

**CREATIVITY WORKS PRESTON
ANNUAL REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022**

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ANNUAL REPORT AND UNAUDITED ACCOUNTS
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**CREATIVITY WORKS PRESTON
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2022**

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 2022.

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: 27 February 2023

CREATIVITY WORKS PRESTON
INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2022

	2022	2021
	£	£
Turnover	562,454	553,533
Cost of sales	(348,938)	(283,515)
Gross profit	213,516	270,018
Administrative expenses	(333,599)	(315,992)
Other operating income	64,256	81,350
Operating (loss)/profit	(55,827)	35,376
(Loss)/profit on ordinary activities before taxation	(55,827)	35,376
Tax on (loss)/profit on ordinary activities	-	-
(Loss)/profit for the financial year	(55,827)	35,376

CREATIVITY WORKS PRESTON
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	4	13,364	477
Current assets			
Debtors	5	9,488	50,858
Cash at bank and in hand		65,672	57,672
		<u>75,160</u>	<u>108,530</u>
Creditors: amounts falling due within one year	6	(83,570)	(48,226)
Net current (liabilities)/assets		<u>(8,410)</u>	<u>60,304</u>
Net assets		<u>4,954</u>	<u>60,781</u>
Capital and reserves			
Profit and loss account		4,954	60,781
Shareholders' funds		<u>4,954</u>	<u>60,781</u>

For the year ending 31 July 2022 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 27 February 2023 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 2022

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 £	Computer equipment £	Total £
Cost or valuation	At cost	At cost	
At 1 August 2021	2,159	-	2,159
Additions	-	15,821	15,821
At 31 July 2022	2,159	15,821	17,980
Depreciation			
At 1 August 2021	1,682	-	1,682
Charge for the year	86	2,848	2,934
At 31 July 2022	1,768	2,848	4,616
Net book value			
At 31 July 2022	391	12,973	13,364
At 31 July 2021	477	-	477

5 Debtors

	2022 £	2021 £
Amounts falling due within one year		
Trade debtors	101	41,471
Other debtors	9,387	9,387
	9,488	50,858

CREATIVITY WORKS PRESTON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2022

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	37,580	48,226
Trade creditors	25,999	-
Taxes and social security	3,578	-
Other creditors	16,413	-
	<hr/> 83,570	<hr/> 48,226
	<hr/> <hr/>	<hr/> <hr/>

7 Average number of employees

During the year the average number of employees was 20 (2021: 20).

**CREATIVITY WORKS PRESTON
DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2022**

This schedule does not form part of the statutory accounts.

	2022	2021
	£	£
Turnover		
Sales	562,454	553,533
Cost of sales		
Subcontractor costs	81,015	72,179
Other direct costs	267,923	211,336
	348,938	283,515
Gross profit	213,516	270,018
Administrative expenses		
Wages and salaries	235,349	207,935
Directors' salaries	-	870
Employer's NI	12,634	10,927
Staff training and welfare	6,858	12,464
Travel and subsistence	29,623	24,805
Motor expenses	441	-
Rent	11,865	7,250
Rates	4,306	3,169
Light and heat	6,578	12,593
Telephone and fax	2,365	2,722
Stationery and printing	10	-
Subscriptions	1,721	2,214
Bank charges	149	71
Insurance	4,748	4,416
Equipment hire	8,715	22,939
Repairs and maintenance	741	-
Depreciation	2,934	105
Accountancy fees	3,900	3,000
Advertising and PR	662	512
	333,599	315,992
Other operating income		
Government grants	64,256	81,350
Operating (loss)/profit	(55,827)	35,376
(Loss)/profit on ordinary activities before taxation	(55,827)	35,376



CREATIVITY WORKS PRESTON
ANNUAL REPORT AUGUST 2021 TO JULY 2022

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST JULY 2022.

The Management Committee presents its directors' report and financial statements for the year ended 31st July 2022.

