

REGISTERED NUMBER: 05704470 (England and Wales)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

FOR

CREO ARTS GROUP LTD

**PREVIOUSLY KNOWN AS
WORLD PHOTOGRAPHY AWARDS LTD**

CREO ARTS GROUP LTD (REGISTERED NUMBER: 05704470)
PREVIOUSLY KNOWN AS WORLD PHOTOGRAPHY AWARDS LTD

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for the year ended 30 June 2022

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CREO ARTS GROUP LTD
PREVIOUSLY KNOWN AS WORLD PHOTOGRAPHY AWARDS LTD

COMPANY INFORMATION
for the year ended 30 June 2022

DIRECTORS: D B Angus
S Gray

SECRETARY: G M Tsangari

REGISTERED OFFICE: 9 Manchester Square
London
W1U 3PL

REGISTERED NUMBER: 05704470 (England and Wales)

SENIOR STATUTORY AUDITOR: Neil Usher

AUDITORS: Thorne Lancaster Parker
Chartered Accountants &
Statutory Auditors
4th Floor
Venture House
27-29 Glasshouse Street
London
W1B 5DF

CREO ARTS GROUP LTD (REGISTERED NUMBER: 05704470)
PREVIOUSLY KNOWN AS WORLD PHOTOGRAPHY AWARDS LTD

STATEMENT OF FINANCIAL POSITION
30 June 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Property, plant and equipment	5		10,631		20,799
Investments	6		<u>26,593</u>		<u>6,260</u>
			37,224		27,059
CURRENT ASSETS					
Debtors	7	214,657		347,049	
Cash at bank		<u>4,476</u>		<u>8,787</u>	
		219,133		355,836	
CREDITORS					
Amounts falling due within one year	8	<u>2,618,092</u>		<u>2,227,859</u>	
NET CURRENT LIABILITIES			<u>(2,398,959)</u>		<u>(1,872,023)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(2,361,735)</u>		<u>(1,844,964)</u>
CAPITAL AND RESERVES					
Called up share capital	9		100		100
Retained earnings	10		<u>(2,361,835)</u>		<u>(1,845,064)</u>
SHAREHOLDERS' FUNDS			<u>(2,361,735)</u>		<u>(1,844,964)</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 28 March 2023 and were signed on its behalf by:

D B Angus - Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

1. STATUTORY INFORMATION

Creo Arts Group Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

The financial statements of the company are consolidated in the financial statements of Angus Montgomery Limited. The consolidated financial statements of Angus Montgomery Limited are available from the registered office.

Preparation of consolidated financial statements

The financial statements contain information about Creo Arts Group Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Angus Montgomery Limited, 9 Manchester Square London W1U 3PL.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including explanations of future events that are believed to be reasonable under the circumstances.

a) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below;

(i) Useful economic life of website development.

The annual depreciation charge for website development is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on the performance of the relevant shows.

The useful economic life of website development is considered to be 5 years.

(ii) Repayment of intercompany loans

The company is subject to intercompany loans payable and receivable with other group companies. Such loans are repayable on demand and in reality are considered in totality at group level in the group headed by the ultimate parent undertaking Angus Montgomery Limited. As such the company judges there is no risk to these balances and the financial statements are prepared on the basis that the company will have the capacity to repay, or request payment as required.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022

3. ACCOUNTING POLICIES - continued

Going concern

As described in the financial statements the company has net current liabilities of £2,398,959. These net current liabilities include amounts due to the parent company of £2,079,619. Accordingly the company is dependant upon the continued support of its shareholders in order to meet its day to day working capital requirements.

The company's parent undertaking has indicated that it will continue to support the company for a period of at least one year from the approval date of these financial statements. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, and to provide for further liabilities that might arise, and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Revenue recognition

Revenue represents the income receivable from the organisation and management of exhibitions that occur in the financial period, net of value added tax.

Revenue in relation to recharged costs is recognised when the costs are incurred by the company.

Revenue is recognised at the fair value of the consideration received or receivable for sale of goods to external customers in the ordinary nature of the business. The fair value of the consideration takes into account trade discounts, settlement discounts and volume rebate.

Income and directly allocable costs arising from exhibitions are to be taken to the profit and loss account in the financial period in which the relevant exhibitions take place. Income and directly related costs arising from exhibitions to be held at a date subsequent to the balance sheet date are not taken to the profit and loss account but are treated as deferred exhibition income and deferred expenditure and included in the balance sheet as deferred exhibition income and deferred exhibition costs respectively.

Other income

Other income is in relation to grant income, which is recognised on an accruing basis.

Property plant and equipment

Property, plant and equipment are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration initially recorded at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life as follows;

Computer equipment	3 years
Website development	5 years

The carrying values of property plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022

3. ACCOUNTING POLICIES - continued

Current taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

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

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the standard exchange rate ruling for the period.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to the statement of comprehensive income, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme, where the amounts are charged to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and the contributions actually paid are shown as either accruals or prepayments.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022

3. ACCOUNTING POLICIES - continued

Financial instruments

The company has chosen to adopt Section 11 and Section 12 of FRS 102 in respect of financial instruments as it has only basic financial instruments.

a) Basic financial assets

Trade and other debtors, loans to fellow group companies, loans to related companies, other debtors and bank balances, which are due within one year are initially recognised at transaction price and subsequently carried at amortised cost being the transaction price less any amounts settled and any impairment losses.

