

**CREATIVITY WORKS PRESTON
ANNUAL REPORT AND UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2023**

**CREATIVITY WORKS PRESTON
ANNUAL REPORT AND UNAUDITED ACCOUNTS
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**CREATIVITY WORKS PRESTON
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2023**

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 2023.

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

Steve Egan

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Steven Egan
Director

Approved by the board on: 19 April 2024

CREATIVITY WORKS PRESTON
INCOME STATEMENT
FOR THE YEAR ENDED 31 JULY 2023

	2023	2022
	£	£
Turnover	545,489	562,454
Cost of sales	(207,680)	(348,938)
Gross profit	337,809	213,516
Administrative expenses	(391,462)	(333,599)
Other operating income	43,025	64,256
Operating loss	(10,628)	(55,827)
Loss on ordinary activities before taxation	(10,628)	(55,827)
Tax on loss on ordinary activities	-	-
Loss for the financial year	(10,628)	(55,827)

CREATIVITY WORKS PRESTON
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	4	10,959	13,364
Current assets			
Debtors	5	9,387	9,488
Cash at bank and in hand		63,520	65,672
		<u>72,907</u>	<u>75,160</u>
Creditors: amounts falling due within one year	6	(46,191)	(83,570)
Net current assets/(liabilities)		<u>26,716</u>	<u>(8,410)</u>
Total assets less current liabilities		<u>37,675</u>	<u>4,954</u>
Creditors: amounts falling due after more than one year	7	(43,349)	-
Net (liabilities)/assets		<u>(5,674)</u>	<u>4,954</u>
Capital and reserves			
Profit and loss account		(5,674)	4,954
Shareholders' funds		<u>(5,674)</u>	<u>4,954</u>

For the year ending 31 July 2023 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 20 February 2024 and were signed on its behalf by

Steven Egan
Director

Company Registration No. 08969288

CREATIVITY WORKS PRESTON
STATEMENT OF CHANGES IN EQUITY
AS AT 31 JULY 2023

	Share capital £	Profit & loss account £	Total £
At 1 August 2021	-	60,781	60,781
Loss for the year		(55,827)	(55,827)
At 31 July 2022	-	4,954	4,954
At 1 August 2022	-	4,954	4,954
Loss for the year		(10,628)	(10,628)
At 31 July 2023	-	(5,674)	(5,674)

CREATIVITY WORKS PRESTON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2023

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 1 August 2022	2,159	15,821	17,980
At 31 July 2023	2,159	15,821	17,980
Depreciation			
At 1 August 2022	1,768	2,848	4,616
Charge for the year	70	2,335	2,405
At 31 July 2023	1,838	5,183	7,021
Net book value			
At 31 July 2023	321	10,638	10,959
At 31 July 2022	391	12,973	13,364

CREATIVITY WORKS PRESTON
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2023

5 Debtors	2023	2022
	£	£
Amounts falling due within one year		
Trade debtors	-	101
Other debtors	-	9,387
	-	9,488
Amounts falling due after more than one year		
Other debtors	9,387	-
	46,191	83,570
6 Creditors: amounts falling due within one year	2023	2022
	£	£
Bank loans and overdrafts	-	37,580
Trade creditors	6,175	25,999
Taxes and social security	40,016	3,578
Other creditors	-	16,413
	46,191	83,570
7 Creditors: amounts falling due after more than one year	2023	2022
	£	£
Bank loans	26,936	-
Other creditors	16,413	-
	43,349	-

8 Average number of employees

During the year the average number of employees was 20 (2022: 20).

CREATIVITY WORKS PRESTON
DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2023

This schedule does not form part of the statutory accounts.

