisations

Cre8 Works Ltd and Cre8 Facilities Ltd are wholly owned subsidiaries of Cre8 Macclesfield Ltd.

Remuneration policy for key management personnel

Cre8 operates a payscale that includes 7 pay grades. The grades and job descriptions are benchmarked to national data available for our industry sector.

Risk management

The Trustees meet 6 times a year where they consider and approve financial reports prepared by Treasurer and Finance Committee. We operate a reserves policy of a minimum of 6 months budgeted net cost (see Reserves Policy above).

Trustees have identified key risk areas. The Finance Committee review quarterly and for the high risk areas, Trustees require a report from the Director that addresses these areas at each Trustee meeting.

Statement of responsibilities of the trustees

The trustees (who are also directors of Cre8 Macclesfield Ltd for the purposes of company law) are responsible for preparing the trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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Trustees' annual report
for the year ended 31st August 2020

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime of the Companies Act 2006.

The trustees' annual report has been approved by the trustees on 17/05/2021 and signed on their behalf by

Ameera Fletcher
Trustee

Independent examiner's report
to the trustees of
Cre8 Macclesfield Ltd

I report to the charity trustees on my examination of the accounts of the company for the year ended 31st August 2020 which are set out on pages 10 to 28.

Responsibilities and basis of report

As the charity trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your company's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Jennifer Daniel FCCA DChA

Slade & Cooper Limited
Green Fish Resource Centre, 46-50 Oldham Street
Manchester, M4 1LE
Date: 19th May 2021

Cre8 Macclesfield Ltd
Statement of Financial Activities
(including Income and Expenditure account)
for the year ended 31 August 2020

	Note	Unrestricted funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	3	53,314	-	53,314	47,440
Charitable activities	4	94,604	150,816	245,420	178,920
Investments	5	436	-	436	21,606
Total income		148,354	150,816	299,170	247,966
Expenditure on:					
Charitable activities	6	160,579	136,126	296,705	243,601
Total expenditure		160,579	136,126	296,705	243,601
Net income/(expenditure) before net gains/(losses) on investments		(12,225)	14,690	2,465	4,365
Net income/(expenditure) for the year	8	(12,225)	14,690	2,465	4,365
Transfer between funds		12,500	(12,500)	-	-
Net movement in funds for the year		275	2,190	2,465	4,365
Reconciliation of funds					
Total funds brought forward		106,454	49,139	155,593	151,228
Total funds carried forward		106,729	51,329	158,058	155,593

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

Cre8 Macclesfield Ltd
Company number 7737871
Balance sheet as at 31 August 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible assets	14	14,853	11,749
Current assets			
Debtors	15	2,314	7,429
Cash at bank and in hand	16	148,046	147,693
Total current assets		150,360	155,122
Liabilities			
Creditors: amounts falling due in less than one year	17	(7,155)	(11,278)
Net current assets		143,205	143,844
Total assets less current liabilities		158,058	155,593
Net assets		158,058	155,593
The funds of the charity:			
Restricted income funds	18	51,329	49,139
Unrestricted income funds	19	106,729	106,454
Total charity funds		158,058	155,593

For the year in question, the company was entitled to exemption from an audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The notes on pages 13 to 28 form part of these accounts.

Approved by the trustees on 17/05/2021 and signed on their behalf by:

Ameera Fletcher (Trustee)

Martin Clarke (Trustee)

Cre8 Macclesfield Ltd
Statement of Cash Flows
for the year ending 31 August 2020

	Note	2020 £	2019 £
Cash provided by/(used in) operating activities	21	12,417	(6,716)
<i>Cash flows from investing activities:</i>			
Dividends, interest, and rents from investments		436	21,606
Purchase of tangible fixed assets		(12,500)	(5,639)
Cash provided by/(used in) investing activities		(12,064)	15,967
Increase/(decrease) in cash and cash equivalents in the year		353	9,251
Cash and cash equivalents at the beginning of the year		147,693	138,442
Cash and cash equivalents at the end of the year		148,046	147,693