At the end of each reporting period basic financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

b) Basic financial liabilities and equity

Financial liabilities are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. an equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade creditors, other creditors and loans from fellow group and related companies are initially recognised at transaction price and subsequently carried at amortised cost, being transaction price less any amounts settled.

Bank overdrafts and invoice discounting facility are presented within creditors: amounts falling due within one year.

Other loans are initially recognised at the transaction price, including transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Basic financial liabilities are derecognised when the contractual obligation is discharged, cancelled or expired.

c) Equity instruments

The ordinary share capital of the company is classified as equity and recorded at fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 8 (2021 - 10) .

5. PROPERTY, PLANT AND EQUIPMENT

	Website development £	Computer equipment £	Totals £
COST			
At 1 July 2021	650,885	29,518	680,403
Additions	<u>2,560</u>	<u>1,058</u>	<u>3,618</u>
At 30 June 2022	<u>653,445</u>	<u>30,576</u>	<u>684,021</u>
DEPRECIATION			
At 1 July 2021	632,809	26,795	659,604
Charge for year	<u>11,704</u>	<u>2,082</u>	<u>13,786</u>
At 30 June 2022	<u>644,513</u>	<u>28,877</u>	<u>673,390</u>
NET BOOK VALUE			
At 30 June 2022	<u>8,932</u>	<u>1,699</u>	<u>10,631</u>
At 30 June 2021	<u>18,076</u>	<u>2,723</u>	<u>20,799</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2021	14,262
Additions	<u>20,333</u>
At 30 June 2022	<u>34,595</u>
PROVISIONS	
At 1 July 2021 and 30 June 2022	<u>8,002</u>
NET BOOK VALUE	
At 30 June 2022	<u>26,593</u>
At 30 June 2021	<u>6,260</u>

During the year, the company acquired 24.99% of shares in Photo London Ltd.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	5,400	7,504
Amounts owed by group undertakings	12,818	307,184
Other debtors	36,188	92
VAT	6,741	15,256
Prepayments and accrued income	153,510	17,013
	<u>214,657</u>	<u>347,049</u>

Trade debtors are stated after provisions for impairment of £7,306 (2021: £7,306).

Amounts owed by group undertaking are unsecured, interest free, have no fixed date of repayment and are repayable on demand. The amounts owed by group undertakings are stated after provisions for impairment of £2,355,093 (2021: £1,805,632).

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	11,173	45,306
Amounts owed to group undertakings	2,079,619	1,867,301
Social security and other taxes	11,360	10,224
Accruals and deferred income	515,940	305,028
	<u>2,618,092</u>	<u>2,227,859</u>

Amounts owed to group undertaking are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal value:	£	£
100	Ordinary	1	<u>100</u>	<u>100</u>

There are no restrictions on the distribution of dividends and the repayment of capital.

10. RESERVES

	Retained earnings
	£
At 1 July 2021	(1,845,064)
Deficit for the year	<u>(516,771)</u>
At 30 June 2022	<u>(2,361,835)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 June 2022

11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Emphasis of matter

We draw your attention to note 3 in the financial statements, concerning the company's ability to continue as a going concern. We have reviewed the directors assertions in relation to cashflow and forecasts over the next 12 months and consider these to be adequately disclosed in the financial statements. As such we emphasise this matter but our report is not qualified in respect of this matter.

Neil Usher (Senior Statutory Auditor)
for and on behalf of Thorne Lancaster Parker
Date: 28 March 2023

12. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Angus Montgomery Limited

At the year end Angus Montgomery Limited owns 75% of the company. During the year, the company was lent net £296,147 by Angus Montgomery Limited.

As at 30 June 2022, the company owed Angus Montgomery Limited £2,101,780 in respect of the above, and this amount is interest free and has no fixed date for repayment.

During the year, Angus Montgomery Limited charged the company £69,308 for marketing costs and overhead recharges. At 30 June 2022 the amount outstanding in respect of the above is £10,249 and this is shown within trade creditors.

Photo Shanghai Company Limited

The company is a 81% shareholder of Photo Shanghai Company Limited, a company incorporated in Hong Kong.

During the year the company incurred expenditure on behalf its subsidiary undertaking totalling £107,933 and at the year end the company was owed £1,549,460 in respect of the above against which the company has reserved a bad debt provision of £1,549,460.

Key Management Personnel

The director of the company Mr S Gray is considered to be the key management personnel and the details of his compensation is disclosed in the operating profit note.

13. POST BALANCE SHEET EVENTS

There were no material post balance sheet events requiring disclosure.

14. ULTIMATE CONTROLLING PARTY

The company's ultimate parent undertaking is Angus Montgomery Limited.

The directors of the company consider Mr I R Angus as the ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.