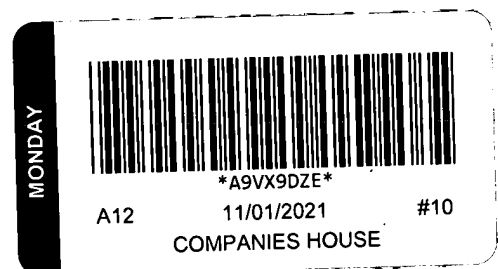


## **CE TRADING LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**



## **CE TRADING LIMITED**

### **COMPANY INFORMATION**

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<b>DIRECTORS</b>	A. Chitty C. Norbury C. Wace M. Kennedy (appointed 17 September 2019) M. Patrick (appointed 17 September 2019) J. Newbigin (resigned 17 September 2019)
<b>REGISTERED NUMBER</b>	09216540
<b>REGISTERED OFFICE</b>	1st Floor College House 32-36 College Green Bristol BS1 5SP
<b>INDEPENDENT AUDITORS</b>	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 10 Temple Back Bristol BS1 6FL
<b>BANKERS</b>	National Westminster Bank Plc 32 Corn Street Bristol BS99 7UG

**CE TRADING LIMITED**

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## **CE TRADING LIMITED**

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

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

#### **PRINCIPAL ACTIVITY**

The principal activity of CE Trading Limited is to support the delivery and continued success of Creative England's business investment and development activities - growing creative talent and creative companies.

#### **BUSINESS REVIEW**

Following the restructure of Creative England and the transfer of investment funds and assets into CE Trading Ltd we are pleased to report an active and successful year, with the launch of a new fund and our first equity exit.

We raised and launched Creative Growth Finance, a £24m venture debt fund, to support creative sector companies looking to scale and grow. The fund was launched in partnership with Triodos Bank who provided 2/3 of the finance for the fund with remaining 1/3 coming from our Regional Growth Fund recouped investments. The creation of this fund is a milestone in our investment journey which we started back in 2012, through the Regional Growth Fund programme. We set out to use RGF to address access to finance issues for creative companies and encourage private finance to flow into the sector. Our partnership with Triodos, a private bank focused on social and environmental impact, is a great success for the company as it proves our ability to develop public private partnerships at this level, the quality of our investment activity and the draw of creative companies for brands and corporate outside the sector.

The fund, since its launch in October 2019, has already (as of July) invested £2.5 million of venture debt in 5 companies from across the country. Our commitment to investing outside London and the SE remains and the focus of this fund will be to prioritise investments into companies from those geographies where access to investment remains more challenging. Our investments also represent a good cross-section of the subsectors; from a games company to a creative agency to a VFX studio.

In February 2020, we were delighted to announce our first equity portfolio exit from Living Lens who were bought by a large US based multinational company, Medallia. We have supported Living Lens since their very early days via the Collider Accelerator Programme in 2014, investing £40,000 into the company as a loan and securing a small share of the company. At that time Living Lens had released an MVP, had 4 customers and £150,000 in revenues and this investment allowed them to launch their product in the UK. We followed our initial investment with additional loan and equity finance alongside providing them a variety of wrap around support to scale. Fast forward to 2020, Living Lens employed a team of 30 people in offices in Liverpool, London and the US, were winning awards as the UK's top AI innovator and had a client base including 16 of the world's top 25 market research agencies. Our exit from Living Lens represents 3.5 times return on our original investment of £120,000.

We continue to monitor and support the rest of our RGF equity and loan portfolio, which is performing well with some small exceptions due to the Covid-19 Crisis.

This year also saw some significant changes to the group structure. The Board of the Creative England (parent company before the restructure) went through a strategic planning exercise to streamline various activities within the group. One of the aims of the exercise was to house all investment activities of the group in CE Trading Ltd to allow the company to build on its existing success and raise further investment funds for the sector. This first phase of restructuring was completed in September 2019 when CE Trading took over the responsibility of managing all investment activities including existing RGF fund monitoring and recoupment, and all investment assets were transferred from Creative England to CE Trading. The second phase of group restructure was completed in January 2020 when a new parent holding company (Creative UK) was created and the group merger with the Creative Industries Federation was completed.

The focus for CE Trading for the next 12 months is to continue to deliver investment into creative companies across the creative sector. We aim to make c. £5m of investment over the coming 12 months. We will also focus our efforts on managing our existing portfolio to ensure we maximise our recoupment and upside from these funds as well as support the companies through the ongoing economic challenges created by the Covid-19 pandemic. Our plan to raise new equity funds have slowed due to the challenges posed by the current pandemic crisis and its impact on economic climate, however, we will continue to explore opportunities for providing new sources of finance to the sector.

