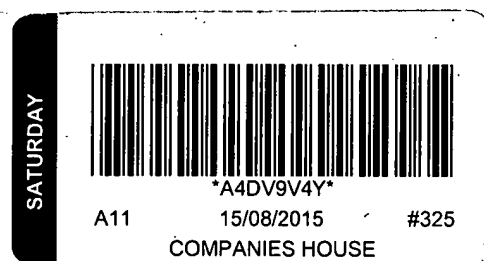


**CREATIVE ENGLAND LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**



**CREATIVE ENGLAND LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**COMPANY INFORMATION**

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**DIRECTORS**

A. Chitty  
R. Klein  
W. Lawrence  
J. Newbigin  
E. Turpie  
C. Wace  
E. Ingham  
J. Coghlan (resigned 16 July 2014)  
B. Budge (appointed 30 April 2014)  
I. Livingstone (appointed 30 April 2014)  
K. Blackett (appointed 29 October 2014)  
M. Coats (appointed 29 October 2014)  
D. Perkins (appointed 29 October 2014)

**REGISTERED NUMBER**

07432947

**REGISTERED OFFICE**

1st Floor College House  
32-36 College Green  
Bristol  
BS1 5SP

**INDEPENDENT AUDITORS**

Bishop Fleming LLP  
Chartered Accountants & Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

**PRINCIPAL BANKERS**

National Westminster Bank Plc  
32 Corn Street  
Bristol  
BS99 7UG

**CREATIVE ENGLAND LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

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**CREATIVE ENGLAND LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

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The directors present their report and the financial statements for the year ended 31 March 2015.

**PRINCIPAL ACTIVITIES**

Creative England is a not-for-profit organisation. The principal activities of the company are to develop and promote the creative industries. Creative England Limited provides strategic leadership for creative industries across England and aims to invest in initiatives which ensure the development of dynamic, creative and innovative environments for the growth of these industries and businesses.

**RESULTS**

The surplus for the year, after taxation, amounted to £12,189 (2014: £14,359).

**DIRECTORS**

The directors who served during the year were:

A. Chitty  
R. Klein  
W. Lawrence  
J. Newbigin  
E. Turpie  
C. Wace  
E. Ingham  
J. Coghlan (resigned 16 July 2014)  
B. Budge (appointed 30 April 2014)  
I. Livingstone (appointed 30 April 2014)  
K. Blackett (appointed 29 October 2014)  
M. Coats (appointed 29 October 2014)  
D. Perkins (appointed 29 October 2014)

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

**AUDITORS**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.


**CREATIVE ENGLAND LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

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This report was approved by the board and signed on its behalf.

**J. Newbigin**  
Director



Date: 22/7/2015

1st Floor College House  
32-36 College Green  
Bristol  
BS1 5SP

**CREATIVE ENGLAND LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2015**

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The directors present their strategic report on the group for the financial year ended, 31 March 2015.

**REVIEW OF THE BUSINESS**

The demand for good content continues to grow globally, as does the demand for great stories and fresh perspectives. Creative England's vision is for England's creative businesses to be the most successful and innovative in the world; providing a platform for new voices; generating jobs and economic growth that benefit the whole nation.

We recognise the vital contribution the creative industries already make driving forward the UK economy and enriching cultural life, but believe there is potential for so much more. Talent is at the heart of everything we do and our core purpose at Creative England is to create the right conditions to achieve creative and commercial success. We invest in and support talented people and their ideas; connect and collaborate with innovators from all corners of the industry and raise ambition by celebrating creativity and ingenuity.

Although the creative industries adds as much as £76.9bn to the UK economy every year, we know that creative people and businesses, particularly outside of London, often do not get the access to capital, skills or infrastructure that they need to achieve success. Creative England is meeting this challenge by connecting talent and businesses to the money, markets and networks that will help their projects and businesses thrive. Our aim is to develop dynamic ecosystems that bring together creativity and culture with technology and innovation and raise the global appeal of the UK on the world stage.