	2023	2022
	£	£
Turnover		
Sales	545,489	562,454
Cost of sales		
Subcontractor costs	-	81,015
Other direct costs	207,680	267,923
	207,680	348,938
Gross profit	337,809	213,516
Administrative expenses		
Wages and salaries	246,511	235,349
Employer's NI	14,457	12,634
Staff training and welfare	2,787	6,858
Travel and subsistence	36,626	29,623
Motor expenses	1,827	441
Entertaining	17,332	-
Rent	15,397	11,865
Rates	1,933	4,306
Light and heat	7,854	6,578
Cleaning	201	-
Telephone and fax	3,118	2,365
Stationery and printing	-	10
Subscriptions	3,853	1,721
Bank charges	152	149
Insurance	7,163	4,748
Equipment hire	17,965	8,715
Repairs and maintenance	7,835	741
Depreciation	2,405	2,934
Accountancy fees	3,710	3,900
Advertising and PR	336	662
	391,462	333,599
Other operating income		
Government grants	43,025	64,256
Operating loss	(10,628)	(55,827)
Loss on ordinary activities before taxation	(10,628)	(55,827)



CREATIVITY WORKS PRESTON
ANNUAL REPORT AUGUST 2022 TO JULY 2023

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 2023.

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

Miss Naomi Wilkinson

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'm delighted to be able to introduce the Annual Report for Creativity works Preston for July 2023.

This last year has as always been very challenging in providing different educational options for our students, and the staff who work so hard to give everyone a memorable and fulfilling educational experience in a safe and welcoming environment.

As most of you know, CWP exists to offer a different type of learning experience in learning by doing, whilst making sure the basics are covered in different ways than standard education providers.

This last year has seen CWP providing a host of different options for our students, giving them more choice and opening up new horizons as they progress through school and towards work. The staff and trustees will continue to develop new and suitable programmes in the coming months and hope to increase our partnership approach with local authorities, schools, and sister organisations both locally, nationally and internationally.

I would recommend you read the report and that you can continue to kindly support our organisation in the coming year.

I would like to put on record my heartfelt thanks and those of our trustees to our excellent, committed staff, who ensure the learning experience is first class to our students, and to other colleagues and volunteers who all add to the success of the organisation.

Bill Adams

Chair
Creativity Works Preston.



INTRODUCTION FROM THE CHIEF EXECUTIVE

This has been a really productive, and progressive year. Whilst the bottom line may suggest differently, the organisation lost £10,628, this is a reduction from previous years loss of £55,827.

Whilst losses are never to be taken for granted, and we certainly don't, the underlying picture is extremely positive.

We have continued to invest in our staff and facilities, believing passionately that we need to take a longer term perspective. Cash flow has been good, and this has allowed for this strategy to be implemented.

We have budgets in place now for 23/24, 24/25/ and 25/26 that show significant growth. Nothing can or will be taken for granted but I am confident that if we keep delivering the excellence we have been delivering these 'speculative' figures will become reality and bring healthy surpluses that can be invested in our work.

The figures illustrated below show that performance in terms of delivery has been excellent with some fantastic outcomes for young people.

We have also expanded our offer by introducing Construction. At present, it is on a small scale but if the early promising signs continue, we have plans to expand the space and develop a property purchase and renovation division. Our aim being to provide real hands on learning opportunities to our young people and potentially provide accommodation to young people in need, particularly those leaving care.

We continue to develop partnerships, and arguably the most important one, Lancashire County Council, is developing nicely. Our aim is to obtain some form of direct contract for post 16 learning, particularly in relation to young people with EHCP. Meetings are scheduled with the Head of LCC Commissioning as we develop this approach.

Whilst the relationship with LCC continues to develop, unfortunately I cannot say the same about our local council, Preston City. We had approached the council with plans for the development of Amounderness House, believing that as a charity we fitted the Preston Model. Sadly, the council decided to enter a partnership with a private company to develop the project as office space using Towns Fund money in the process. As CEO I believe it is my responsibility to praise when praise is due and constructively criticise when it's not. We move on.

I am fortunate to lead an organisation with an unbelievably talented and committed staff team. The team has grown and will continue to grow. We have been able to reward the hard work with a real time pay increase of 15% and a reduction in the working week to 30.5 hours. Every staff member is paid at least the living wage, and our aim is to pay the best salaries for education delivery in the region.

It would take too long to thank them all here individually but without them, none of what we have achieved would be possible. Thank you one and all.

Finally, I want to thank the Trustees and our consistent supporters, Vicky and Eddie Brown of Gainsborough floorings.

The trustees give up their free time and Vicky and Eddie continue to provide financial support and advice.

