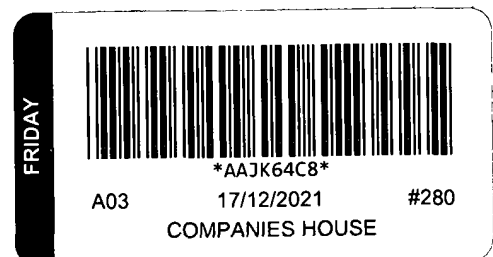


Registered number: 07432947

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

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**



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

**COMPANY INFORMATION**

---

**DIRECTORS**

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

**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 2021**

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**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**

It has been a difficult year for many across the globe and the creative industries are no exception. The sector has been hit hard by Covid-19 and life has changed in a way that most of us couldn't have imagined. Although the pandemic has worsened existing inequalities between people and places, we have seen many creative organisations and practitioners step up to support one another, their communities and those across the globe who have in turn, benefited from their content, ideas and inspiration.

Over the last 12 months we have been working tirelessly with our partners and stakeholders to champion, connect, invest in and support our creative sector.

We have connected businesses and individuals with the money, information and opportunities they need to thrive. Like many others, we pivoted our events, business support and conversations online, enabling creative organisations and practitioners to inspire and challenge each other, share insights and ideas and turn those ideas into reality.

We have broken down barriers to opportunities, providing funding, networking, mentoring and development schemes to enable creative talent to thrive. We've supported freelancers and businesses from start-ups to established organisations, across games, film and TV, the arts and more. When the pandemic hit, we pivoted our traditional methods of support to deliver virtual mentoring, networking, webinars and online resources, benefiting a greater diversity of creative practitioners and businesses than ever before.

Throughout the year, we supported a total of **840 creative enterprises and entrepreneurs** in the next stage of their growth through **8 programmes**. We also launched a **£2.6m Culture and Creative Investment Programme** with North of Tyne Combined Authority – the first of its kind to offer a blend of financial and business support for creative freelancers and businesses across the region.

Our programmes included:

- **Ideate Manchester:** Supporting 125 creative businesses to diversify and expand into immersive storytelling. Delivered in partnership with Greater Manchester's Growth Hub.
- **Ideate Plymouth:** Supporting 12 businesses through intensive mentoring to create immersive products and experiences, and diversify their offer. Delivered in partnership with Plymouth City Council as part of the iMayflower project, funded by the Department for Digital, Culture, Media and Sport's Cultural Development Fund.
- **Advance Wakefield:** Connecting 25 businesses to specialist mentors to provide fully funded support, with a further 75 businesses in the region still to benefit from this opportunity. Launched September 2020, delivered in partnership with Wakefield Council and funded by DCMS's Cultural Development Fund.
- **Creative Enterprise:** Supporting 778 screen sector companies via workshops, learning programmes, networking, advice and business support. Developed with National Lottery funding from the British Film Institute

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

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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- **Games Scale Up:** Equipping 14 games leaders with the knowledge they need to grow their businesses and compete on a global stage. Developed in partnership with games trade body Ukie and with National Lottery Funding from the BFI.
- **Female Founders:** Supporting 10 women through intensive coaching and workshops, tackling the inequalities faced by female entrepreneurs. Developed with National Lottery funding from the BFI.

Our Production Services team also quickly pivoted to help the hard-hit film and TV sector adjust to the new Covid-safe production protocols. Over the year they supported **31 feature films** and **77 TV dramas** to film on location in the English regions, leading to an estimated spend of **£60 million** through Filming in England alongside Film Office partners, including: 1917, Bridgerton, The Batman, The Crown season 4 and The Witcher season 2.

They also connected film and TV professionals with employment opportunities across the country, posting **over 400 jobs** on our national crew and facilities database and via our bespoke crewing service.

We also committed **£700,000** in film and high-end TV production in the regions through our West Midlands Production Fund including: Small Axe (Red, White and Blue), Sir Steve McQueen; Benediction, Terence Davies; The Colour Room (Caspian Films), Claire McCarthy, Claire Peate.