Creative England's Strategic Objectives are to:

- (1) develop and grow creative businesses
- (2) develop and support creative talent
- (3) foster the development of creative clusters
- (4) identify new and expanding markets for creative content
- (5) promote the talent and creativity of England
- (6) advocate for the economic and cultural contribution of England's creative industries

Between the 2013/14 and 2014/15 financial years, Creative England's turnover increased by 34% to £10.7 million and in the last 12 months the company has directly invested £9 million into 340 Companies and Individuals. This investment leveraged £3.5 million follow-on finance and has created or safeguarded 460 jobs.

**Growing Creative Businesses**

Creative England has now delivered two successful and heavily oversubscribed programmes, backed by the Regional Growth Fund, which supported the development of sustainable, IP-rich companies and helped creative and digital businesses. In the last year, we have invested £2.46 million into 113 creative and digital businesses and leveraged £2.9 million in private finance. Much of our work at Creative England focuses on new and emerging talent and in 2014 we launched the Creative England Digital Accelerator programme in Bournemouth and the GamesLab Campus Accelerator in association with Sony PlayStation. We also continued our support for the Dotforge business accelerator in Sheffield and partnered with UP – a new business accelerator in Salford's MediaCityUK.

Our support for the growing national network of business start-up accelerator programmes is designed to improve the infrastructure for creative and digital companies outside of London; linking graduating companies to local business angels and VC finance.

In the past year we have expanded our relationship with the NHS launching a £1m interactive healthcare fund in partnership with the Heart of England NHS Foundation Trust and the Nominet Trust. We have also continued the delivery of our Innovation programme for South West based SMEs and increased the amount of funding available via our interest free business loans fund for established SMEs to £200,000.

In addition to direct investment activity, we have been a strong advocate for the creative sectors within the wider finance community working closely with most of the major banks, Crowdfunding organisations, Venture Capital Trusts, Investors, the British Bankers' Association and the UK Business Angels Association. Our work aims to raise awareness of creative sector challenges and opportunities and provide an advisory role to businesses on

the ground; offering bespoke sector-specific business advice and highlighting other available support opportunities.

### **Supporting the next generation of Film Makers**

At the heart of Creative England is a commitment to talent. We work with film-makers at all stages of their career from helping an aspiring Director make their first short or make the jump from shorts to features to our production fund which invests in feature films starring major Hollywood actors.

Several supported productions have gone on to garner significant critical acclaim, with screenings and premieres at a number of prestigious international film festivals and award nominations and wins. These include two Silver Bears for Andrew Haigh's 45 Years at the Berlin Film Festival and the Michael Powell Award for Best Feature and Best Performance at Edinburgh Film Festival; a BAFTA nomination for Emotional Fusebox; and for the recently released, iFeatures supported film, The Goob The Golden Hitchcock for Best Film, Dinard Film Festival, and a BIFA for the Best Achievement in Production and nominations for Best Supporting Actress & Best Newcomer.

### **Attracting Inward Investment**

Creative England's expert production services team helps domestic and international film and television productions find the very best locations, studios, crew and facilities in the English regions outside of London. The team works closely with local authorities to secure filming permissions; encourage a film friendly ethos, promote the economic, employment and profile-raising benefits of filming to local areas and deliver initiatives to raise the international profile of the English regions as first-class filming destinations.

In the last year, the service has supported 1,366 productions filmed on location in the English regions; comprised of 84 feature films and 101 TV dramas. These productions have resulted in £92.8 million of spend in the English regions. The service has also seen a 54% increase in Location & Crew enquiries, a 37% increase in productions filming on-location and a 25% increase in filming days on-location.

We are continually expanding the number of Film Friendly Partnerships across England and our Film Friendly Charters cement our relationships with local authorities; reinforcing the signal to industry that the Local Authorities understand the economic and cultural benefits filming brings and have taken steps to support filming activity. We have a three year partnership with national tourism body VisitEngland, aimed at strengthening the links between the tourism and creative industries to promote England internationally as a tourist destination, a premier location for filmmaking and a world-leader in the creative industries.

