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Creative and Cultural Industries Trading Limited

Financial Statements

For the year ended

31 March 2016

Company Registration Number 06627718

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Creative & Cultural Industries Trading Limited
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Year ended 31 March 2016

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Creative & Cultural Industries Trading Limited

Year ended 31 March 2016

Directors

The directors who served the company during the year were as follows:

Dr M B Penny - Chairman
Mr B Raven
Mr R J C Millar
Ms PA Tambling
Ms CA Large - resigned 21/4/16
Mr R I C Green - resigned 22/4/15

Company Secretary

Keith Arrowsmith

Principal Office: The Backstage Centre, High House Production Park, Vellacott Close, Purfleet Bypass, Purfleet, Essex, RM19 1RJ

Auditor: RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Chartered Accountants & Statutory Auditor, 25 Farringdon Street, London, EC4A 4AB

Bankers: Barclays Bank plc, 29 Borough High Street, Southwark, London SE1 1LY

Creative & Cultural Industries Trading Limited

Directors' Report

Year ended 31 March 2016

Directors' Annual Report

The Directors submit their report and financial statements of Creative and Cultural Industries Trading Limited (CCIT) for the year ended 31 March 2016.

Background

Creative & Cultural Industries Trading Limited is a company limited by shares of which the single shareholder is Creative & Cultural Industries Limited (the Charity).

Principal Activities

The company manages and operates The Backstage Centre in Purfleet, Essex, a purpose-built facility for technical theatre and live events training and rehearsal. It also manages any other trading activity for Creative & Cultural Industries Limited (the Charity). Creative & Cultural Industries Limited (the charity) has its main office within The Backstage Centre.

The Backstage Centre is owned by High House Production Park (the charity that runs the Park). CCIT Ltd has a 125-year lease which was drawn up in 2012.

Activity in the Year

Between April 2015 and March 2016 the activity of the company included operating The Backstage Centre as a hire-able space and building up training activity.

In the past year activity has included:

- Hosting Further Education technical, music and production courses delivered by South Essex College;
- Industry hires of the Sound Stage, dance studio, recording studio, classrooms and working spaces;
- Hosting events including with the Royal Opera House and Thurrock Community Choir, the National Skills Academy's annual industry conference and local community events;
- Running The Backstage Centre's Technical Youth Company, a training programme for 13-22 year olds, giving them opportunities to develop work experience;
- Careers events delivered in partnership with industry experts.

Going Concern

Since October 2012 CCIT Ltd has been operating as a new start-up business and has made a strong start in developing its customer and user-base in line with its business plan. 2014-15 was the first full year of stable operation and the company had a good year in delivering its trading objectives, this has continued into 2015-16.

The directors consider the Company to be a going concern.

Creative & Cultural Industries Trading Limited
Directors' Report
Year ended 31 March 2016

In 2012 Creative & Cultural Industries Limited (the parent company) put in place a commercial loan secured against assets to provide up to £320,000 of working capital to set up the business. Since 2012 CCIT Ltd has repaid annual interest on this loan and started to repay capital in September 2015.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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:

- o select suitable accounting policies and then apply them consistently;
- o make judgments and accounting estimates that are reasonable and prudent;
- o state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- o 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 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

In preparing the Directors' Report, advantage has been taken of the small companies exemption.

On behalf of the board



Dr M.B. Penny
Chairman

Date 20/9/2016

Creative and Cultural Industries Trading Limited

Independent Auditors' Report

As at 31 March 2016

We have audited the financial statements on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 auditor's 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 auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Auditing Practices Board's (APB'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 <http://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 2016 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 the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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
- if small - 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 from the requirement to prepare a strategic report or in preparing the directors' report

Creative and Cultural Industries Trading Limited
Independent Auditors' Report
As at 31 March 2016

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

Date *12 October 2016*

Creative & Cultural Industries Trading Limited
Statement of Income and Retained Earnings
For the year ended 31 March 2016

Company Registration No 06627718

| | <i>Notes</i> | 2016 £ | 2015 £ |
|---|--------------|------------------|------------------|
| TURNOVER | | 667,175 | 719,560 |
| OTHER OPERATING INCOME | | 85,844 | 122,110 |
| Administrative expenses | | (782,679) | (800,102) |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION and Total Comprehensive Income for the year | 1 | <u>(29,660)</u> | <u>41,568</u> |
| Reserves brought forward | | <u>(92,012)</u> | <u>(133,580)</u> |
| Reserves carried forward | | <u>(121,672)</u> | <u>(92,012)</u> |

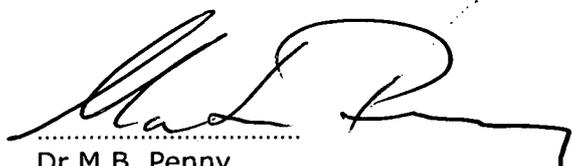
No separate Statement of Changes in Equity has been presented as all such gains and losses have been dealt with in the above.