Notes to the accounts for the year ended 31 August 2020

1 Accounting policies

The principal accounting policies adopted, judgments and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), second edition - October 2019 (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Cre8 Macclesfield Ltd meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

b Preparation of the accounts on a going concern basis

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees have made no key judgments which have a significant effect on the accounts.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

Notes to the accounts for the year ended 31 August 2020 (continued)

c Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of a provision of a specified service is deferred until the criteria for income recognition are met.

d Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised; refer to the trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

e Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Notes to the accounts for the year ended 31 August 2020 (continued)

f Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the charity's work or for specific projects being undertaken by the charity.

g Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs undertaken to further the purposes of the charity and their associated support costs.
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

h Tangible fixed assets

Individual fixed assets costing £1,000 or more are capitalised at cost and are depreciated over their estimated useful economic lives on a straight line basis as follows:

Motor Vehicles	33% or the duration of a project where a vehicle relates to a specific project.
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i Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

k Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Notes to the accounts for the year ended 31 August 2020 (continued)

I Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

m Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity's contribution is restricted to the contributions disclosed in note 9. There were no outstanding contributions at the year end (2019: £Nil).

2 Legal status of the charity

The charity is a company limited by guarantee registered in England and Wales and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The registered office address is disclosed on page 1.

3 Income from donations and legacies

	Unrestricted £	Restricted £	Total 2020 £
Donations			
General	23,314	-	23,314
Oliver Valves	30,000	-	30,000
	<hr/>	<hr/>	<hr/>
Total	53,314	-	53,314
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Previous Reporting Period	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>Total 2019</i> £
Donations			
General	17,440	-	17,440
Oliver Valves	30,000	-	30,000
	<hr/>	<hr/>	<hr/>
Total	47,440	-	47,440
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes to the accounts for the year ended 31 August 2020 (continued)

4 Income from charitable activities

	Unrestricted £	Restricted £	Total 2020 £
Grants and contracts			
The Swallow Trust	25,000	-	25,000
Youth Music	-	40,414	40,414
Cheshire Community Foundation - COVID-19 Response	2,000	-	2,000
Social Action Fund	-	23,433	23,433
The National Lottery Community Fund	-	47,711	47,711
Rank Foundation	-	20,387	20,387
Co-op Local Cause	-	5,591	5,591
Macclesfield Town Council	4,000	-	4,000
G8 Way Project Funding	-	11,780	11,780
Love Music Trust	-	1,500	1,500
Other Grants	1,400	-	1,400
	<hr/>	<hr/>	<hr/>
	32,400	150,816	183,216
Fees and other income			
Contract Work	30,206	-	30,206
Fund Raising	15,421	-	15,421
Furlough Grant from Government	3,798	-	3,798
Other income	12,779	-	12,779
	<hr/>	<hr/>	<hr/>
	62,204	-	62,204
Total	<hr/>	<hr/>	<hr/>
	94,604	150,816	245,420
	<hr/>	<hr/>	<hr/>

Notes to the accounts for the year ended 31 August 2020 (continued)

4 Income from charitable activities (Continued)

Previous Reporting Period	<i>Unrestricted £</i>	<i>Restricted £</i>	<i>Total 2019 £</i>
Grants and contracts			
The Swallow Trust	25,000	12,500	37,500
Cheshire East Family Service - Early Intervention and Prevention Service			-
Youth Music	-	29,992	29,992
Cheshire Community Foundation - Young Mind Matters Fund	-	5,420	5,420
Social Action Fund	-	10,000	10,000
The National Lottery Community	-	31,117	31,117
Love Music Trust	-	1,500	1,500
Rank Foundation	-	750	750
	<hr/> 25,000	<hr/> 92,586	<hr/> 117,586
Fees and other income			
Contract Work	45,815	-	45,815
Fund Raising	12,988	-	12,988
Other income	2,531	-	2,531
	<hr/> 61,334	<hr/> -	<hr/> 61,334
Total	<hr/> 86,334	<hr/> 92,586	<hr/> 178,920

5 Investment income

	<i>2020 £</i>	<i>2019 £</i>
Income from bank deposits	436	372
Gift aid from Subsidiary	-	21,234
	<hr/> 436	<hr/> 21,606

All investment income is unrestricted.

