

Registered number: 07432947

CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

COMPANY INFORMATION

DIRECTORS

B. Budge
D. Perkins
C. Norbury (appointed 28 January 2020)
M. Patrick (appointed 28 January 2020)
K. Blackett (resigned 28 January 2020)
M. Coats (resigned 28 January 2020)
P. Duggal (resigned 28 January 2020)
I. Graham (resigned 28 January 2020)
I. Livingstone (resigned 28 January 2020)
N. Rami (resigned 28 January 2020)
A. Stark (resigned 28 January 2020)
C. Wace (resigned 28 January 2020)

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
10 Temple Back
Bristol
BS1 6FL

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)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

Introduction

The financial year 2019-20 saw significant structural changes for Creative England as we moved to a new group structure and considerably increased our investment resources for creative enterprises. An approach by the Creative Industries Federation in the summer of 2019 then led to a further restructure when both boards approved a merger.

Despite these changes programme activity was unaffected. This included: launching the Filming in England Partnership providing support, coordination and insight for domestic and international production activity; delivering Creative Enterprise – a capacity-building programme for screen-related creative enterprises and Evolve – a programme which provides investment-readiness support for businesses looking for external finance. All three strands are funded through our strategic partnership with the BFI who we continue to work closely with and whose support is highly valued.

We also continued to back talent directly through programmes such as iFeatures – working with filmmakers to make their first feature; Shortflix - our short film partnership with SkyArts for young people not in education, employment or training and for games company through our partnership with Xbox. Partnerships are key to everything we do at Creative England and we'd like to extend our thanks to the myriad of relationships we hold with local and combined authorities, the Local Enterprise Partnerships as well as the many commercial and corporate partners we work with; there are too many to list individually.

Overview:

Creative England identifies great talent and businesses and provides them with the help and support they need in order to grow; creating jobs and connecting businesses to investment and new markets, showcasing new and emerging talent. Our vision is for England's creative businesses and talent to be the most successful in the world; building economic growth that benefits our nation. We create opportunities for diverse new voices to tell their stories and for innovative products and services to be developed.

England's creative industries generate jobs, profile and drive inclusive growth. They play a vital role in the economy, growing at twice the rate of the wider economy and contributing over £100bn in gross value added. Creative England has increasingly looked to find innovative ways of supporting creative talent, whilst ensuring the organisation's own sustainability. The business has done this through securing a range of public-sector contracts aimed at scaling creative enterprises and by private partnerships with brands, broadcasters and content platforms.

FY 2019-20 saw some very exciting developments for the company, beginning with the implementation of a new group structure. This was designed to streamline and separate our investment activity from our business development and talent development activity, resulting in the transfer of our investment activities from Creative England into CE Trading Ltd. We believe this provides more transparency on the value of our investment activities and will also aid our objective of raising further investment funds for the sector in the future.

The first phase of our restructure was completed in September and in October CE Trading Ltd launched Creative Growth Finance, in partnership with Tridos; a new £24m venture loan fund for creative enterprises.

The second phase of our restructure was implemented following a formal approach by the Board and Management of the Creative Industries Federation about a possible merger. After several months of careful consideration and discussions with key stakeholders and the necessary due diligence, this proposal was agreed and ratified by Creative England's board in the early autumn of 2019. The second phase of group restructure was completed in January 2020 when a new parent holding company (Creative UK) was created and the group merger with the Creative Industries Federation was completed. Creative England senior executives took on management responsibilities for the Creative Industries Federation from January 1 2020.

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

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Acting as 'one front door', the merged entity will work hand-in-glove with industry, the Creative Industries Council, national and local government and the devolved nations, to ensure the right business operating environment.

Review of Business Activities:

Growing Talent:

Film:

Our support for emerging talent continues to pay dividends with numerous films going on to success, including BAFTA nomination and BIFA win for *Only You*, BIFA wins and nominations for *Animals*, *The Last Tree*, *Days of the Bagnold Summer* and *Lynn & Lucy*, and festival premieres at Sundance, Locarno, San Sebastian and more. Our Sky partnership continued with the relaunch of shortFLIX, an access initiative for new talent who are not in education, employment or training; we have selected 5 new films for forthcoming production.

In the financial year 2019/20 Creative England's relaunched West Midlands Production Fund (WMPF) made its first major investment in two of six episodes from Steve McQueen's highly anticipated anthology series *Small Axe*, which explores stories from the Windrush generation and stars a predominantly Black cast, including John Boyega. Meanwhile our latest Lottery Production Fund release, Rubika Shah's documentary *White Riot*, won the Grierson Award at LFF and a Jury award at Berlin before going on to numerous further festivals and selling for release in various international territories. This is now an ever-green fund which will allow us to have more meaningful strategic impact in the region. The pipeline of projects for WMPF includes the next Terence Davies film, a biopic of war poet Siegfried Sassoon.

