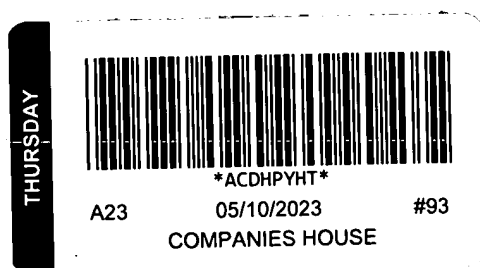


CREATIVE ENGLAND LIMITED
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023



CREATIVE ENGLAND LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

DIRECTORS

B. Budge
D. Perkins
C. Norbury
M. Patrick (resigned 31 October 2022)

REGISTERED NUMBER

07432947

REGISTERED OFFICE

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

INDEPENDENT AUDITORS

Bishop Fleming LLP
Chartered Accountants & Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

BANKERS

National Westminster Bank Plc
40 Queens Rd
Bristol
BS8 1BF

CREATIVE ENGLAND LIMITED
(A Company Limited by Guarantee)

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

BUSINESS REVIEW

The 2022/23 financial year marked the second year of our new Creative UK brand, following its launch in 2021 after our coming together with the Creative Industries Federation. During this period, Creative UK has continued to develop and grow, strengthened by a broad range of activity delivered under our mission to **connect, invest in and support great ideas, champion brilliance and fight for the opportunity for all to thrive creatively.**

Creative UK's activity is underpinned by our purpose to **harness the power of the Creative Industries, building a fairer more prosperous world**, so that we can realise our vision of **a world where creativity is valued and recognised as the driving force of our future.** In pursuit of this, the 2022/23 financial year saw us once again **Support & Invest** in the creative sector to help unlock its potential.

Our group structure separates our policy, insights and evidence activity from our investment business and the provision of services and support to creative talent and creative businesses through three wholly owned subsidiaries within the Creative UK Group. Creative England is the subsidiary company that delivers most of our direct support and investment into creative talent and creative businesses.

Support & Invest

Creative UK's support provision for the creative sector strengthened and grew in 2022/23, both on a national and regional scale. Existing regional business growth programmes in **Manchester, Cornwall, Plymouth and Wakefield** supported more businesses than ever, while our partnership with **Innovate UK and KTN** meant new support programmes were launched in the **South East, South West and North East**, through **DCMS' Create Growth Programmes.**

Our continuing **Creative Enterprise** programme delivered support and skills development for **142 screen and moving image businesses**, supported by the **BFI** with funding from the **National Lottery**. Ongoing partnership with the BFI also enabled our **Filming in England** team to provide production support to a **125 Feature Films and 137 High-End TV dramas** throughout the English regions, outside of London, more than ever before. This production activity led to economic benefits estimated at **£145 million** and created over **5,000** working days for freelancers. In addition, **Filming in England** launched a first-of-its-kind toolkit with **OlsbergSPI** that equips local authorities with tools to measure and demonstrate the impact of film and television production in their areas, as well as a new **Studio and Build Space Directory** resource and the first **Regional Filming Hubs**, bringing together important stakeholders with a shared vision to strengthen England's film-friendly production environment.

Support for UK filmmakers was also delivered through our partnership with **Netflix UK on Breakout**, which selected **six filmmaking teams** for paid script development and a lab programme to further develop the skills required for making a genre film. In addition, Creative UK delivered a second series of **shortFLIX** with the five short films broadcast on **Sky Arts**, and awarded the third **Simon Relph Memorial Bursary of £15,000** for an emerging producer outside of London to Manchester-based **Loran Dunn.**

This report was approved by the board on Tuesday 22nd August 2023 and signed on its behalf.



C. Norbury
Director

CREATIVE ENGLAND LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

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 (resigned 31 October 2022)

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: 19/09/2023

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

CREATIVE ENGLAND LIMITED
(A Company Limited by Guarantee)

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

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 2023, 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 2023 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.

CREATIVE ENGLAND LIMITED
(A Company Limited by Guarantee)

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

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.

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' exemption in preparing the Directors' Report.

CREATIVE ENGLAND LIMITED
(A Company Limited by Guarantee)

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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

- We have considered the nature of the industry and sector, control environment, and business performance;
- We have considered the results of enquiries with management and the directors in relation to their own identification and assessment of the risks of irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating effectively, in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end 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 have also obtained an understanding of the legal and regulatory frameworks that the Company 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, FRS 102 and UK tax legislation.

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 Company's ability to operate or avoid a material penalty. These included data protection legislation, health and safety regulations, and employment law.