Notes to the accounts for the year ended 31 August 2020 (continued)

6 Analysis of expenditure on charitable activities

	Total 2020 £	Total 2019 £
Staff costs	206,503	174,842
Subcontractors	14,372	14,336
Volunteers	1,659	1,570
Travel	4,046	3,197
Repairs and Maintenance	9,872	2,131
Residential and Catering	5,882	11,287
Activities, materials and resources	6,496	3,736
Premises	5,244	5,899
Administration	10,187	5,499
Equipment	8,028	1,351
Insurance	8,701	8,508
Other Professional fees	1,850	1,330
Miscellaneous	2,129	1,272
Depreciation	9,396	6,423
Governance costs (see note 7)	2,340	2,220
	<hr/>	<hr/>
	296,705	243,601
	<hr/>	<hr/>
	2020 £	2019 £
Restricted expenditure	136,126	60,425
Unrestricted expenditure	160,579	183,176
	<hr/>	<hr/>
	296,705	243,601
	<hr/>	<hr/>

7 Analysis of governance costs

	2020 £	2019 £
Accountancy services	2,340	2,220
	<hr/>	<hr/>
	2,340	2,220
	<hr/>	<hr/>

Notes to the accounts for the year ended 31 August 2020 (continued)

8 Net income/(expenditure) for the year

This is stated after charging/(crediting):	2020	2019
	£	£
Depreciation	9,396	6,423
Independent examiner's fee		
Independent examination	540	540
Accountancy	1,290	1,290
Other	-	-
	<u> </u>	<u> </u>

9 Staff costs

Staff costs during the year were as follows:

	2020	2019
	£	£
Wages and salaries	201,960	177,208
Social security costs	9,835	8,337
Pension costs	5,870	5,074
	<u> </u>	<u> </u>
	217,665	190,619
	<u> </u>	<u> </u>

During the year £11,162 (2019: £15,777) of the above costs were recharged to one of the charity's subsidiaries.

No employee has employee benefits in excess of £60,000 (2019: Nil).

The average number of staff employed during the period was 15.2 (2019: 16.3).

The average full time equivalent number of staff employed during the period was 8.8 (2019: 8.3).

The key management personnel of the charity comprise the trustees and senior management of the charity. The total employee benefits of the key management personnel of the charity were £174,608 (2019: £161,623).

Notes to the accounts for the year ended 31 August 2020 (continued)

10 Trustee remuneration and expenses

One trustee, Ameera Fletcher, was paid as an employee by the charity in the year. Ameera Fletcher was paid as an employee £48,462 (2019: £37,168) by the charity in the year.

The employment of Robert Wardle and Ameera Fletcher is in accordance with the governing document of the charity.

No other trustees, nor any persons connected with them received any remuneration or reimbursed expenses during the year (2019: £nil).

No trustees received travel and subsistence expenses during the year (2019:£nil).

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

No trustee or other person related to the charity had any personal interest in any contract or transaction entered into by the charity, including guarantees, during the year.

11 Related party transactions

The charity has two subsidiaries:-

- Cre8 Works Ltd, a company limited by guarantee, company number 07737881.
- Cre8 Facilities Limited, a company limited by guarantee, company number 09237866.

Cre8 Facilities Limited

	2020 £	2019 £
Transactions in the period comprised:		
Gift Aid payment from subsidiary	-	21,234
Recharge of expenses to subsidiary	13,458	16,867
Balance owed by/(to) the subsidiary at period end	1,006	2,369

In accordance with guidance from the Financial Reporting Council in December 2017, the subsidiary no longer accrues the gift aid payment within its accounts. The payment to the parent charity will still be made within 9 months of the year end.

Notes to the accounts for the year ended 31 August 2020 (continued)

12 Government grants

The government grants recognised in the accounts were as follows:

	2020 £	2019 £
Cheshire East Family Service	-	-
Macclesfield Town Council	4,000	250
Furlough Grant	3,798	-
	<hr/>	<hr/>
	7,798	250
	<hr/> <hr/>	<hr/> <hr/>

There are no unfulfilled conditions and contingencies attaching to the grants.