### **Supporting the growth of the Games industry**

Creative England's newest offer has cemented its place as one of the largest public funders of the Games Industry in England. Commercial relationships forged with Microsoft and Sony have seen national programmes being rolled out which have invested directly into new studios creating and publishing their first game IP. Collectively, just over £1.2 million has been invested in the past 18 months. Importantly, private match funding of approximately £500k has been leveraged against our investment. Our strong relationship with Microsoft has led them to be the Games Departments first commercial sponsor in 2015/16.

There have been some phenomenal success stories from the companies funded – notably in the South West and West Midlands - where specific start-ups have since doubled in staff size and trebled in turnover, demonstrating the value gained from both the funding and support offered by the Creative England Games Team.

Action has also been taken in regards to diversity within the Games Industry. A dedicated programme was launched in collaboration with Crowdfunder to provide small investments for female developers, artists and producers working in the Games Industry. Across our wider offering, further outreach action helped to increase the number of applications by women when compared to applications in 2013. The number of female led projects being funded in 2014 increased by 200%.

**CREATIVE ENGLAND LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**GROUP STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 31 MARCH 2015**

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This year, Creative England will be showcasing a number of studios on the floor of the UK's biggest gaming convention, EGX, to be held at the NEC in Birmingham. The event will also be used as a platform to launch our new funding opportunities for 2015/16.

**Business Model**

Our transition from a small organisation to a larger company serving a variety of constituents has required us to strengthen and consolidate our internal capacity. In 2014-15 therefore we invested in our operational infrastructure, technology and communication platforms. As a result the company now has the necessary internal systems, competencies and facilities to enable it to grow.

Now in its fourth year, Creative England is undergoing a number of changes to support the business plan and objectives for becoming more commercial, diversifying funding streams and ensuring future sustainability. Creative England has bid for, and been successful in securing, specific contracts. We work in partnership with Local Enterprise Partnership and third sector organisations such as NESTA, the Nominet Trust; and deliver international programmes funded through the European Commission.

The launch of Creative England Trading (CET) is the next step in our continued commitment to supporting and growing creative businesses, developing and nurturing creative talent, fostering the development of creative clusters and identifying new and expanding markets for creative content across England. By opening up new sources of commercial revenue - delivered through innovative corporate partnerships and new funds utilising government initiatives that aim to stimulate private business investment (SEIS, EIS) - CET will support Creative England's endeavour to create a sustainable community of private investors who are passionate about the creative industry and who want to invest in its long-term future. Crucially, any surplus revenue generated by CET activities will be recycled and re-invested back into new Creative England initiatives; thereby supporting the delivery and continued success of Creative England's core business investment and development activities.

**RISKS AND MITIGATION**

There is a risk that the new government's agenda could be markedly different from the previous coalition government. Therefore future sources of funding (e.g. continued successful bids to future Regional Growth Fund rounds – and the future existence of the RGF itself) are exposed to a degree of policy volatility and future funding streams of this kind could potentially be reduced. However, there is also potential for policy support to increase and, concomitantly, for levels of available funding to increase.

To mitigate against this risk, we have embraced a commercial approach to generating additional revenues that can contribute to the operational costs of the company, aid our sustainability and ensure we build the necessary reserves. This is achieved by recouping and recycling the Regional Growth Fund capital we loan out to businesses. In some instances, we have also taken a small amount of equity in an invested business. We are now in a position to use these returns to re-invest in more companies.

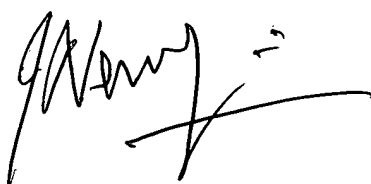
In addition, we have launched the above mentioned Creative England Trading Company – the purpose being to generate commercial revenues that will help fund Creative England and diversify income streams.