Our iFeatures programme delivered its latest productions, with Claire Oakley's *Make Up* premiering at LFF, Rotterdam and SXSW, and Eva Riley's *Perfect Ten* premiering at LFF and various international festivals. The iFeatures Development Lab delivered a 6th round with a diverse cohort of 50% women directors and 50% BAME directors taking part. *Retreat*, from our iFeatures slate and the first film to be made in British Sign Language with a deaf writer/director and cast, will complete later in 2020. We are reassessing the business model for our flagship feature film programme for new directors – iFeatures – and are in discussions with a range of new partners with a planned relaunch in 2021.

Growing Businesses:

Creative Enterprise:

The BFI-funded Creative Enterprise programme continued into its second year of delivery, with the programme's umbrella brand providing a variety of interventions to support England's screen sector. Within our Effective Leadership Programme four companies were supported through an intensive two-day development programme for business leaders, this focused on leadership and management skills, talent retention and strategy. Ten companies progressed through Industry Equals, an intensive leadership support programme for female managers, CEOs and entrepreneurs working in the screen sector. 27 companies were also supported through Future Studios, a 2 day bootcamp giving sole traders and companies access to crucial industry networks and expertise, focusing on the future of storytelling, gaining investment, protecting content, creativity, development and pitching. We continued to run Market Trader, our well-established development programme, now in its 6th iteration. The programme was delivered through intensive residential workshops and mentoring to prepare participants for engagement with a major international market, along with support during an international market.

In addition, this year saw two new initiatives added to the Creative Enterprise offering. The New Ideas Fund distributed grant funding for innovative ideas that will support company growth and unearth new business opportunities. 24 companies were awarded grants for amounts between £500 and £15,000. Evolve, a new six month investment readiness programme, supported 19 companies in preparing and pitching investment propositions, and held a series of pitching events to make introductions between investors and companies.

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

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

We also worked with industry partners and high-profile contributors to deliver single standing workshop and masterclasses events considering industry trends, business opportunities, challenges and strategy insight. 143 companies in total engaged with these single standing events. 22 companies received funding to acquire a mentor of their choice.

Supporting the Ecosystem

Production Services:

The UK has been experiencing a production boom which has in turn produced an increasingly complex network of partners that industry was finding more and more difficult to navigate. Creative England's Production Services Team responded to this by shifting the focus of our activity towards a greater emphasis on the coordination of the plethora of small, local providers of production support. As a result of this shift we launched the Filming in England Partnership with its own microsite resource providing a clear access point to all information, contacts and resources required by both domestic and international productions looking to film in England.

The onset of the COVID-19 crisis, in the fourth quarter of the year has meant a further shift - supporting and signposting crew to relevant guidance and advice and regularly updating our key stakeholders as the pandemic continued. We are now working towards recovery and working closely with the BFI Screen Sector Task Force and the British Film Commission's Inward Investment recovery sub-group including managing the England-wide Location consultation process of the Film and HETV Production guidance which have now been published.

We continue our support to industry and the facilitation practicalities required by continuing to hold regional sessions with location managers and Film Offices. Our aim is to extend these further for key locations and local authorities, pushing the message of the Filming in England Partnership to showcase a unified voice across England. The pandemic has meant that some of our planned events were cancelled, however, we have pivoted well to digital delivery and looking to replace physical with virtual events later in the year.

Regional Delivery Programmes:

We continued to partner with regional bodies to deliver specialised creative industry support programmes. Ideate, our Greater Manchester-based programme for creative businesses looking to expand into immersive storytelling brought together leaders from across the ever-growing world of immersive – from AR/VR, to audio and sound design, theatre and experiential events – to provide expert advice on creating innovative cross-platform content.

This year, the programme has engaged with 84 businesses through a series of events, webinars and mentoring. The first mentoring cohort is currently in progress, with 15 businesses working with immersive experts to develop new products and experiences. Businesses span across the Film, TV, Games, Photography, Theatre, Music, Festival Production, VR and the Charity sector. Some of the products in development include a binaural audio trail around Manchester's Tram Network, a VR Location Management App and an AR photography exhibition.

