

**CREATIVITY WORKS PRESTON
ANNUAL REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2021**

**CREATIVITY WORKS PRESTON
ANNUAL REPORT AND UNAUDITED ACCOUNTS
CONTENTS**

	Page
Company information	3
Director's report	4
Income statement	5
Statement of financial position	6
Notes to the accounts	7
Detailed profit and loss account	9

**CREATIVITY WORKS PRESTON
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2021**

Director	Steven Egan
Company Number	08969288 (England and Wales)
Registered Office	33 SHEPHERD STREET PRESTON PR1 3UE
Accountants	SMART ACCOUNTING (NW) LTD 239 RIBBLETON LANE PRESTON PR1 5EA

CREATIVITY WORKS PRESTON
(COMPANY NO: 08969288 ENGLAND AND WALES)
DIRECTOR'S REPORT

The director presents his report and accounts for the year ended 31 July 2021.

Directors

Steven Egan held office during the whole of the period.

Statement of directors' responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law, the directors have elected to prepare the accounts 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 accounts 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 these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts 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.

Small company provisions

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Signed on behalf of the board of directors

.....
Steven Egan
Director

Approved by the board on: 13 December 2021

CREATIVITY WORKS PRESTON
INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

	2021	2020
	£	£
Turnover	553,533	359,953
Cost of sales	(283,515)	(175,335)
Gross profit	270,018	184,618
Administrative expenses	(315,992)	(259,417)
Other operating income	81,350	47,028
Operating profit/(loss)	35,376	(27,771)
Interest payable and similar charges	-	(7,748)
Profit/(loss) on ordinary activities before taxation	35,376	(35,519)
Tax on profit/(loss) on ordinary activities	-	-
Profit/(loss) for the financial year	35,376	(35,519)

CREATIVITY WORKS PRESTON
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	4	477	582
Current assets			
Debtors	5	50,858	12,811
Cash at bank and in hand		57,672	71,507
		<u>108,530</u>	<u>84,318</u>
Creditors: amounts falling due within one year	6	(48,226)	(59,495)
Net current assets		<u>60,304</u>	<u>24,823</u>
Net assets		<u>60,781</u>	<u>25,405</u>
Capital and reserves			
Profit and loss account		60,781	25,405
Shareholders' funds		<u>60,781</u>	<u>25,405</u>

For the year ending 31 July 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities.

The financial statements were approved by the Board and authorised for issue on 13 December 2021 and were signed on its behalf by

Steven Egan
Director

Company Registration No. 08969288

CREATIVITY WORKS PRESTON

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

1 Statutory information

CREATIVITY WORKS PRESTON is a private company, limited by shares, registered in England and Wales, registration number 08969288. The registered office is 33 SHEPHERD STREET, PRESTON, PR1 3UE.

2 Compliance with accounting standards

The accounts have been prepared in accordance with the provisions of FRS 102 Section 1A Small Entities. There were no material departures from that standard.

3 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of preparation

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

Presentation currency

The accounts are presented in £ sterling.

Tangible fixed assets and depreciation

Tangible assets are included at cost less depreciation and impairment. Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives:

Plant & machinery 18% on WDV

4 Tangible fixed assets

	Plant & machinery £
Cost or valuation	
At 1 August 2020	2,159
At 31 July 2021	2,159
Depreciation	
At 1 August 2020	1,577
Charge for the year	105
At 31 July 2021	1,682
Net book value	
At 31 July 2021	477
At 31 July 2020	582

5 Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	41,471	3,424
Other debtors	9,387	9,387
	<u>50,858</u>	<u>12,811</u>

**CREATIVITY WORKS PRESTON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2021**

6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	48,226	50,000
Trade creditors	-	2,948
Other creditors	-	6,547
	<hr/> 48,226	<hr/> 59,495
	<hr/>	<hr/>

7 Average number of employees

During the year the average number of employees was 20 (2020: 0).

CREATIVITY WORKS PRESTON
DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2021

This schedule does not form part of the statutory accounts.

	2021	2020
	£	£
Turnover		
Sales	553,533	359,953
Cost of sales		
Subcontractor costs	72,179	28,328
Other direct costs	211,336	147,007
	283,515	175,335
Gross profit	270,018	184,618
Administrative expenses		
Wages and salaries	207,935	150,417
Directors' salaries	870	8,011
Employer's NI	10,927	6,085
Temporary staff and recruitment	-	3,996
Staff training and welfare	12,464	23,762
Travel and subsistence	24,805	11,699
Rent	7,250	10,616
Rates	3,169	4,211
Light and heat	12,593	7,444
Telephone and fax	2,722	1,926
Stationery and printing	-	140
Subscriptions	2,214	1,341
Bank charges	71	76
Insurance	4,416	2,924
Equipment hire	22,939	14,382
Repairs and maintenance	-	8,389
Depreciation	105	128
Accountancy fees	3,000	3,480
Advertising and PR	512	390
	315,992	259,417
Other operating income		
Government grants	81,350	47,028
Operating profit/(loss)	35,376	(27,771)
Interest payable		
Other loans	-	7,748
Profit/(loss) on ordinary activities before taxation	35,376	(35,519)



CREATIVITY WORKS PRESTON
ANNUAL REPORT AUGUST 2020 TO JULY 2021

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST JULY 2021.