There is no shortage of creative talent, commercial ambition or commitment to innovation out there. The challenge for us continues to be how to use very limited resources to optimise our impact through partnerships – local and national, public and private.

This report was approved by the board on

and signed on its behalf.

**J. Newbiggin  
Director**





**CREATIVE ENGLAND LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2015**

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The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements 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 financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and the surplus or deficit of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**CREATIVE ENGLAND LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREATIVE ENGLAND LIMITED**

We have audited the financial statements of Creative England Limited for the year ended 31 March 2015, set out on pages 9 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2015 and of the group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**CREATIVE ENGLAND LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREATIVE ENGLAND LIMITED**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Bishop Fleming LLP*

Joseph Scaife FCA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date: 12/8/15

**CREATIVE ENGLAND LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
<b>INCOME</b>	2	<b>10,699,891</b>	8,004,628
Direct expenses		<u>(9,192,188)</u>	<u>(6,739,435)</u>
<b>GROSS SURPLUS</b>		<b>1,507,703</b>	1,265,193
Administrative expenses		<u>(1,509,273)</u>	<u>(1,254,309)</u>
<b>OPERATING (DEFICIT)/SURPLUS</b>	3	<b>(1,570)</b>	10,884
Interest receivable and similar income		<u>17,195</u>	<u>4,344</u>
<b>SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>15,625</b>	15,228
Tax on surplus on ordinary activities	6	<u>(3,436)</u>	<u>(869)</u>
<b>SURPLUS FOR THE FINANCIAL YEAR</b>	15	<b>12,189</b>	14,359

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Income and Expenditure Account.

The notes on pages 13 to 24 form part of these financial statements.

**CREATIVE ENGLAND LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07432947**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	7		157,990		183,494
<b>CURRENT ASSETS</b>					
Debtors	9	2,371,274		1,347,589	
Investments	10	4,537,021		2,544,058	
Cash at bank and in hand		6,638,043		3,682,092	
		<u>13,546,338</u>		<u>7,573,739</u>	
<b>CREDITORS:</b> amounts falling due within one year	11	(6,962,680)		(3,310,262)	
<b>NET CURRENT ASSETS</b>			<u>6,583,658</u>		<u>4,263,477</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>6,741,648</u>		<u>4,446,971</u>
<b>CREDITORS:</b> amounts falling due after more than one year	12		(5,693,083)		(3,410,595)
<b>NET ASSETS</b>			<u><u>1,048,565</u></u>		<u><u>1,036,376</u></u>
<b>CAPITAL AND RESERVES</b>					
Income and expenditure account	15		<u>1,048,565</u>		<u>1,036,376</u>
	16		<u><u>1,048,565</u></u>		<u><u>1,036,376</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**M. Coats**  
Director

Date: 22 July 2015

The notes on pages 13 to 24 form part of these financial statements.

**CREATIVE ENGLAND LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07432947**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	7		157,990		183,495
Investments	8		100		-
			<u>158,090</u>		<u>183,495</u>
<b>CURRENT ASSETS</b>					
Debtors	9	2,079,380		1,036,192	
Investments	10	4,530,234		2,356,132	
Cash at bank and in hand		5,181,956		1,846,238	
		<u>11,791,570</u>		<u>5,238,562</u>	
<b>CREDITORS:</b> amounts falling due within one year	11	(6,896,050)		(3,034,471)	
<b>NET CURRENT ASSETS</b>			<u>4,895,520</u>		<u>2,204,091</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>5,053,610</u>		<u>2,387,586</u>
<b>CREDITORS:</b> amounts falling due after more than one year	12		(4,530,234)		(2,356,132)
<b>NET ASSETS</b>			<u><u>523,376</u></u>		<u><u>31,454</u></u>
<b>CAPITAL AND RESERVES</b>					
Income and expenditure account	15		<u>523,376</u>		<u>31,454</u>
	16		<u><u>523,376</u></u>		<u><u>31,454</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**M. Coats**  
 Director

Date:

22 July 2015

The notes on pages 13 to 24 form part of these financial statements.