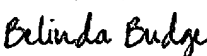
Past productions, supported by our film team also received acclaim including **Claire Oakley's Make Up** and **Eva Riley's BIFA-winning Perfect Ten** which released to critical acclaim when cinemas reopened in summer 2021 – both were film debuts supported by our iFeatures programme, funded by the BFI, BBC Film and ScreenSkills.

We provided over **£373,000** in grants through our New Ideas Fund, (funded by the National Lottery) designed for those working in film, television, games, immersive media or tech, looking to test ideas, reach new audiences or diversify income streams. We also launched a **new resource library** packed with industry insights and practical resources on topics such as investment readiness, business strategy, leadership and collaboration.

We were also very pleased to be appointed as delivery partner for British Business Bank's Start up Loan scheme to run a 12-month pilot targeted at creative sector businesses.

However, there is a lot more to be done. The year ahead will bring many more challenges for the creative sector businesses as the medium and long-term impacts of the pandemic and Brexit starts to become clear. Creative businesses have once again proven their resilience over the last 12 months, and we believe they will play a leading role in our nation's recovery – building not only economic prosperity but making our towns, cities and rural areas more vibrant and delivering more inclusive growth throughout our nation.

This report was approved by the board on **21/10/2021** and signed on its behalf.

DocuSigned by:  
  
4BA617207A3542F

**B. Budge**  
Director

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

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their report and the financial statements for the year ended 31 March 2021.

**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.

DocuSigned by:  
  
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**B. Budge**  
Director

Date: 21-Oct-21

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 2021**

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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**

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**OPINION**

We have audited the financial statements of Creative England Limited (the 'Company') for the year ended 31 March 2021, 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 2021 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 SHAREHOLDERS OF CREATIVE ENGLAND LIMITED  
(CONTINUED)**

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**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 4, 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)**

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**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 SHAREHOLDERS OF CREATIVE ENGLAND LIMITED  
(CONTINUED)**

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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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

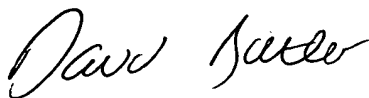
**CREATIVE ENGLAND LIMITED  
(A COMPANY LIMITED BY GUARANTEE)**

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

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**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: 16 December 2021

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Income		2,876,158	3,820,876
Direct expenses		(1,512,303)	(2,221,346)
<b>GROSS SURPLUS</b>		<b>1,363,855</b>	<b>1,599,530</b>
Administrative expenses		(1,380,438)	(1,565,106)
Other operating income		24,480	-
<b>OPERATING SURPLUS</b>		<b>7,897</b>	<b>34,424</b>
Interest receivable and similar income		1,048	7,201
<b>SURPLUS BEFORE TAX</b>		<b>8,945</b>	<b>41,625</b>
Tax on surplus		(199)	(1,368)
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<b>8,746</b>	<b>40,257</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>8,746</b>	<b>40,257</b>

The notes on pages 13 to 21 form part of these financial statements.

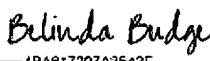
**CREATIVE ENGLAND LIMITED**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER:07432947**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

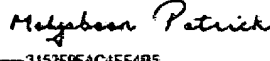
	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	6	44,143	46,519
Investments	7	50	50
		<u>44,193</u>	<u>46,569</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	8	732,601	910,627
Current asset investments	9	2,641,065	1,663,065
Cash at bank and in hand	10	5,297,507	4,885,116
		<u>8,671,173</u>	<u>7,458,808</u>
Creditors: amounts falling due within one year	11	(5,239,663)	(5,016,420)
<b>NET CURRENT ASSETS</b>		<u>3,431,510</u>	<u>2,442,388</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,475,703</u>	<u>2,488,957</u>
Creditors: amounts falling due after more than one year	12	(2,641,065)	(1,663,065)
<b>NET ASSETS</b>		<u><u>834,638</u></u>	<u><u>825,892</u></u>
<b>CAPITAL AND RESERVES</b>			
Income and expenditure account		834,638	825,892
		<u><u>834,638</u></u>	<u><u>825,892</u></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:  
  
