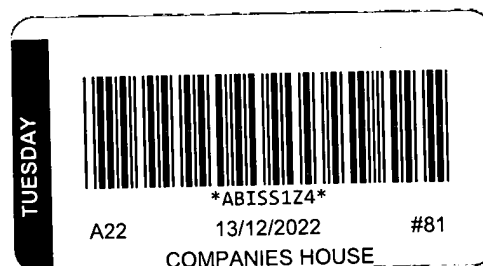


CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

COMPANY INFORMATION

DIRECTORS

B. Budge
D. Perkins
C. Norbury
M. Patrick

REGISTERED NUMBER

07432947

REGISTERED OFFICE

Tomorrow Building 130 Broadway
Suite 7, 2nd Floor
MediaCityUK
Salford
M50 2UW

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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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

INTRODUCTION

This report represents the first full year of trading since the Creative England joined forces with Creative Industries Federation under the Creative UK Holding Company.

BUSINESS REVIEW

This report represents the 2021/22 financial year, when we launched our new Creative UK brand, as a result of our two former businesses uniting. This ushered in an exciting new phase, as our respective Boards converged, and we appointed two young people to the Board as part of our commitment to diversify our governance. We also took the opportunity to refresh our UK Council, bringing in new members from multiple sectors located across the UK.

As the Creative Industries continued to respond to the challenges and the impact of the pandemic, we worked on our three core strategic priorities - **People, Place and Planet** - shaped in consultation with our members to envision a world in which everyone can thrive creatively, every place can flourish as a hub of cultural activity, and every one of our sectors can respond to the biggest global challenges we face today. We delivered these priorities by focusing on championing, connecting, supporting and investing in the UK's Creative Industries.

On our **People** priority we:

- committed to tackling bullying and harassment in the Creative Industries by: encouraging industry leaders and partners to create codes of conduct for each creative sector; developing training to support the prevention of bullying and harassment; building consensus around the establishment of an independent body to investigate allegations of bullying and harassment; and reviewing how to improve and embed monitoring of bullying and harassment policies' efficacy.
- launched Breakout, a new partnership with Netflix UK giving the next generation of outstanding filmmakers the opportunity to debut a feature film through £30k development funding and an intensive lab programme of training and professional development.
- established our Future of Freelance Champions group to shape and guide our work with industry and government to drive systemic change by: being advocates for the freelance community; increasing the profile and visibility of creative freelancers and entrepreneurs, and developing ideas for a refreshed set of values for the Creative Industries to support all parts of the ecosystem.

On our **Place** priority we:

- launched the North of Tyne Cultural and Creative Investment Programme. Funded by the North of Tyne Combined Authority, this first of its kind programme offers financial and business support to freelancers and businesses working in the Creative Industries in North Tyneside, Northumberland and Newcastle.
- supported a record-breaking 82 feature films and 164 TV dramas on location in the English regions outside of London, leading to economic benefits estimated at £130m and creating 4,000 working days for freelancers across the country.
- engaged with over 600 businesses from across the country to help them access finance and grow, 45% of which were female-led and 21% were ethnic minority-led. We allocated over £300k of New Ideas funding to screen businesses developing new business models, technology and innovation, and allocated over £120k of business planning grants to help businesses refine, review and adapt their strategies with support from experts.
- Our Creative Coalition Festival attracted an online audience of 4,500 and included live events broadcast from around the country.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

On our **Planet** priority we:

- developed sustainable business practices to support our objective to reach net zero by 2040 by implementing a hybrid model of remote and office working to significantly reduce our travel and that of our supply chains; and encouraging a digital-first mindset among our people and Stakeholders.
- convened our members and the Business Secretary and Innovation Minister to explore ways of working with government to meet UK net zero objectives.
- championed the role of the Creative Industries in achieving net zero ambitions, both in their own business practices and through the application of creative solutions across all industries such as in packaging and materials.

