

CREATIVE ENGLAND TRADING COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017



CREATIVE ENGLAND TRADING COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS

C. Wace
J. Newbigin
C. Norbury
A. Chitty (appointed 17 January 2017)
A. Orsten (appointed 5 April 2017)

REGISTERED NUMBER

09216540

REGISTERED OFFICE

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

INDEPENDENT AUDITORS

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

BANKERS

National Westminster Bank Plc
32 Corn Street
Bristol
BS99 7UG

CREATIVE ENGLAND TRADING COMPANY LIMITED

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CREATIVE ENGLAND TRADING COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

The aim of Creative England Trading Company Limited (CE Trading) is to support the delivery and continued success of Creative England's business investment and development activities - growing creative talent and creative companies. The company's focus is on generating commercial revenues that can be recycled and re-invested into new Creative England initiatives. By opening up new sources of commercial revenue - delivered through strategic corporate partnerships and the raising of private investment funds from individuals and collectives - CE Trading is supporting Creative England's objectives to open up supply chains for small and medium-sized businesses.

The purpose of CE Trading is;

- to raise commercial revenues to invest in creative businesses
- to underpin Creative England's core activities by generating revenues through equity investment, corporate partnerships and the provision of associated services
- to help small creative businesses that have growth potential to test their readiness to raise funds in the commercial market.

Its principal activities are:

- to raise and manage investment funds from the public and private market
- to identify businesses that are ready to grow through securing such funds
- developing and exploiting IP.

REVIEW OF THE BUSINESS

CE Trading is a commercial entity limited by share capital; the nominal value shares are owned wholly by Creative England. The company is run and financed independently with an independent board of directors. All contributions of Creative England staff time and resources are accounted for on a commercial basis and Creative England assets are licensed for a commercial return. Any surplus revenue generated by CE Trading activities is re-invested into new Creative England initiatives, thereby supporting the delivery and continued success of Creative England's core business investment and development activities.

Over the last 12 months, CE Trading has successfully raised and invested a £1 million Private Equity Fund for the group. The fund invested equity in 7 companies from across the creative and tech sector. Through this fund, and other initiatives in development, CE Trading connects the best of the companies Creative England works with to Angel and institutional investors.

Our partnership with broadcasters went from strength to strength and resulted in CE Trading investing in a range of TV content. The company also secured a new strategic partner to help us support creative businesses in the regions, partnering with Barclays on their flagship accelerator programme, Eagle Flight, in Brighton.

Looking Ahead

In the next 12 months, the company will continue its engagement with Angel investors as well as work closely with institutional investors to help set up the next iteration of its investment fund to support creative businesses with their funding needs.

In addition, building on our existing strategic partnerships and securing new long-term corporate partnerships will be an important strand in CE Trading's strategy for supporting Creative England to diversify its income streams. There are currently a number of promising new partnerships and joint ventures in the pipeline that should offer long-term returns on investment as a result of distribution rights deals and equity returns.

CREATIVE ENGLAND TRADING COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

EMPLOYEES, SOCIAL ISSUES, DIVERSITY AND ENVIRONMENT

CE Trading is governed by a non-executive board of prominent industry professionals, chaired by Charles Wace. CE Trading is committed to providing services which help generate revenue for the group, as well as support the growth of SMEs. Our goal is to ensure that these commitments, and our values, are embedded in our working culture and with all our customers, colleagues and partners. We wish to ensure that in all aspects of our work those people involved are representative of the communities we serve.

Clients and customers

CE Trading aims to create an environment in which clients and customers are respected and valued for the diversity and individuality they bring to the organisation, and work towards ensuring that its client and customer base is reflective of the communities it serves. We ensure that clients are not discriminated against based on their age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. All customers and clients are treated with dignity and respect and the organisation and its staff ensure that all clients and customers are able to avail themselves of the services we provide.

Employees

We aim to create a working environment in which individual differences and the contribution of all our staff and volunteers are recognised and valued, that promotes dignity and respect for all and where intimidation, discrimination, bullying and harassment is not tolerated. All those working on behalf of CE Trading, in whatever capacity, are treated fairly and with respect. Selection for employment, promotion, training, or other benefit is on the basis of aptitude and ability. CE Trading, as an employer, is committed to ensuring that staff receive equal pay for the same or broadly similar work. We operate a pay system which is transparent, based on objective criteria, and free from unlawful bias, and will continue to monitor pay statistics annually.

Environment

Creative England recognises the importance of protecting the environment and will endeavor to conduct as many of its activities as possible in an environmentally responsible way. In the delivery of its services to the industry CE Trading is committed to improving its environmental performance, sustainability and will seek to minimise adverse impacts on the environment where reasonably practicable.