Steve Egan
CEO



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 and it is based upon the Danish Production school model.

The vocational areas we offer to meet these objectives include:

- Hair and Beauty
- Art & Design
- Music making
- Childcare
- Food
- Video production for third sector organisations.
- Construction
- Maths and English
- 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 support, 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 2022-2023 CWP worked with 135 Young People and Adults delivering a variety of short- and long-term programmes.

These programmes included Vocational Courses and Functional Skills in Maths and English.

Of the 135:

- 67 Male -
- 58 Female
- 94 aged 13-16 (based off their age on 01/09/22)
- 25 aged 16-19
- 6 aged 19+
- 73 learners were on Free School meals
- 135 had some form of disability or disadvantage.

When compiling the figures we carefully analysed the referrals to CWP and take into account only individuals, whose participation was not affected by the external factors which CWP had no control of.

These factors included but were not limited to:

- Schools' withdrawals of young people who have never attended CWP but were referred to the provision.
- Schools' removal of young people from the programme due to the poor behaviour at the school setting.
- Looked after young people who have been moved away from the area.

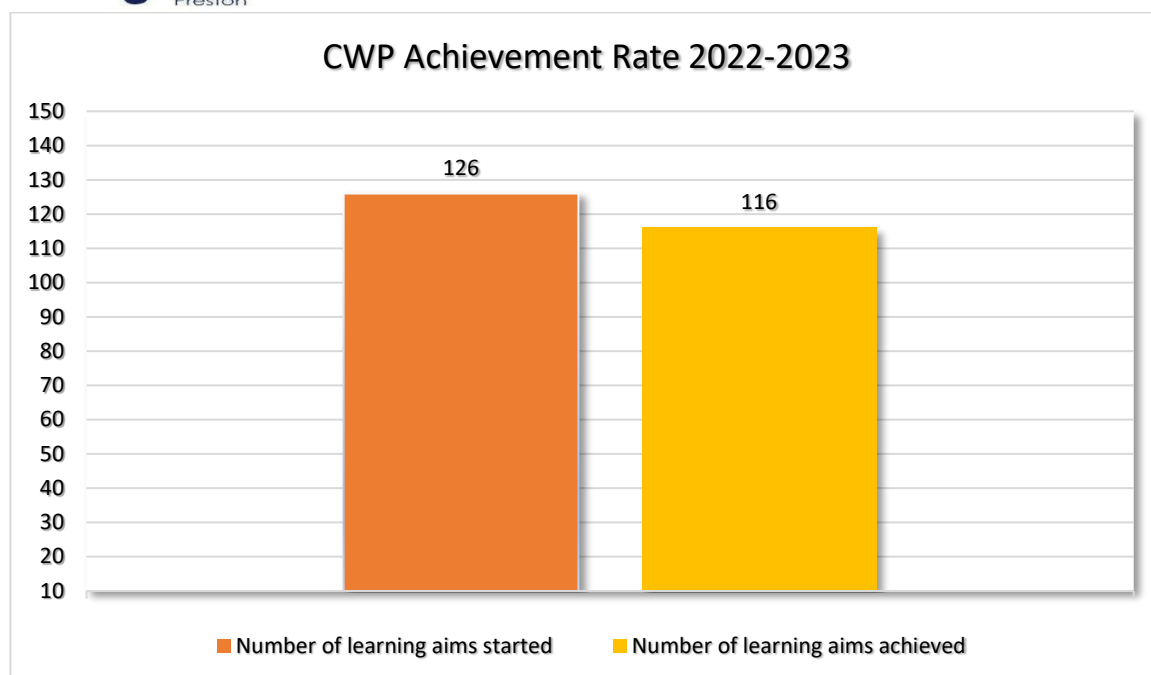
ACHIEVEMENT RATE

The Achievement Rate has been calculated using the following methodology:

Number of achieved awards divided by the number of learning aims started by the students who completed the duration of their course multiplied by 100%.

This includes vocational learning aims and Functional Skills in English and Maths.