13 Corporation tax

The charity is exempt from tax on income and gains falling within Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

14 Fixed assets: tangible assets

	Motor Vehicles £	Total £
Cost		
At 1 September	24,439	24,439
Additions	12,500	12,500
Disposals	-	-
	<hr/>	<hr/>
At 31 August 2020	36,939	36,939
	<hr/> <hr/>	<hr/> <hr/>
Depreciation		
At 1 September	12,690	12,690
Charge for the year	9,396	9,396
Disposals	-	-
	<hr/>	<hr/>
At 31 August 2020	22,086	22,086
	<hr/> <hr/>	<hr/> <hr/>
Net book value		
At 31 August 2020	14,853	14,853
	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2019	11,749	11,749
	<hr/> <hr/>	<hr/> <hr/>

Cre8 Macclesfield Ltd

Notes to the accounts for the year ended 31 August 2020 (continued)

15 Debtors

	2020 £	2019 £
Fees Receivable	1,065	2,877
Cre8 Facilities Limited	1,031	2,369
Gift aid claim	218	1,725
Prepayments	-	458
	<hr/>	<hr/>
	2,314	7,429
	<hr/>	<hr/>

16 Cash at bank and in hand

	2020 £	2019 £
Short term deposits	85,837	85,001
Cash at bank and on hand	62,209	62,692
	<hr/>	<hr/>
	148,046	147,693
	<hr/>	<hr/>

17 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	496	21
Cre8 Facilities Limited	25	-
Other creditors and accruals	3,765	9,045
Taxation and social security costs	2,869	2,212
	<hr/>	<hr/>
	7,155	11,278
	<hr/>	<hr/>

Notes to the accounts for the year ended 31 August 2020 (continued)

18 Analysis of movements in restricted funds

	1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
Youth Music	8,018	40,414	(39,447)	-	8,985
Co-op Local Cause	(2,416)	5,591	(2,041)	-	1,134
I-Will Social Action Fund	7,156	-	(7,156)	-	-
Love Music Trust	-	1,500	(1,500)	-	-
The Swallow Trust	12,500	-	-	(12,500)	-
The National Lottery Community Fund	23,881	47,711	(56,321)	-	15,271
The Rank Foundation	-	20,387	(12,972)	-	7,415
Cheshire Community Foundation Social Enterprise	-	23,433	(4,909)	-	18,524
Cheshire Community Foundation - Young Minds Matter Fund	-	11,780	(11,780)	-	-
Total	49,139	150,816	(136,126)	(12,500)	51,329

Notes to the accounts for the year ended 31 August 2020 (continued)

18 Analysis of movements in restricted funds (Cont.)

<i>Previous Reporting Period</i>	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>Balance at 31 August 2019 £</i>
<i>Youth Music</i>	<i>11,558</i>	<i>29,992</i>	<i>(33,532)</i>	<i>-</i>	<i>8,018</i>
<i>Co-op Local Cause</i>	<i>-</i>	<i>1,057</i>	<i>(3,473)</i>	<i>-</i>	<i>(2,416)</i>
<i>Cheshire Community Foundation</i>	<i>-</i>	<i>10,000</i>	<i>(2,844)</i>	<i>-</i>	<i>7,156</i>
<i>Cheshire Community Foundation - Young Minds Matter Fund</i>	<i>5,420</i>	<i>5,420</i>	<i>(10,840)</i>	<i>-</i>	<i>-</i>
<i>Love Music Trust</i>	<i>-</i>	<i>1,500</i>	<i>(1,500)</i>	<i>-</i>	<i>-</i>
<i>The Swallow Trust</i>	<i>-</i>	<i>12,500</i>	<i>-</i>	<i>-</i>	<i>12,500</i>
<i>The National Lottery</i>	<i>-</i>	<i>31,117</i>	<i>(7,236)</i>	<i>-</i>	<i>23,881</i>
<i>Macclesfield Town Council</i>	<i>-</i>	<i>250</i>	<i>(250)</i>	<i>-</i>	<i>-</i>
<i>The Rank Foundation</i>	<i>-</i>	<i>750</i>	<i>(750)</i>	<i>-</i>	<i>-</i>
<i>Total</i>	<i>16,978</i>	<i>92,586</i>	<i>(60,425)</i>	<i>-</i>	<i>49,139</i>