CREATIVE ENGLAND TRADING COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

DIRECTORS

The directors who served during the year were:

C. Wace
J. Newbiggin
C. Norbury
A. Chitty (appointed 17 January 2017)

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.

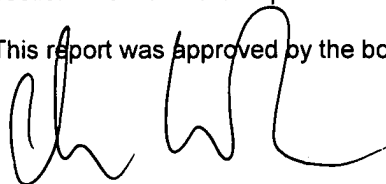
AUDITORS

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. Wace
Chairman

Date: 26 July 2017

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

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

The directors are responsible for preparing 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 TRADING COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CREATIVE ENGLAND TRADING COMPANY LIMITED

We have audited the financial statements of Creative England Trading Company Limited for the year ended 31 March 2017, set out on pages 7 to 12. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 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.

OPINION ON OTHER MATTER 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

CREATIVE ENGLAND TRADING COMPANY LIMITED

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, 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 and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Bishop Fleming LLP

David Butler FCA (Senior statutory auditor)
for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date:

11 August 2017

CREATIVE ENGLAND TRADING COMPANY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
Turnover		343,082	171,276
Cost of sales		(28,097)	(37,056)
GROSS PROFIT		314,985	134,220
Administrative expenses		(309,594)	(133,403)
OPERATING PROFIT		5,391	817
Interest receivable and similar income		44	68
PROFIT BEFORE TAX		5,435	885
Tax on profit		(1,087)	(263)
PROFIT FOR THE FINANCIAL YEAR		4,348	622

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 10 to 12 form part of these financial statements.

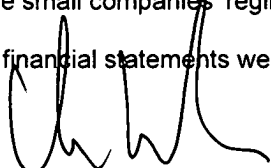
CREATIVE ENGLAND TRADING COMPANY LIMITED
REGISTERED NUMBER:09216540

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note		2017 £	2016 £
CURRENT ASSETS				
Debtors: amounts falling due within one year	6	121,361	16,821	
Cash at bank and in hand		179,693	11,287	
		<u>301,054</u>	<u>28,108</u>	
Creditors: amounts falling due within one year	7	(295,984)	(27,386)	
NET CURRENT ASSETS			<u>5,070</u>	<u>722</u>
NET ASSETS			<u><u>5,070</u></u>	<u><u>722</u></u>
CAPITAL AND RESERVES				
Called up share capital			100	100
Profit and loss account			4,970	622
			<u>5,070</u>	<u>722</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. Wace
Director

Date: 26 July 2017

The notes on pages 10 to 12 form part of these financial statements.

CREATIVE ENGLAND TRADING COMPANY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	100	622	722
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	4,348	4,348
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	4,348	4,348
AT 31 MARCH 2017	100	4,970	5,070

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	100	-	100
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	622	622
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	622	622
AT 31 MARCH 2016	100	622	722

The notes on pages 10 to 12 form part of these financial statements.

CREATIVE ENGLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. GENERAL INFORMATION

Creative England Trading Company Limited is a limited liability company 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 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 policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit and loss.

The financial statements are presented in Sterling which is the functional currency of the company.

The following principal accounting policies have been applied:

2.2 GOING CONCERN

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

2.3 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.

2.4 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.

2.5 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.

CREATIVE ENGLAND TRADING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES (continued)

2.6 FINANCIAL INSTRUMENTS

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans from related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

2.7 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.

2.8 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.9 TAXATION

Tax is recognised in the Statement of Comprehensive Income, 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.

3. AUDITORS' REMUNERATION

	2017 £	2016 £
Auditors' remuneration	<u>1,750</u>	<u>1,750</u>

4. EMPLOYEES

All staff are employed by the company's parent, Creative England Limited, and their costs recharged to the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. TAXATION

	2017 £	2016 £
CORPORATION TAX		
Current tax on profits for the year	1,087	263
TOTAL CURRENT TAX	<u>1,087</u>	<u>263</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

There were no factors affecting the tax charge for the year.

6. DEBTORS

	2017 £	2016 £
Trade debtors	28,574	-
Amounts owed by group undertakings	45,000	-
Other debtors	20,497	12,051
Prepayments and accrued income	27,290	4,770
	<u>121,361</u>	<u>16,821</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade creditors	1,281	16
Amounts owed to group undertakings	211,800	23,013
Corporation tax	1,087	263
Accruals and deferred income	81,816	4,094
	<u>295,984</u>	<u>27,386</u>

8. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Creative England Limited. Transactions with Creative England Limited and group companies are not disclosed in accordance with section 33 of FRS 102.

9. CONTROLLING PARTY

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