**CREATIVE ENGLAND LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
Net cash flow from operating activities	21	<b>4,989,095</b>	(1,384,831)
Bank interest received	22	<b>17,195</b>	4,344
Taxation		<b>(872)</b>	(1,277)
Capital expenditure and financial investment	22	<b>(2,049,300)</b>	(1,977,089)
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>2,956,118</b>	<b>(3,358,853)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

	<b>2015 £</b>	<b>2014 £</b>
(Decrease)/increase in cash in the year	<b>2,956,118</b>	<b>(3,358,853)</b>
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>2,956,118</b>	<b>(3,358,853)</b>
Net funds at 1 April 2014	<b>3,681,925</b>	7,040,778
<b>NET FUNDS AT 31 MARCH 2015</b>	<b>6,638,043</b>	<b>3,681,925</b>

The notes on pages 13 to 24 form part of these financial statements.

**CREATIVE ENGLAND LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**1.2 BASIS OF CONSOLIDATION**

The financial statements consolidate the accounts of Creative England Limited and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

**1.3 GRANTS RECEIVABLE**

Income from grants and other sources is included when receivable, provided conditions for receipt are met, unless the income relates to a specified future period in which case it is deferred.

**1.4 GRANTS PAYABLE**

Grants payable to third parties are accounted for in the period relating to the date of formal approval.

**1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20-33% straight line
IT and office equipment	-	20-33% straight line

**1.6 CURRENT ASSET INVESTMENTS**

Loans and other investments made by Creative England Limited and its subsidiaries are included in the balance sheet as current assets. An annual review of the viability of investments is carried out by Creative England Limited. Where there is no evidence of potential financial success of a project, an impairment review is undertaken and the value of the investment is written down if appropriate

**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**1.8 PENSIONS**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.



**CREATIVE ENGLAND LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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**1. ACCOUNTING POLICIES (continued)**

**1.9 RESERVES POLICY**

The directors consider it prudent to work towards building an appropriate level of reserves for the following reasons;

1. To use as leverage and as match funding where appropriate to be able to raise funding for our activities.
2. To be able to underpin any other long-term delivery commitments.
3. To enable improvement to our infrastructure to ensure effective delivery of our services.
4. To strengthen our ability to meet our liabilities and commitments in the event of closure; The company is entirely dependent on securing external funding in some cases from year to year which is inevitably subject to fluctuation. Any significant fluctuation in funding can mean the company will need to either cut operations or cease activities entirely resulting in winding down and closure of the company. In event of this happening Creative England will need sufficient reserves to be able to meet all its liabilities and commitments.

The board of directors will review this policy annually and will ensure that necessary measures and plans are put in place to achieve the agreed level of reserves.

**2. INCOME**

The whole of the income is attributable to the principal activities of the group to develop and promote the creative industries.

A geographical analysis of turnover is as follows:

	2015 £	2014 £
United Kingdom	10,010,934	7,540,365
Rest of European Union	688,957	464,263
	<u>10,699,891</u>	<u>8,004,628</u>

**3. OPERATING (DEFICIT)/SURPLUS**

The operating (deficit)/surplus is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the group	76,504	58,615
Auditors' remuneration - current year	20,000	18,000
Auditors' remuneration - prior year	-	2,460
	<u>96,504</u>	<u>79,075</u>

**CREATIVE ENGLAND LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,873,168</b>	1,635,578
Social security costs	<b>191,327</b>	167,264
Other pension costs	<b>134,860</b>	96,720
	<u><b>2,199,355</b></u>	<u><b>1,899,562</b></u>

The average monthly number of employees during the year was as follows:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
Creative England	<b>51</b>	39
iFeatures	<b>1</b>	1
South West Screen	<b>1</b>	4
	<u><b>53</b></u>	<u><b>44</b></u>

**5. DIRECTORS' REMUNERATION**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Remuneration	<u><b>36,350</b></u>	<u><b>36,000</b></u>

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**6. TAXATION**

	2015 £	2014 £
UK corporation tax charge on surplus for the year	<u>3,436</u>	<u>869</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The company is a not-for-profit organisation and accordingly corporation tax is only charged on investment income and gains.