CREATIVE ENGLAND LIMITED
(A Company Limited by Guarantee)

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

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 in relation to actual and potential claims or litigation;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board meeting minutes;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around the year-end cut off;
- Performing walkthroughs to understand management's control environment; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

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

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in the financial statements or non-compliance with regulation, will be detected by us. This risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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: 28 September 2023

CREATIVE ENGLAND LIMITED
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Income		3,952,200	4,086,277
Direct expenses		(2,880,274)	(2,953,643)
Gross profit		1,071,926	1,132,634
Administrative expenses		(1,079,867)	(1,142,018)
Other operating income		-	11,818
Operating (loss)/profit		(7,941)	2,434
Income from shares in group undertakings		54,888	-
Interest receivable and similar income		4,474	95
Interest payable and similar expenses		(2,302)	(1,867)
Profit before tax		49,119	662
Tax on profit		(850)	(18)
Profit for the financial year		48,269	644
Total comprehensive income for the year		48,269	644

The notes on pages 13 to 23 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 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	6	119,123	148,860
Investments	7	50	50
		<u>119,173</u>	<u>148,910</u>
Current assets			
Debtors: amounts falling due within one year	8	3,396,414	3,497,518
Current asset investments	9	3,616,468	2,759,638
Cash at bank and in hand	10	2,483,280	3,172,533
		<u>9,496,162</u>	<u>9,429,689</u>
Creditors: amounts falling due within one year	11	(5,792,719)	(5,935,346)
Net current assets		<u>3,703,443</u>	<u>3,494,343</u>
Total assets less current liabilities		<u>3,822,616</u>	<u>3,643,253</u>
Creditors: amounts falling due after more than one year	12	(2,939,065)	(2,807,971)
Net assets		<u><u>883,551</u></u>	<u><u>835,282</u></u>
Capital and reserves			
Income and expenditure account		<u>883,551</u>	<u>835,282</u>
		<u><u>883,551</u></u>	<u><u>835,282</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: 19/09/2023

The notes on pages 13 to 23 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 2023

	Income and expenditure account £	Total equity £
At 1 April 2022	835,282	835,282
Comprehensive income for the year		
Profit for the year	48,269	48,269
	<hr/>	<hr/>
Total comprehensive income for the year	48,269	48,269
	<hr/>	<hr/>
Total transactions with owners	-	-
	<hr/>	<hr/>
At 31 March 2023	883,551	883,551
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 13 to 23 form part of these financial statements.

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/>
Total comprehensive income for the year	644	644
	<hr/>	<hr/>
Total transactions with owners	-	-
	<hr/>	<hr/>
At 31 March 2022	835,282	835,282
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 13 to 23 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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, Mediacity UK, Salford, England, M50 2AB.

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.

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 2023

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

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.

2.11 GRANTS PAYABLE

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

2.12 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 48 (2022: 46).

5. DIRECTORS' REMUNERATION

	2023	2022
	£	£
Directors' emoluments	250,358	232,971
Directors' national insurance	33,230	27,755
Company contributions to defined contribution pension schemes	29,979	52,547
	313,567	313,273

The highest paid director received remuneration of £140,497 (2022: £132,471).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £22,564 (2022: £29,963).

CREATIVE ENGLAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Total £
COST OR VALUATION			
At 1 April 2022	143,203	422,288	565,491
Additions	-	15,280	15,280
At 31 March 2023	143,203	437,568	580,771
DEPRECIATION			
At 1 April 2022	139,499	277,132	416,631
Charge for the year on owned assets	3,704	41,313	45,017
At 31 March 2023	143,203	318,445	461,648
NET BOOK VALUE			
At 31 March 2023	-	119,123	119,123
At 31 March 2022	3,704	145,156	148,860

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

7. FIXED ASSET INVESTMENTS

	Investments in joint ventures £
COST OR VALUATION	
At 1 April 2022	50
At 31 March 2023	<u>50</u>

8. DEBTORS

	2023 £	2022 £
Amounts owed by group undertakings	2,779,153	3,020,216
Other debtors	416,537	213,330
Prepayments and accrued income	200,724	263,972
	<u>3,396,414</u>	<u>3,497,518</u>

9. CURRENT ASSET INVESTMENTS

	2023 £	2022 £
Investments held	3,616,468	2,759,638
	<u>3,616,468</u>	<u>2,759,638</u>

10. CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	2,483,280	3,172,533
	<u>2,483,280</u>	<u>3,172,533</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans	34,000	34,000
Trade creditors	144,589	202,353
Amounts owed to group undertakings	830,544	961,207
Corporation tax	850	18
Other taxation and social security	52,321	46,386
Other creditors	306,877	299,852
Accruals and deferred income	4,423,538	4,391,530
	<u>5,792,719</u>	<u>5,935,346</u>

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

	2023	2022
	£	£
Bank loans	79,333	113,333
Accruals and deferred income	2,859,732	2,694,638
	<u>2,939,065</u>	<u>2,807,971</u>

CREATIVE ENGLAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. LOANS

Analysis of the maturity of loans is given below:

	2023 £	2022 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	34,000	34,000
	<u>34,000</u>	<u>34,000</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	45,333	79,333
	<u>45,333</u>	<u>79,333</u>
	<u>113,333</u>	<u>147,333</u>

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 £34,000 (2022: £22,667) 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.

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 £161,695 (2022: £188,745). Contributions totalling £Nil (2022: £Nil) were payable to the fund at the reporting date and are included in creditors.

CREATIVE ENGLAND LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

16. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	26,788	25,235
Later than 1 year and not later than 5 years	-	2,103
	<u>26,788</u>	<u>27,338</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, Mediacity UK, Salford, England, M50 2AB.