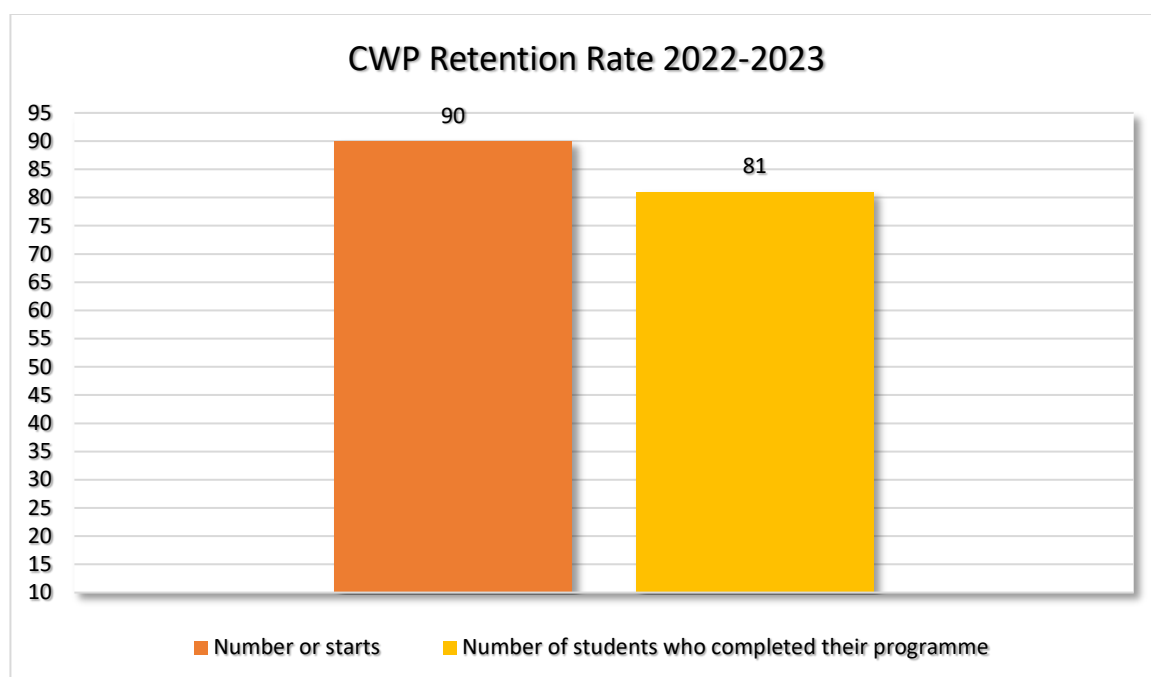
$(116/126) \times 100\% = 92\%$



RETENTION RATE

The Retention rate was calculated by taking the number of learners who completed their anticipated programme divided by the total number of students who enrolled on a programme at CWP and multiplied by 100%.