**7. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	IT and office equipment £	Total £
<b>GROUP COST</b>			
At 1 April 2014	133,943	176,891	310,834
Additions	-	56,337	56,337
Disposals	-	(42,630)	(42,630)
At 31 March 2015	<u>133,943</u>	<u>190,598</u>	<u>324,541</u>
<b>DEPRECIATION</b>			
At 1 April 2014	42,109	85,231	127,340
Charge for the year	26,789	49,715	76,504
On disposals	-	(37,293)	(37,293)
At 31 March 2015	<u>68,898</u>	<u>97,653</u>	<u>166,551</u>
<b>NET BOOK VALUE</b>			
At 31 March 2015	<u>65,045</u>	<u>92,945</u>	<u>157,990</u>
At 31 March 2014	<u>91,834</u>	<u>91,660</u>	<u>183,494</u>

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**7. TANGIBLE FIXED ASSETS (continued)**

<b>COMPANY</b>	<b>Fixtures and fittings</b>	<b>IT and office equipment</b>	<b>Total</b>
<b>COST</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2014	133,943	145,568	279,511
Additions	-	56,337	56,337
Disposals	-	(11,307)	(11,307)
At 31 March 2015	133,943	190,598	324,541
<b>DEPRECIATION</b>			
At 1 April 2014	42,109	53,907	96,016
Charge for the year	26,789	49,715	76,504
On disposals	-	(5,969)	(5,969)
At 31 March 2015	68,898	97,653	166,551
<b>NET BOOK VALUE</b>			
At 31 March 2015	65,045	92,945	157,990
At 31 March 2014	91,834	91,661	183,495

**8. FIXED ASSET INVESTMENTS**

<b>COMPANY</b>	<b>Investments in subsidiary companies</b>
<b>COST OR VALUATION</b>	<b>£</b>
Additions	100
At 31 March 2015	100
<b>NET BOOK VALUE</b>	
At 31 March 2015	100
At 31 March 2014	-

See note 20 for details of subsidiary companies. The addition during the year relates to the incorporation of Creative England Trading Company Limited.

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**9. DEBTORS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	163,011	13,844	-	-
Amounts owed by group undertakings	-	-	28,662	5,170
Other debtors	483,792	384,028	337,209	248,272
Prepayments and accrued income	1,724,471	949,717	1,713,509	782,750
	<b>2,371,274</b>	<b>1,347,589</b>	<b>2,079,380</b>	<b>1,036,192</b>

**10. CURRENT ASSET INVESTMENTS**

	<b>GROUP</b>	<b>COMPANY</b>
	<b>£</b>	<b>£</b>
<b>COST OR VALUATION</b>		
At 1 April 2014	3,943,434	3,424,828
Additions	3,783,000	3,783,000
Repayments	(520,625)	(520,625)
Written off	(733,085)	(221,266)
	<b>6,472,724</b>	<b>6,465,937</b>
At 31 March 2015		
<b>IMPAIRMENT</b>		
At 1 April 2014	1,399,376	1,068,696
Charge	996,174	996,174
Written off	(459,847)	(129,167)
	<b>1,935,703</b>	<b>1,935,703</b>
At 31 March 2015		
<b>NET BOOK VALUE</b>		
At 31 March 2015	<b>4,537,021</b>	<b>4,530,234</b>
At 31 March 2014	<b>2,544,058</b>	<b>3,424,828</b>