## **CE TRADING LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020**

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#### **DIRECTORS**

The directors who served during the year were:

A. Chitty  
C. Norbury  
C. Wace  
M. Kennedy (appointed 17 September 2019)  
M. Patrick (appointed 17 September 2019)  
J. Newbigin (resigned 17 September 2019)

#### **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**

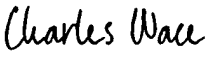
The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### **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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**C. Wace**  
Chairman

Date: 12-Nov-20

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

## **CE TRADING LIMITED**

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

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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.

## **CE TRADING LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CE TRADING LIMITED**

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#### **OPINION**

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

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **BASIS FOR OPINION**

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

#### **CONCLUSIONS RELATING TO GOING CONCERN**

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

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

#### **OTHER INFORMATION**

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

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

We have nothing to report in this regard.

## **CE TRADING LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CE TRADING 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement on page 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.

#### **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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




INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CE TRADING LIMITED (CONTINUED)

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USE OF OUR REPORT

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



David Butler FCA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 22 December 20

**CE TRADING LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover		375,281	128,470
Cost of sales		(17,900)	(8,550)
<b>GROSS PROFIT</b>		<b>357,381</b>	<b>119,920</b>
Administrative expenses		(354,006)	(119,121)
<b>OPERATING PROFIT</b>		<b>3,375</b>	<b>799</b>
Interest receivable and similar income		111	95
<b>PROFIT BEFORE TAX</b>		<b>3,486</b>	<b>894</b>
Tax on profit	4	(719)	(170)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>2,767</b>	<b>724</b>

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 10 to 13 form part of these financial statements.


**CE TRADING LIMITED**  
**REGISTERED NUMBER:09216540**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Investments	5	1	-
		<u>1</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	6	1,026,014	33,007
Current asset investments	7	7,123,994	-
Cash at bank and in hand		3,034,697	86,517
		<u>11,184,705</u>	<u>119,524</u>
Creditors: amounts falling due within one year	8	(4,049,864)	(111,443)
<b>NET CURRENT ASSETS</b>		<u>7,134,841</u>	<u>8,081</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,134,842</u>	<u>8,081</u>
Creditors: amounts falling due after more than one year	9	(7,123,994)	-
<b>NET ASSETS</b>		<u><u>10,848</u></u>	<u><u>8,081</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		100	100
Profit and loss account		10,748	7,981
		<u>10,848</u>	<u>8,081</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:

DocuSigned by:  
  
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**C. Wace**  
Director

Date: 12-Nov-20

The notes on pages 10 to 13 form part of these financial statements.

**CE TRADING LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2019	100	7,981	8,081
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	2,767	2,767
<b>AT 31 MARCH 2020</b>	<b>100</b>	<b>10,748</b>	<b>10,848</b>

The notes on pages 10 to 13 form part of these financial statements.

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

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 April 2018	100	7,257	7,357
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	724	724
<b>AT 31 MARCH 2019</b>	<b>100</b>	<b>7,981</b>	<b>8,081</b>

The notes on pages 10 to 13 form part of these financial statements.

## **CE TRADING LIMITED**

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

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#### **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 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS**

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

##### **2.4 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.

## **CE TRADING LIMITED**

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

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## **2. ACCOUNTING POLICIES (continued)**

### **2.5 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

Loans and other investments made by CE Trading Limited and its subsidiary are included in the balance sheet as current assets. An annual review of the viability of investments is carried out by CE Trading 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.

### **2.6 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.

### **2.7 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.

### **2.8 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.

### **2.9 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.

### **2.10 INTEREST INCOME**

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

### **2.11 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.

## **3. EMPLOYEES**

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

**CE TRADING LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020****4. TAXATION**

	2020 £	2019 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	719	170
<b>TOTAL CURRENT TAX</b>	<u>719</u>	<u>170</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

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

**5. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>COST OR VALUATION</b>	
Additions	1
At 31 March 2020	<u>1</u>

**6. DEBTORS**

	2020 £	2019 £
Trade debtors	23,971	7,200
Amounts owed by group undertakings	999,999	-
Other debtors	2,044	25,807
	<u>1,026,014</u>	<u>33,007</u>

**7. CURRENT ASSET INVESTMENTS**

	2020 £	2019 £
Unlisted investments	7,123,994	-
	<u>7,123,994</u>	<u>-</u>

**CE TRADING LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020****8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade creditors	4,698	18
Amounts owed to group undertakings	384,244	108,670
Corporation tax	719	170
Accruals and deferred income	3,660,203	2,585
	<u>4,049,864</u>	<u>111,443</u>

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

	2020 £	2019 £
Accruals and deferred income	7,123,994	-
	<u>7,123,994</u>	<u>-</u>

**10. RELATED PARTY TRANSACTIONS**

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

**11. CONTROLLING PARTY**

The ultimate 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.