The Management Committee presents its directors' report and financial statements for the year ended 31st July 2020.

REFERENCE AND ADMINISTRATIVE INFORMATION

Charity Name: Creativity Works Preston

Charity Registration number: 1161063

Company registration number: 8969288

REGISTERED OFFICE AND OPERATIONAL ADDRESS:

33 Shepherd Street

Preston

PR1 3YD

MANAGEMENT COMMITTEE

Mr Bill Adams Chair

Mr Russell Hogarth

Mr Paul Wallace

Mr David Walker

Miss Holly Breakell

SECRETARY

Miss Lauren Breakell

SENIOR MANAGEMENT TEAM

Mr Steve Egan Chief Executive

Mrs Anita McGreevy, Compliance & Operations Manager

Lauren Breakell, Centre Manager

BANKERS

HSBC, 331 Lord St, Southport, PR8 1NJ

NatWest, Fishergate, Preston, PR1 2AD



INTRODUCTION FROM THE CHAIR

COVID

The pandemic had a severe impact on our capacity to work with young people resulting in a small loss for the first time in our existence. Staff had to be furloughed and for a significant period of time our continued existence was uncertain. Fortunately, thanks in no small part to our partners and the Govt support we managed to survive and continue our operation.

Our staff team is greatly valued. They are an outstanding team of caring, talented, and loyal individuals, who always prioritise the safety, welfare, and ambitions of our clients. They are ably led by our CEO Steve Egan and Anita McGreevy.

My personal thanks to them and their excellent staff for the dedicated work they do in this highly specialist field.

Bill Adams



INTRODUCTION FROM THE CHIEF EXECUTIVE

With the COVID situation still far from over it is difficult to make any significant or concrete plans. We will continue to follow Government guidance and where possible remain open for the most vulnerable of students.

I want to thank the Trustees for continuing to support the organisation, giving up free time to do so should never be taken for granted and we, the whole staff team, certainly don't.

My second vote of thanks goes to the whole staff team for their resilience, flexibility and commitment to keep on doing the excellent and vital work. It is very easy to take people for granted but I only need to look around at other organisations and reminisce about my previous working experiences to realise what a special team we have.

Finally, and behalf of all involved at CWP I would like to place on record our continued thanks to Chris Whalley of One File for the donation of licences for E portfolios, Mick O'Flaherty for his valuable staff development support and Vicky Keelan and family for continued use of the building. They make a difficult job a little bit easier.

Steve Egan



OUR AIMS AND OBJECTIVES

Our charity's purposes as set out in the objects contained in the company's Articles of association are to:

'provide alternative education to marginalised people who need to learn in a different way to the traditional education system. The crux of the learning environment and pedagogy is learning through doing. We do this by providing an inclusive, professional and supportive learning environment for individuals irrespective of their circumstances or background'.

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous 12 months. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help.

The review also helps us ensure our aim, objectives and activities remained focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities.

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

As part of this review, we wanted to simplify and capture what we are about and it is simply:

to make learning fun!



THE FOCUS OF OUR WORK

Our focus continues to be the provision of education to people in need of alternative approaches. Specifically, we focus on learning by doing and Production Education.

The strategies we used to meet these objectives included:

- Hair and Beauty salon
- Art & Design production and making of goods
- Music making
- Child care
- Food
- Video production for third sector organisations.
- Working in partnership with other agencies to secure the widest range of services is available that best matches the needs of people of Preston and surrounding areas.

HOW OUR ACTIVITIES DELIVER PUBLIC BENEFIT

Our main activities and who we try to help are described below. All our charitable activities focus upon engaging people who are marginalised from mainstream society. Through engagement in our programmes individuals are up skilled, develop confidence and self-esteem which in turn moves them closer to the job market and become more active and productive citizens.



WHO USED AND BENEFITED FROM OUR SERVICES?

In the academic year 2020/2021, CWP worked with a total of 67 learners (57 school pupils, and 10 NEET young people aged 16-18 (25 with EHCP)) across five departments (Media, Music, Childcare, Food Technology, Hair and Beauty).