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**11. CREDITORS:**  
**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	-	167	-	119
Trade creditors	<b>34,402</b>	289,343	<b>25,266</b>	236,032
Amounts owed to group undertakings	-	-	<b>789,003</b>	604,772
Corporation tax	<b>3,436</b>	872	<b>3,137</b>	512
Other taxation and social security	<b>54,988</b>	49,740	<b>54,988</b>	49,740
Grant commitments	<b>920,857</b>	343,057	<b>920,857</b>	343,057
Other creditors	<b>74,732</b>	67,332	<b>29,940</b>	21,663
Deferred income	<b>1,857,930</b>	1,184,223	<b>1,063,581</b>	406,211
Accruals	<b>4,016,335</b>	1,375,528	<b>4,009,278</b>	1,372,365
	<b>6,962,680</b>	3,310,262	<b>6,896,050</b>	3,034,471

**12. CREDITORS:**  
**AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred income	<b>5,693,083</b>	3,410,595	<b>4,530,234</b>	2,356,132

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**13. DEFERRED INCOME**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
Repayable - DMF	20,453	18,053	-	-
Lottery	3,290	-	3,290	-
RGF	825,169	217,945	825,169	217,945
Other	343,412	277,568	171,746	121,436
iFeatures 2	37,443	38,806	-	-
iFeatures 3	146,568	451,490	-	-
ERDF	63,376	66,830	63,376	66,830
DCLG	67,000	113,531	-	-
To be invested - AMPF	351,219	-	-	-
	<b>1,857,930</b>	<b>1,184,223</b>	<b>1,063,581</b>	<b>406,211</b>
<b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>				
Invested - AMPF	-	179,139	-	-
To be invested - AMPF	1,162,849	875,324	-	-
Invested - WMPF	750,000	-	750,000	-
Invested - RGF	3,780,234	2,356,132	3,780,234	2,356,132
	<b>5,693,083</b>	<b>3,410,595</b>	<b>4,530,234</b>	<b>2,356,132</b>
	<b>7,551,013</b>	<b>4,594,818</b>	<b>5,593,815</b>	<b>2,762,343</b>

**14. COMPANY STATUS**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

**15. RESERVES**

<b>GROUP</b>	<b>Income and expenditure account</b>
	<b>£</b>
At 1 April 2014	1,036,376
Surplus for the financial year	12,189
	<b>1,048,565</b>
At 31 March 2015	

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**15. RESERVES (continued)**

	<b>Income and expenditure account £</b>
<b>COMPANY</b>	
At 1 April 2014	31,454
Surplus for the financial year	491,922
	<u>523,376</u>
At 31 March 2015	<u>523,376</u>

The surplus for the financial year is made up as follows:

	<b>2015 £</b>
Surplus on ordinary activities	6,821
Transfer of reserves from Vision + Media	485,101
	<u>491,922</u>
Total	<u>491,922</u>

**16. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS**

	<b>2015 £</b>	<b>2014 £</b>
<b>GROUP</b>		
Opening members' funds	1,036,376	1,022,017
Surplus for the financial year	12,189	14,359
	<u>1,048,565</u>	<u>1,036,376</u>
Closing members' funds	<u>1,048,565</u>	<u>1,036,376</u>

	<b>2015 £</b>	<b>2014 £</b>
<b>COMPANY</b>		
Opening members' funds	31,454	12,632
Surplus for the financial year	491,922	18,822
	<u>523,376</u>	<u>31,454</u>
Closing members' funds	<u>523,376</u>	<u>31,454</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.



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**17. PENSION COMMITMENTS**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £134,860 (2014: £96,720). Contributions totalling £12,480 (2014: £9,125) were payable to the fund at the balance sheet date and are included in creditors.