We supported

We supported the Creative Industries to emerge from the pandemic with resilience, innovation and purpose. Our business growth and talent development enabled freelancers and businesses to access insight, networks and opportunities. From start-ups to established organisations across games, film and TV, and the arts, we mentored, supported and invested in over 600 creative businesses, enabling them to develop their talent and ideas, creating new products, jobs and businesses. By exposing local creative communities to national networks, we helped to ensure post-pandemic survival and growth for these freelancers and businesses.

A highlight of the year was the North of Tyne Culture and Creative Investment Programme, the first of its kind in the UK to offer business support combined with grants, loans and equity investment. Developed in close partnership with the North of Tyne Combined Authority, we engaged with 39 SMEs, 12 of which received financial support amounting to £2.6m.

Other regions in which we helped to generate business growth included Wakefield, Cornwall, Plymouth and Manchester. Programmes included Games Scale Up, for games leaders to grow their businesses and compete on a global stage, Female Founders, which provided intensive coaching and workshops, tackling the inequalities faced by female entrepreneurs, and Evolve, preparing screen businesses for investment with mentoring from experts covering commercial planning, financial control and investment.

Key partners included the BFI (funded by the National Lottery), Manchester Growth Hub, Wakefield Council and Cornwall Council.

Our BFI partnership programme, Filming in England, supported a record-breaking 82 feature films and 164 TV dramas to film on location in the English regions outside of London during the post-pandemic production boom, leading to economic benefits estimated at £130m and creating 4,000 working days for freelancers across the country. Mission: Impossible 7, Masters of the Air, Becoming Elizabeth, Dungeons & Dragons, Indiana Jones 5, Andor, Bridgerton (Season 2), Peaky Blinders (Season 6), All Creatures Great and Small (Series 2), The Witcher: Blood Origin, House of the Dragon, The Crown (Season 5), Fast & Furious 10, Wonka and hundreds more harnessed the studio infrastructure, diverse locations, talented crew and production services expertise throughout the English regions.

Our film team committed £400k to film and high-end TV production in the regions through our West Midlands Production Fund, including D.I. Ray, the new ITV crime show set in Birmingham. Productions supported by our team also enjoyed success and acclaim, including Small Axe which won five BAFTAs and an Emmy nomination, Perfect Ten which was nominated for a Scottish BAFTA, and Benediction which premiered at international festivals.

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

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

We invested

Our North of Tyne Investment Fund, part of the North of Tyne Culture and Creative Investment Programme, provided loans and equity investments to start-ups and early-stage creative businesses in the region. We invested £90k in companies, including an upcoming, female-led, sustainability-focused marketing and communications agency.

In response to the growing demand for start-up finance and support across the creative sector, we worked with the British Business Bank, Creative Industries Council and the Department for Digital, Culture, Media and Sport to establish a pilot with the Start-Up Loans Company to provide loans of £25k to creative start-ups. This enabled us to share valuable insights from the pilot with the company relating to the specific types of investment needed by creative entrepreneurs and businesses.

This report was approved by the board on 29th September 2022 and signed on its behalf.



C. Norbury
Director

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

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022**

The directors present their report and the financial statements for the year ended 31 March 2022.

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
M. Patrick

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.

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.



C. Norbury
Director

Date: 29th September 2022

Tomorrow Building 130 Broadway
Suite 7, 2nd Floor
MediaCityUK
Salford
M50 2UW

CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

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 judgements 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 MEMBERS OF CREATIVE ENGLAND LIMITED

OPINION

We have audited the financial statements of Creative England Limited (the 'Company') for the year ended 31 March 2022, 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 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 MEMBERS 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 set out on page 5, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we have considered the nature of the industry and sector, control environment and business performance including the design of the Group's bonuses.
- we have considered the results of our enquiries of management including the Head of Finance and Chief Financial Officer about their own identification and assessment of the risk of irregularities.
- for any matters identified we have obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating, and complying with laws and regulations whether they were aware of any instances of non-compliance;
 - detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected, or alleged fraud; and
 - the internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- we have considered the matters discussed among the audit engagement team including internal tax specialists regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- revenue recognition cut off.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

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

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

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included data protection regulations, health and safety regulations, employment legislation and quality management systems.