Out of 67 learners 53 remained at CWP until the end of the academic year. Of the remaining 14, two reengaged and subsequently returned to mainstream education, 2 were permanently excluded from CWP, and 10 were withdrawn due to variety of reasons unrelated to CWP provision.

We started a total of 76 learning aims, both regulated and non-regulated, with targets to be completed by the end of the 2020/2021 academic year. Sixty one have been completed and fully achieved.

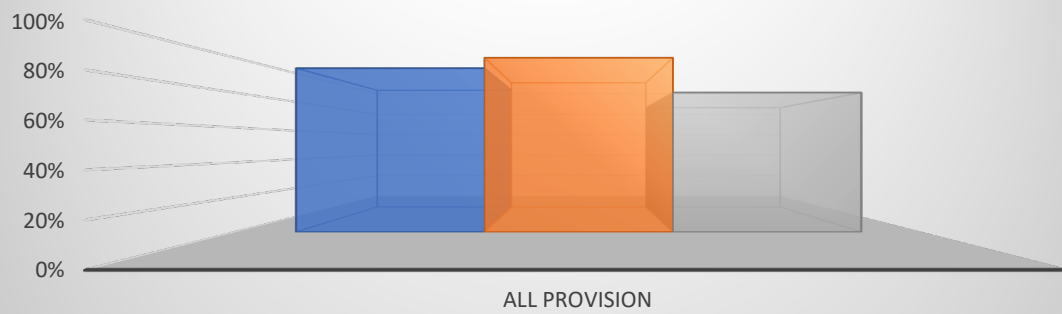
Based on the above figures in the academic year 2020/21 for both schools and post 16 programmes the figures for CWP were as follows:

- Retention rate: 94%
- Achievement rate: 100%
- Success rate: 80%.

Out of 67 school pupils, 88% had a learning difficulty/disability or were at risk of permanent exclusion.

All NEET learners had one or more of the following barriers to learning: mental health, emotional and behavioural or family issues; learning difficulty/disability, were in care/supported accommodation, young offenders/at risk of offending, were in economic difficulty.

All provision 2020/2021



	All provision
Retention	94%
Achievement rate	100%
Success rate	80%

Retention Achievement rate Success rate



GOVERNANCE, STAFFING AND QUALITY

The organisation is a charitable company limited by guarantee, incorporated on 1st April 2014 and registered as a charity on 27th March 2015.

We have established a brilliant, diverse and committed management board to oversee our continuous improvement. It's a bold statement and we are obviously biased but facts are facts!

We are conscious of the need to have a board of trustees that reflect the local community. All our Trustees are from Preston and have connections with Education and Training in their personal careers.

TRUSTEE INDUCTION AND TRAINING

Most trustees are already familiar with the practical work of the charity having been involved in one capacity or another with similar charities or organisations in the past.

All trustees are invited and encouraged to attend a series of short training sessions (of no more than an hour) to familiarise themselves with the charity and the context within which it operates.

STAFFING & QUALITY

In 2020-21 we employed:

- 23 people
- 9 males,
- 14 females

Of that figure 7 joined CWP as part of the Governments Kick Start scheme. Our teams are split into two main areas:

Learning Support

- Compliance and Operations manager,
- Centre Manager,
- Head of Education,
- Office Manager,
- IT Officer,
- Communications Officer
- Finance and Administrator.

Delivery team:

- Music (3)
- Hair and Beauty (4)
- Art & Design (2),
- Film (2)
- Health & Social Care,
- Maths & English.



FINANCE

As a local charity we believe in transparency with regards income and expenditure full details to be found in our published accounts.

In relation to income the main sources were from schools, grants and ESF with salaries accounting for the bulk of expenditure.

PRINCIPAL FUNDING SOURCES

- Youth Music
- Erasmus Plus
- Schools
- Lancashire County Council
- ESF-Subcontract with LSEP
- One File Ltd (in Kind support)
- Gainsborough Floorings (in Kind support)



RESERVES POLICY

Our aim is to make a yearly surplus to build a sustainable charity that serves as many people as possible. We aim to hold reserves equivalent to 3 months' running costs, invest in facilities, in staff and in trainees.

The Management Committee has examined the charity's requirements for reserves considering the main risks to the organisation. It has established a policy whereby the unrestricted funds not committed or invested in tangible fixed assets held by the charity should be 3 months of the expenditure. Therefore, the target is £90,000 in general funds.

The reserves are needed to meet the working capital requirements of the charity and the Management Committee are confident that at this level they would be able to continue the current activities of the charity in the event of a significant drop in funding.

PLANS FOR FUTURE PERIODS

- Increase income to £500,000.
- Increase schools funding to £175,000
- Invest in specialist staff for employment and pastoral support.
- Explore EFA/SFA contracting.
- Deliver high quality training.