Over the next financial year, our programmes will provide crucial business support to the sector during a period of economic uncertainty. Delivery will focus on resilience and recovery, linking business leaders and creative founders to the skills and expertise they need to ensure a sustainable future. Two further mentoring cohorts are planned for delivery with Ideate. Creative England are also commissioned to design and deliver a business growth programme to creative SMEs and individuals/freelancers offering intensive mentoring, workshops, events, digital resources and access to finance in both the Wakefield and Plymouth regions, as part of the Government's Cultural Development Fund awards. In Wakefield significant amount of development work has already taken place to recruit programme partners such as Channel 4, SKY, Team 17 and DC Labs. Delivery is due to begin in September 2020 and will run until March 2022, although dates and required outputs may be subject to some flexibility due to COVID19.

**CREATIVE ENGLAND LIMITED
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**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Ideate Plymouth aims to help business in the city build successful new products with creative technology through mentoring and commercialisation support. We are currently in the process of recruiting the first cohort of businesses who will receive 10 hours of one to one mentoring with an industry expert, the chance to participate in monthly peer to peer learning sessions to build a community within the city and a programme of commercialisation support which will help them to access the finance and customers they need to launch successful new products. We are also working closely with the council who have the ambition to open a film office. The programme has delivered training and supported in the creation of a local locations database so far. Over the next two years this will be supported with the creation of promotional assets, community building events and a familiarisation trip for location managers.

The Create Open Health programme sought to discover talented people with remarkable ideas to positively impact our communities and young people's mental health; specifically entrepreneurs/companies with an idea for a tech or digital solution for mental health challenges. Applicants were given the chance to build on their ideas during an intensive two-day development boot camp and hackathon – with technical expertise provided to develop the digital tech behind their ideas. Applicants also received guidance in implementing their idea within the healthcare industry such as the NHS, guidance on financing their idea, and ongoing support in the form of technical and business development expertise. Two solutions were given additional support from the tech team. The programme was part funded by the Wellcome Trust and the SW Academic Health Science Network.

Looking Forward

The pandemic caused by the outbreak of COVID-19 obviously presents the most pressing challenge for the business. In response to COVID-19 we implemented contingency planning to ensure minimal business disruption. Moving to remote working has been quick and easy and the company can continue to operate with little disruption.

Many parts of the creative industries sector have been hit hard by the pandemic, but others have thrived and we believe the sector will continue to offer growth opportunities for the country. We know that following the last recession of 2008 the creative industries quickly became one of the fastest growing parts of the economy and we firmly believe this still holds true. The need and opportunity for our services, therefore, remains very clear.

This report was approved by the board on 12 - Nov - 20

and signed on its behalf.

DocuSigned by:

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B. Budge
Director

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

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

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.

DIRECTORS

The directors who served during the year were:

B. Budge
D. Perkins
C. Norbury (appointed 28 January 2020)
M. Patrick (appointed 28 January 2020)
K. Blackett (resigned 28 January 2020)
M. Coats (resigned 28 January 2020)
P. Duggal (resigned 28 January 2020)
I. Graham (resigned 28 January 2020)
I. Livingstone (resigned 28 January 2020)
N. Rami (resigned 28 January 2020)
A. Stark (resigned 28 January 2020)
C. Wace (resigned 28 January 2020)

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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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's auditors are aware of that information.

**CREATIVE ENGLAND LIMITED
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**


AUDITORS

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

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

DocuSigned by:

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B. Budge
Director

Date: 12-Nov-20

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

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

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements 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 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 to 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 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 SHAREHOLDERS OF CREATIVE ENGLAND LIMITED

OPINION

We have audited the financial statements of Creative England Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CREATIVE ENGLAND LIMITED
(CONTINUED)**

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CREATIVE ENGLAND LIMITED
(CONTINUED)**

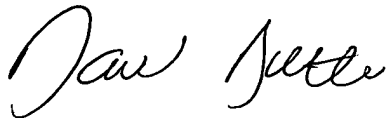
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the Company's shareholders 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 shareholders 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 shareholders for our audit work, for this report, or for the opinions we have formed.



David Butler FCA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

Date: 22 December 20

CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Income		3,820,876	3,662,329
Direct expenses		(2,267,780)	(2,200,964)
GROSS SURPLUS		1,553,096	1,461,365
Administrative expenses		(1,518,672)	(1,430,554)
OPERATING SURPLUS		34,424	30,811
Interest receivable and similar income		7,201	8,341
SURPLUS BEFORE TAXATION		41,625	39,152
Tax on profit		(1,368)	(1,585)
SURPLUS FOR THE FINANCIAL YEAR		40,257	37,567

The notes on pages 14 to 21 form part of these financial statements.