Audit response to risks identified

We identified revenue recognition cut off as key audit matters related to the potential risk of fraud, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Due to the Covid-19 pandemic the engagement team performed remote audit testing using online portals to share documentation securely and video calls to make enquiries. This has not had any detrimental impact on our ability to identify and respond to risks.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

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

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

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: 21 October 2022

CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Income		4,086,277	2,876,158
Direct expenses		(2,953,643)	(1,512,303)
Gross profit		1,132,634	1,363,855
Administrative expenses		(1,142,018)	(1,380,438)
Other operating income		11,818	24,480
Operating profit		2,434	7,897
Interest receivable and similar income		95	1,048
Interest payable and similar expenses		(1,867)	-
Profit before tax		662	8,945
Tax on surplus		(18)	(199)
Profit for the financial year		644	8,746
Total comprehensive income for the year		644	8,746

The notes on pages 14 to 24 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 2022

	Note	2022 £	Restated 2021 £
Fixed assets			
Tangible assets	6	148,860	44,143
Investments	7	50	50
		<u>148,910</u>	<u>44,193</u>
Current assets			
Debtors: amounts falling due within one year	8	3,497,518	732,601
Current asset investments	9	2,759,638	2,641,065
Cash at bank and in hand	10	3,172,533	5,297,507
		<u>9,429,689</u>	<u>8,671,173</u>
Creditors: amounts falling due within one year	11	(5,935,346)	(5,092,330)
Net current assets		<u>3,494,343</u>	<u>3,578,843</u>
Total assets less current liabilities		<u>3,643,253</u>	<u>3,623,036</u>
Creditors: amounts falling due after more than one year	12	(2,807,971)	(2,788,398)
Net assets		<u><u>835,282</u></u>	<u><u>834,638</u></u>
Capital and reserves			
Income and expenditure account		835,282	834,638
		<u><u>835,282</u></u>	<u><u>834,638</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



C. Norbury
Director

Date: 29th September 2022

The notes on pages 14 to 24 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 2022

	Income and expenditure account £	Total equity £
At 1 April 2021	834,638	834,638
Comprehensive income for the year		
Profit for the year	644	644
	<hr/>	<hr/>
At 31 March 2022	835,282	835,282
	<hr/>	<hr/>

The notes on pages 14 to 24 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Income and expenditure account £	Total equity £
At 1 April 2020	825,892	825,892
Comprehensive income for the year		
Profit for the year	8,746	8,746
	<hr/>	<hr/>
At 31 March 2021	834,638	834,638
	<hr/>	<hr/>

The notes on pages 14 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 2022

1. GENERAL INFORMATION

Creative England Limited is a company limited by guarantee incorporated in England and Wales. The registered office is Tomorrow Building 130 Broadway, Suite 7, 2nd Floor, Mediacityuk, Salford, England, M50 2UW.

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 Section 1A of 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 judgement 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 a larger group by a parent undertaking established under the law of a state other than the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 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. These forecasts include expected cash flows and will allow us to identify risks and opportunities and react accordingly.

The Directors continue to monitor the impact that Covid-19 is having on operations and are taking actions to minimise their effect on the long-term reserves of the Company. After making enquiries, the directors have reasonable expectation that the Company have access to adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

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.

2.6 INTEREST INCOME

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

2.7 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

2.9 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.

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.

2.10 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.

CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

2.11 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
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.

2.12 GRANTS PAYABLE

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

2.13 IMPAIRMENT OF FIXED ASSETS

Assets that are subject to depreciation 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.

2.14 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Loans and other investments made by Creative England Limited 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.

CREATIVE ENGLAND LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. ACCOUNTING POLICIES (continued)

2.15 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.

2.16 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.

2.17 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.

2.18 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.