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

Mrs Lauren Gutteridge

SENIOR MANAGEMENT TEAM

Mr Steve Egan, Chief Executive

Mrs Anita McGreevy, Compliance & Operations Manager

Lauren Gutteridge, Centre Manager

BANKERS

HSBC, 331 Lord St, Southport, PR8 1NJ

NatWest, Fishergate, Preston, PR1 2AD



INTRODUCTION FROM THE CHAIR

I am very pleased to introduce the Annual Report from Creativity works Preston for 2021/22. Our vitally important work has brought an expanding programme of education and activity for increasing pool of students having an experience of education to suit their specific needs.

Inspired by a fantastically dedicated and competent team, we aim to provide both stability and challenge in everything we do, backed by sound finance and management of the organisation.

I'm very proud to present our Annual Report to highlight the services we provide to the people of Preston and surrounding areas.

Bill Adams
Chair - Creativity Works



INTRODUCTION FROM THE CHIEF EXECUTIVE

I write this introduction at the end of our eighth year of operation, 8 years, who would have thought? Certainly not everyone but as the old saying goes, we live to tell the tale!

It seems an appropriate time to reflect; having come through the pandemic, despite the seemingly negative financial results, more of that later, far stronger than we have ever been.

COVID made everyone pull together and I believe made people realise that community, doing something for others without thought of personal benefit, is actually not only a good thing, it's the 'natural' thing.

We didn't clap the key workers for nothing; we did so because it showed us, if we needed reminding, that all sections of society are of value and we are nothing if we don't recognise that.

Certainly, for CWP and the young people we work with, recognition is more forthcoming as we continue to develop and challenge the 'norms' of what education is, or more pertinently, could, and maybe should be.

We are working more and more with young people with SEN, and it is they, through their regular attendance and achievements, that show in practice and in our collective all be it small way, that everyone has something to offer. That potential exists in all, and the role of every member of staff, volunteer and trainee, is to facilitate that development.

The financial figures show a deficit of £55,827 but I make no apologies for that. Coming out of the unprecedented position we all found ourselves in it would have been easy to embark upon a period of 'austerity' and make cuts to budgets, staffing and premises, but that would have been to risk setbacks to all the good work and developments we have made.

In truth, given the ever growing network of schools and increasing recognition from LCC, it was a relatively risk free decision to make. As I write this report, always some months after the accounts have been produced, the decision has been vindicated as we are profiling a healthy surplus that will eradicate this years deficit and provide sufficient finance for reserves and continual investment.

None of what has been achieved would have been possible without the fantastic work of the staff team, ably led by Lauren Gutteridge (nee Breakell). Every single member of the staff team has played their part in our development and I know that as long as we stick together and build on what we have achieved so far we can look forward with confidence to the years ahead.

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.

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 Brown and family for continued use of the building. They all help to 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
- Music making
- Childcare
- 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 2021/2022, CWP worked with a total of 101 learners (80 school pupils, and 21 NEET young people aged 16-18 (25 with EHCP) across five departments (Media, Music, Childcare, Food Technology, Hair and Beauty).

We worked with the following schools:

- Brookfield
- Fulwood Academy
- Moorhey
- Spensbrook
- Ashton Community Science College
- Unity Academy
- Cumberland
- Acorns
- Roselyn House
- Waterloo Lodge
- Shaftesbury High

Out of 101 learners 86 remained at CWP until the end of the academic year.

A variety of reasons for those that left:

- School withdrawal
- Exclusion by CWP
- Completed short term intervention

A total of 83 learners achieved a nationally recognised qualification at Level 1 or above

Out of 80 school pupils, 88% had a learning difficulty/disability or were at risk of permanent exclusion.

25 were on Free school meals

All 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.

- Success rate: 80%.

Out of 80 school pupils, 88% had a learning difficulty/disability or were at risk of permanent exclusion.



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.

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 2021-22 we employed:

- 27 people
- 7 male,
- 20 female

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

All staff are paid at least the living wage. The ratio between the lowest and highest paid member of staff is 1 to 2
No staff member earned more than £40,000

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
- Government Grant (Kick Start)
- 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 £600,000.
- Increase schools funding to £220,000
- Invest in specialist staff for employment and pastoral support.
- Explore EFA/SFA contracting.
- Deliver high quality training.