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

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	5	46,519	33,832
Investments	6	50	250
		<u>46,569</u>	<u>34,082</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	7	910,627	819,574
Current asset investments	8	1,663,065	8,498,696
Cash at bank and in hand	9	4,885,116	8,622,557
		<u>7,458,808</u>	<u>17,940,827</u>
Creditors: amounts falling due within one year	10	(5,016,420)	(8,690,476)
NET CURRENT ASSETS		<u>2,442,388</u>	<u>9,250,351</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,488,957</u>	<u>9,284,433</u>
Creditors: amounts falling due after more than one year	11	(1,663,065)	(8,498,798)
NET ASSETS		<u>825,892</u>	<u>785,635</u>
CAPITAL AND RESERVES			
Income and expenditure account		825,892	785,635
		<u>825,892</u>	<u>785,635</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

DocuSigned by:

Belinda Budge

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B. Budge
Director

Date: 12-Nov-20

DocuSigned by:

M. Patrick

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M. Patrick
Director

02-Dec-20

The notes on pages 14 to 21 form part of these financial statements.

CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Income and expenditure account	Total equity
	£	£
At 1 April 2019	785,635	785,635
COMPREHENSIVE INCOME FOR THE YEAR		
Profit for the year	40,257	40,257
	<hr/>	<hr/>
At 31 March 2020	825,892	825,892
	<hr/>	<hr/>

The notes on pages 14 to 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Income and expenditure account	Total equity
	£	£
At 1 April 2018	748,068	748,068
COMPREHENSIVE INCOME FOR THE YEAR		
Profit for the year	37,567	37,567
	<hr/>	<hr/>
At 31 March 2019	785,635	785,635
	<hr/>	<hr/>

The notes on pages 14 to 21 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 2020

1. GENERAL INFORMATION

Creative England Limited is a company limited by guarantee incorporated in England and Wales. The registered office is 1st Floor College House, 32-36 College Green, Bristol, BS1 5SP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.3 GOING CONCERN

The Directors have prepared forecasts which show that the Company will have sufficient funds to meet its liabilities as they fall due, and that it will continue to meet its current liabilities covenants for a period of at least twelve months from the date of signing these accounts.

2.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (continued)

2.6 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.7 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 TAXATION

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.9 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.

CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (continued)

2.10 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 GRANTS PAYABLE

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

2.12 IMPAIRMENT OF FIXED ASSETS AND GOODWILL

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.13 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. ACCOUNTING POLICIES (continued)

2.14 ASSOCIATES AND JOINT VENTURES

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

2.15 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgments, including the key judgment of the recoverability of investments, are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

4. EMPLOYEES

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

	2020	2019
	No.	No.
Employees	40	33

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Total £
COST OR VALUATION			
At 1 April 2019	133,943	236,380	370,323
Additions	9,260	29,633	38,893
Disposals	-	(1,429)	(1,429)
At 31 March 2020	143,203	264,584	407,787
DEPRECIATION			
At 1 April 2019	133,943	202,548	336,491
Charge for the year on owned assets	1,852	23,797	25,649
Disposals	-	(872)	(872)
At 31 March 2020	135,795	225,473	361,268
NET BOOK VALUE			
At 31 March 2020	7,408	39,111	46,519
At 31 March 2019	-	33,832	33,832

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
COST OR VALUATION			
At 1 April 2019	100	150	250
Amounts written off	-	(100)	(100)
Transfers intra group	(100)	-	(100)
At 31 March 2020	-	50	50

7. DEBTORS

	2020 £	2019 £
Amounts owed by group undertakings	169,483	184,730
Other debtors	653,214	505,492
Prepayments and accrued income	87,930	129,352
	910,627	819,574

8. CURRENT ASSET INVESTMENTS

	2020 £	2019 £
Unlisted investments	1,663,065	8,498,696
	1,663,065	8,498,696

9. CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank and in hand	4,885,116	8,622,557
	4,885,116	8,622,557

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	126,399	158,558
Amounts owed to group undertakings	13,444	44
Corporation tax	1,369	1,585
Other taxation and social security	45,106	74,057
Other creditors	349,504	543,981
Accruals and deferred income	4,480,598	7,912,251
	<u>5,016,420</u>	<u>8,690,476</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Amounts owed to joint ventures	-	100
Accruals and deferred income	1,663,065	8,498,698
	<u>1,663,065</u>	<u>8,498,798</u>

12. 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.

13. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	63,008	68,024
Later than 1 year and not later than 5 years	86,480	145,919
	<u>149,488</u>	<u>213,943</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

14. RELATED PARTY TRANSACTIONS

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 member of a group, Creative England Limited uses the exemption given under FRS 102 and does not disclose transactions or balances with group companies.

15. CONTROLLING PARTY

The ultimate controlling parent undertaking is Creative UK Holdings Limited, which is incorporated in England. The consolidated accounts are available from Creative UK Holdings Limited's registered office being 1st Floor College House, 32-36 College Green, Bristol, BS1 5SP.