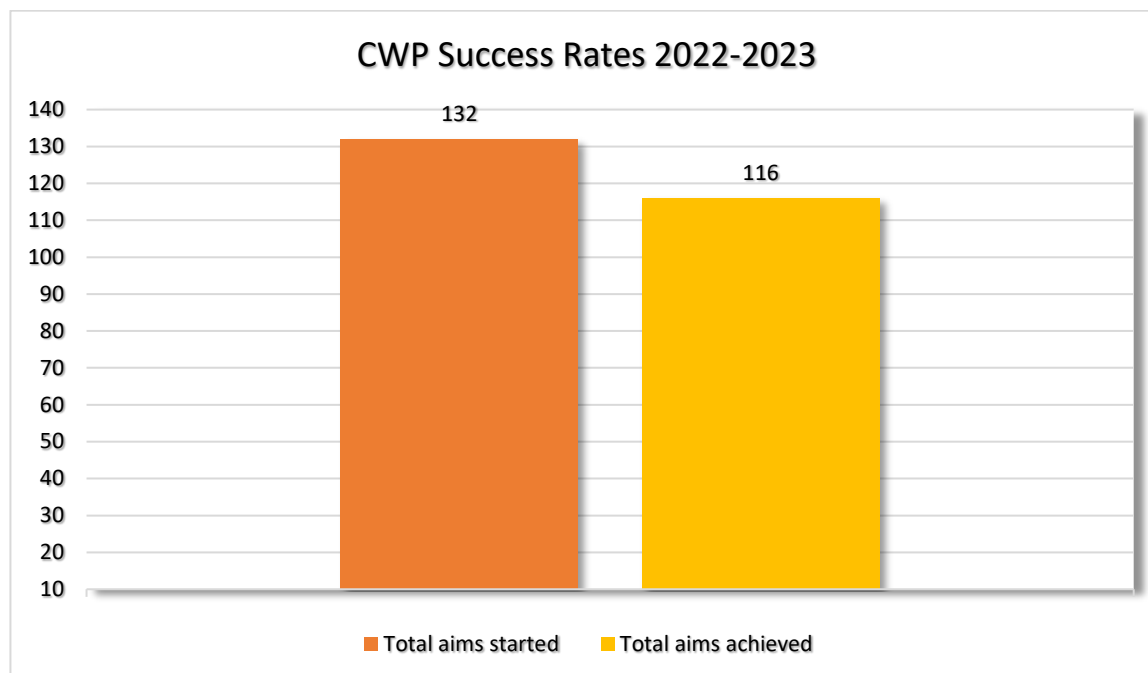
$$(81/90) \times 100\% = 90\%$$



SUCCESS RATE

Success rate was calculated by the total learning aims achieved divided by the number of learning aims started, including the ones which have been withdrawn or cancelled, multiplied by 100%. The learning aims include vocation qualifications as well as Functional Skills in English and Maths.

$$(116/132) \times 100\% = 87\%$$



The statistics were achieved through the delivery of programmes across five departments (Media, Music, Childcare, Food Technology, Hair and Beauty and Construction).

We worked with the following schools:

- Acorns
- Applebee
- Ashton Community Science College
- Blackburn College
- Brookfield
- Cumberland
- Hyndburn Academy
- Nugent House
- Oswaldtwistle
- Pioneer Tech
- Rhyddings
- Rose School
- Roselyn House
- Shaftesbury High
- Shuttleworth College
- Sir Tom Finney
- Spensbrook
- Shuttleworth College
- Waterloo Lodge





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 2022-23 we employed:

- 18 people
- 9 Males
- 9 Females

1. CEO-Steve Egan
2. Centre Manager-Lauren Gutteridge
3. Compliance & Operations Manager-Anita McGreevy
4. Maths & English Tutor-Paul Wallace
5. Media Tutor - Peter Hall
6. Music Tutor - Greg Finch
7. Media/Music Tutor Matt Gerrard (20)
8. Music Tutor Mark Barlow (20 hrs)
9. Beauty Tutor, Helen Noye (12 hrs)
10. Beauty Tutor, Rafaella Alvez (12) Cleaner (10 hrs)
11. Food Tech Tutor Molly Simcock (7 hrs) Employability Tutor-(18 hrs)
12. Child Care/Health & Social Tutor, Helen Costello (12 hrs)
13. Art and Design Tutor-Aaliyah Vohra (25 hrs)
14. Administrator/Receptionist- Zaynab Desai (25hrs)
15. Social Media Coordinator, Kate Higham (10 hrs)
16. Construction Tutor, Mark Hull (12hrs)
17. Construction Tutor, Glenn Williams (12 hr)
18. Media Specialist, John Turner



We have two main teams:

Learning Support

- Compliance and Operations manager
- Centre Manager
- Office Manager
- Communications Officer
- Finance and Administrator

Delivery

- Music (3)
- Hair and Beauty (2)
- Art & Design (1)
- Film (2)
- Health & Social Care (1)
- Maths & English (1)
- Construction (2)

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 £55,000.

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

- Achieve NW
- Erasmus Plus
- Focus Foundation
- Gainsborough Floorings (in Kind support)
- Heritage Lottery Fund
- Lancashire County Council
- LSEP - ESF-Subcontract with
- Schools
- WEA ESF
- Youth Music



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 £150,000 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 £700,000.
- Increase schools funding to £300,000
- Invest in specialist staff for employment and pastoral support.
- Explore EFA/SFA contracting.
- Deliver high quality training.