2.19 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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

Estimates and judgements 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. The Company making 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.

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors, such as technological innovation, product life cycles and maintenance programmes.

The directors annually assess the recoverable amount of investments held. When impairment triggers are identified, the recoverable amount of an investment is generally determined by its value in use, which is derived from investment returns and recent history of loan repayments.

4. EMPLOYEES

The average monthly number of employees, including directors, during the year was 46 (2021:38).

5. DIRECTORS' REMUNERATION

	2022 £	2021 £
Directors' emoluments	232,971	226,971
Company contributions to defined contribution pension schemes	52,547	5,798
	<u>285,518</u>	<u>232,769</u>

The highest paid director received remuneration of £132,471 (2021:£132,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £29,963 (2021:£1,840).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Total £
COST OR VALUATION			
At 1 April 2021	143,203	290,304	433,507
Additions	-	131,984	131,984
At 31 March 2022	143,203	422,288	565,491
DEPRECIATION			
At 1 April 2021	137,647	251,717	389,364
Charge for the year on owned assets	1,852	25,415	27,267
At 31 March 2022	139,499	277,132	416,631
NET BOOK VALUE			
At 31 March 2022	3,704	145,156	148,860
At 31 March 2021	5,556	38,587	44,143

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. FIXED ASSET INVESTMENTS

	Investments in joint ventures £
COST OR VALUATION	
At 1 April 2021	50
At 31 March 2022	<u>50</u>

8. DEBTORS

	2022 £	2021 £
Amounts owed by group undertakings	3,020,216	417,048
Other debtors	213,330	203,193
Prepayments and accrued income	263,972	112,360
	<u>3,497,518</u>	<u>732,601</u>

9. CURRENT ASSET INVESTMENTS

	2022 £	2021 £
Investments held	2,759,638	2,641,065
	<u>2,759,638</u>	<u>2,641,065</u>

10. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	3,172,533	5,297,507
	<u>3,172,533</u>	<u>5,297,507</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	Restated 2021 £
Bank loans	34,000	22,667
Trade creditors	202,353	132,437
Amounts owed to group undertakings	961,207	792,273
Corporation tax	18	199
Other taxation and social security	46,386	36,061
Other creditors	299,852	276,388
Accruals and deferred income	4,391,530	3,832,305
	<u>5,935,346</u>	<u>5,092,330</u>

Bank loans for the year end 31 March 2021 have been restated to correct for the ageing of the loan. We have reclassified £147,333 to amounts falling due after more than one year.

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

	2022 £	Restated 2021 £
Bank loans	113,333	147,333
Accruals and deferred income	2,694,638	2,641,065
	<u>2,807,971</u>	<u>2,788,398</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

13. LOANS

Analysis of the maturity of loans is given below:

	2022 £	2021 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	34,000	22,667
	<u>34,000</u>	<u>22,667</u>
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	34,000	34,000
	<u>34,000</u>	<u>34,000</u>
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	79,333	102,000
	<u>79,333</u>	<u>102,000</u>
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS		
Bank loans	-	11,333
	<u>-</u>	<u>11,333</u>
	<u>147,333</u>	<u>170,000</u>

In 2021 the Company was advanced £170,000 as part of the Coronavirus Business Interruption Loan Scheme.

The loan term is over 6 years with repayment installments commencing 12 months from the date of drawdown. Interest is charged at 1.75% above the Bank of England base rate with the first 12 months being paid by the Government. The loan is secured by a charge over the assets of the Company. During the year £22,667 (2021: £Nil) of the loan was repaid.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £188,745 (2021: £77,281). Contributions totalling £Nil (2021: £Nil) were payable to the fund at the reporting date and are included in creditors.

16. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	25,235	63,008
Later than 1 year and not later than 5 years	2,103	23,472
	<u>27,338</u>	<u>86,480</u>

17. 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.

18. 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 Tomorrow Building 130 Broadway, Suite 7, 2nd Floor, Mediacityuk, Salford, England, M50 2UW.