**18. OPERATING LEASE COMMITMENTS**

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2015	Other
	2015	2014		
GROUP	£	£	£	£
<b>EXPIRY DATE:</b>				
Within 1 year	101,042	113,115	-	-
Between 2 and 5 years	56,537	36,100	-	-
	<u>157,579</u>	<u>149,215</u>	<u>-</u>	<u>-</u>

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		2015	Other
	2015	2014		
COMPANY	£	£	£	£
<b>EXPIRY DATE:</b>				
Within 1 year	101,042	113,115	-	-
Between 2 and 5 years	56,537	36,100	-	-
	<u>157,579</u>	<u>149,215</u>	<u>-</u>	<u>-</u>

**19. RELATED PARTY TRANSACTIONS**

Erica Ingham, a director of Creative England, was also a director of Govtoday but resigned as a director of Govtoday during the year ended 31 March 2015. During the prior year Govtoday received a loan of £100,000 from Creative England's Business Investment Fund.

Owing to the nature of the Creative England's operations and the composition of the Board of Trustees, transactions may take place with organisations in which a director has an interest. All transactions involving such organisations are conducted at an arm's length and in accordance with the normal procurement and grant making procedures.

As the parent company of a group, Creative England Limited uses the exemption given under FRS 8 and does not disclose transactions or balances with group companies.

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**20. PRINCIPAL SUBSIDIARIES**

**Screen West Midlands - company limited by guarantee**

Screen West Midlands is a wholly owned subsidiary limited by guarantee. The principal activities of the company are to develop and promote creative industries in the West Midlands region of England.

**South West Screen - company limited by guarantee**

South West Screen is a wholly owned subsidiary limited by guarantee. The principal activities of the company are to develop and promote creative industries in the South West of England.

**iFeatures Limited - company limited by guarantee**

iFeatures Limited is a subsidiary of Creative England Limited. The principal activities of the company are to develop and produce high quality low budget films.

**Cornwall Film Avis-D Limited - 100% controlled (Dormant)**

Cornwall Film Avis-D Limited is a wholly owned subsidiary of South West Screen. This entity was dormant throughout the period.

**Vision + Media - company limited by guarantee**

Vision + Media is a wholly owned subsidiary limited by guarantee. The principal activities of the company are supporting small and medium entities in the digital and creative sector in the North of England.

**Digital Departures Limited - 100% controlled (Dormant)**

Digital Departures Limited is a subsidiary of Vision + Media. The company was dissolved on 13 November 2012, but Vision + Media is going through the process of reinstating the company and therefore the company's results have been included in the accounts. The company was dormant throughout the period.

**Creative England Trading Company Limited - 100% controlled**

Creative England Trading Company Limited is a subsidiary of Creative England Limited. The principal activities of the company are to generate commercial revenues that will be recycled and re-invested back into new Creative England initiatives; thereby supporting the delivery and continued success of Creative England's core business investment and development activities.

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**21. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Operating (deficit)/surplus	(1,570)	10,884
Depreciation of tangible fixed assets	76,504	58,615
Impairment and write off of current asset investments	-	1,380,840
Deficit/(surplus) on disposal of tangible fixed assets	5,338	(182)
Increase in debtors	(1,023,682)	(161,252)
Increase/(decrease) in creditors	5,932,505	(2,673,736)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<b>4,989,095</b>	<b>(1,384,831)</b>

**22. ANALYSIS OF CASH FLOWS**

	2015 £	2014 £
<b>BANK INTEREST RECEIVED</b>		
Interest received	17,195	4,344
	<b>2015 £</b>	<b>2014 £</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(56,337)	(73,538)
Sale of tangible fixed assets	-	450
Investments	(2,513,588)	(2,151,946)
Loan repayments received	520,625	247,945
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>(2,049,300)</b>	<b>(1,977,089)</b>

**23. ANALYSIS OF CHANGES IN NET FUNDS**

	1 April 2014 £	Cash flow £	Other non-cash changes £	31 March 2015 £
Cash at bank and in hand	3,682,092	2,955,951	-	6,638,043
Bank overdraft	(167)	167	-	-
<b>NET FUNDS</b>	<b>3,681,925</b>	<b>2,956,118</b>	<b>-</b>	<b>6,638,043</b>