Notes to the accounts for the year ended 31 August 2020 (continued)

18 Analysis of movements in restricted funds (Cont.)

Name of restricted fund	Description, nature and purposes of the fund
Youth Music	Open Programme grant. Used for music project activities.
Co-op Local Cause	Develop the allotment and community garden in the area behind the St Barnabas Church as a shared space for everyone to enjoy.
Cheshire Community Foundation	To continue to develop the existing project for the salary of Education Support Worker and Social Enterprise4 Support Worker
Cheshire Community Foundation I-Will Social Action Fund	funded day to day repairs and maintenance jobs, as well as various community-based activities.
Cheshire Community Foundation - Young Minds Matter Fund	The G8way project partnering with Just Drop In and Wilmslow Youth to promote the mental wellbeing of young people
Love Music Trust	Trips and equipment for furthering the music project activities
The Swallow Trust	To fund a vehicle for Project Grow. This was then fundraised for and the money was transferred to Unrestricted funds.
The National Lottery Community Fund	Cre8 project grow; a sustainable, low-cost food network, accessible neighbourhood green space and local people developing their own community, health and wellbeing activities.
Macclesfield Town Council	Materials and equipment for a young people's coach to 5K running group
The Rank Foundation	Pebbles short break grant awarded to contribute towards taking 16 vulnerable young people from the Moss Estate in Macclesfield on a residential trip to Camas, Iona Community August 2019.
Rank Foundation Time to Shine	funding for the employment of a young person to gain experience of administrative processes, both in general terms and for specific projects.
Cheshire Community Foundation Social Enterprise	funding for a part-time manager to review Cre8's history and experience of social enterprise activities and to develop new schemes for the future.

Cre8 Macclesfield Ltd

Notes to the accounts for the year ended 31 August 2020 (continued)

19 Analysis of movement in unrestricted funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	As at 31 August 2020 £
General fund	106,454	148,354	(160,579)	12,500	106,729
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	106,454	148,354	(160,579)	12,500	106,729
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Previous Reporting Period	<i>Balance at 1 September 2018</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>As at 31 August 2019 £</i>
General fund	134,250	155,380	(183,176)	-	106,454
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	134,250	155,380	(183,176)	-	106,454
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Name of unrestricted fund	Description, nature and purposes of the fund				
General fund	The free reserves after allowing for all designated funds				

20 Analysis of net assets between funds

	General fund £	Designated funds £	Restricted funds £	Total £
Tangible fixed assets	3,603	-	11,250	14,853
Net current assets/(liabilities)	103,126	-	40,079	143,205
	<hr/>	<hr/>	<hr/>	<hr/>
Total	106,729	-	51,329	158,058
	<hr/>	<hr/>	<hr/>	<hr/>
Previous Reporting Period	<i>General fund £</i>	<i>Designated funds £</i>	<i>Restricted funds £</i>	<i>Total £</i>
Tangible fixed assets	11,749	-	-	11,749
Net current assets/(liabilities)	94,705	-	49,139	143,844
	<hr/>	<hr/>	<hr/>	<hr/>
Total	106,454	-	49,139	155,593
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the accounts for the year ended 31 August 2020 (continued)

21 Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the year	2,465	4,365
Adjustments for:		
Depreciation charge	9,396	6,423
Loss/(profit) on sale of fixed assets	-	-
Dividends, interest and rents from investments	(436)	(21,606)
Decrease/(increase) in debtors	5,115	13,069
Increase/(decrease) in creditors	(4,123)	(8,967)
	<hr/>	<hr/>
Net cash provided by/(used in) operating	12,417	(6,716)
	<hr/> <hr/>	<hr/> <hr/>