 4BA817207A3542F...  
**B. Budge**  
 Director

Date: 21-Oct-21

DocuSigned by:  
  
 3152F9EAC4EF4B5...  
**M. Patrick**  
 Director

Date: 21-Oct-21

The notes on pages 13 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 2021**

	Income and expenditure account £	Total equity £
At 1 April 2020	825,892	825,892
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>		
Surplus for the year	8,746	8,746
	<hr/>	<hr/>
<b>AT 31 MARCH 2021</b>	<hr/> <b>834,638</b> <hr/>	<hr/> <b>834,638</b> <hr/>

The notes on pages 13 to 21 form part of these financial statements.

**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
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>		
Surplus for the year	40,257	40,257
	<hr/>	<hr/>
<b>AT 31 MARCH 2020</b>	<hr/> <b>825,892</b> <hr/>	<hr/> <b>825,892</b> <hr/>

The notes on pages 13 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 2021**

---

**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 a non-EEA state 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.



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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 BORROWING COSTS**

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

**2.8 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.

**2.9 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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 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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**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.

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**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.

**4. EMPLOYEES**

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

	2021 No.	2020 No.
Employees	38	40

**5. DIRECTORS' REMUNERATION**

	2021 £	2020 £
Directors' emoluments	226,971	58,434
	<u>226,971</u>	<u>58,434</u>

The highest paid director received remuneration of £132,000 (2020: £27,134).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020: £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £</b>	<b>Office equipment £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>			
At 1 April 2020	143,203	264,584	407,787
Additions	-	27,205	27,205
Disposals	-	(1,485)	(1,485)
At 31 March 2021	143,203	290,304	433,507
<b>DEPRECIATION</b>			
At 1 April 2020	135,795	225,473	361,268
Charge for the year on owned assets	1,852	27,729	29,581
Disposals	-	(1,485)	(1,485)
At 31 March 2021	137,647	251,717	389,364
<b>NET BOOK VALUE</b>			
At 31 March 2021	5,556	38,587	44,143
At 31 March 2020	7,408	39,111	46,519

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. FIXED ASSET INVESTMENTS**

	Investment in joint ventures £
<b>COST OR VALUATION</b>	
At 1 April 2020	50
At 31 March 2021	<u>50</u>

**8. DEBTORS**

	2021 £	2020 £
Amounts owed by group undertakings	417,048	169,483
Other debtors	203,193	653,214
Prepayments and accrued income	112,360	87,930
	<u>732,601</u>	<u>910,627</u>

**9. CURRENT ASSET INVESTMENTS**

	2021 £	2020 £
Investments held	2,641,065	1,663,065
	<u>2,641,065</u>	<u>1,663,065</u>

**10. CASH AND CASH EQUIVALENTS**

	2021 £	2020 £
Cash at bank and in hand	5,297,507	4,885,116
	<u>5,297,507</u>	<u>4,885,116</u>

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

	2021 £	2020 £
Bank loans	170,000	-
Trade creditors	132,437	126,399
Amounts owed to group undertakings	792,273	13,444
Corporation tax	199	1,369
Other taxation and social security	36,061	45,106
Other creditors	276,388	349,504
Accruals and deferred income	3,832,305	4,480,598
	<u>5,239,663</u>	<u>5,016,420</u>

During the year 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.

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

	2021 £	2020 £
Accruals and deferred income	2,641,065	1,663,065
	<u>2,641,065</u>	<u>1,663,065</u>

**13. 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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**14. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	63,008	63,008
Later than 1 year and not later than 5 years	23,472	86,480
	<u>86,480</u>	<u>149,488</u>

**15. 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.

**16. 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.