Creative & Cultural Industries Trading Limited
Statement of Financial Position
31 March 2016

Company Registration No 06627718

| | Notes | 2016 £ | 2015 £ |
|--|-------|-------------------------|------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 3 | <u>5,498,889</u> | <u>5,610,314</u> |
| CURRENT ASSETS | | | |
| Debtors | 4 | 249,033 | 252,343 |
| Cash at bank and in hand | | <u>96,262</u> | <u>175,340</u> |
| | | 345,295 | 427,683 |
| CREDITORS | | | |
| Amounts falling due within one year | 5 | <u>483,630</u> | <u>501,605</u> |
| NET CURRENT (LIABILITIES) | | <u>(138,335)</u> | <u>(73,922)</u> |
| Long term liabilities | 6 | <u>5,482,225</u> | <u>5,628,403</u> |
| TOTAL ASSETS LESS TOTAL LIABILITIES | | <u><u>(121,671)</u></u> | <u><u>(92,011)</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 1 | 1 |
| Profit and loss account | 10 | <u>(121,672)</u> | <u>(92,012)</u> |
| SHAREHOLDER'S FUNDS | | <u><u>(121,671)</u></u> | <u><u>(92,011)</u></u> |

The financial statements on pages 6 to 13 were approved by the board of directors and authorised for issue on 20/9/2016 and are signed on their behalf by:


 Dr M.B. Penny
 Director

Creative & Cultural Industries Trading Limited

Notes to the Financial Statements

For the year ended 31 March 2016

BASIS OF ACCOUNTING

COMPANY INFORMATION

Creative & Cultural Industries Limited is a limited company domiciled and incorporated in England and Wales. The registered office is The Backstage Centre, High House Production Park, Vellacott Close, Purfleet, Essex, RM19 1RJ. The company's principal activities are disclosed in the Directors' Report

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

THE TRANSITION TO FRS 102

These financial statements are the first financial statements of Creative & Cultural Industries limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Creative & Cultural Industries Limited for the year ended 31 March 2015 were prepared in accordance previous UK GAAP.

At 1 April 2014, the date of transition from previous UK GAAP to FRS 102, there was no effect on the company equity. At 31 March 2015, the date of the comparative period previously reported under previous UK GAAP, there was no transitional effect on the company equity or company profit. Therefore, comparative figures did not need to be restated as there were no transition adjustments identified.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP, consequently the directors have amended certain policies and taken advantage of exemptions.

Creative & Cultural Industries Trading Ltd as part of Creative & Cultural Industries Ltd (Group) meets the definition of a public benefit entity under FRS 102.

REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values
- Section 33 'Related Party Disclosures'

Creative & Cultural Industries Limited, as the ultimate parent entity prepares consolidated financial statements incorporating the results of both entities.

Creative & Cultural Industries Trading Limited
Notes to the Financial Statements
For the year ended 31 March 2016

CASH FLOW STATEMENT AND RELATED PARTY DISCLOSURES

As Creative & Cultural Trading Limited is a wholly owned subsidiary and the consolidated financial statements of the ultimate parent entity, Creative & Cultural Industries Limited, are publicly available, advantage has been taken of the exemption available under FRS 102 section 1, paragraph 12, from the presentation of a cash flow statement. The company is also exempt from disclosing related party transactions with the Creative & Cultural Industries Limited.

GOING CONCERN

The financial statements have been prepared on the going concern basis. Financial budgets are set at least a year in advance and management accounts are presented monthly to the Board throughout the financial year to report on progress against budget. Any changes in funding within the year are reflected as soon as practicable and action is taken by management to ensure that the Company spends within its available resources. In the opinion of the trustees, there are no judgements made that have a significant effect on the amounts recognised in the financial statements nor any key assumptions or estimates made which might cause a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

TURNOVER

The turnover of the Company consists of income from hires of space and equipment.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | |
|---------------------|--|
| Long Leasehold | Over the period of the lease – 125 years |
| Other Equipment | 33% straight line |
| Fixtures & Fittings | 10% straight line |
| Furniture | 20% straight line |

Depreciation is charged from the period in which the assets are brought into use by the entity.

Items of a capital nature are reviewed for their purpose and are capitalised where they are considered to provide an ongoing use to the company.

CAPITAL GRANTS

Where assets are acquired with the aid of specific grants, they are capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the profit and loss account over the expected useful economic life of the related asset.

JUDGEMENTS / UNCERTAINTIES

In the opinion of the trustees, there were no judgements made that have a significant effect on the amounts recognised in the financial statements nor any key assumptions or estimates made which might cause a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

Creative & Cultural Industries Trading Limited
Notes to the Financial Statements
For the year ended 31 March 2016

FINANCIAL ASSETS AND LIABILITIES

The charity only holds basic financial instruments, which comprise trade and other debtors, accrued income, trade and other creditors and accruals which/and are initially recognised at transaction value and subsequently measured at their settlement value.

TAXATION

The tax expense represents the sum of the current tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RETIREMENT BENEFITS

The company operates a defined contribution pension scheme with pensions provided under an insurance company scheme. Contributions payable by the company are charged to the Statement of income and retained earnings as they accrue.

Creative & Cultural Industries Trading Limited
Notes to the Financial Statements
For the year ended 31 March 2016

1. OPERATING LOSS

| | | |
|--|--------------|--------------|
| Operating loss is stated after charging: | 2016 | 2015 |
| | £ | £ |
| Auditor's fees (net of VAT) | 3,450 | 3,450 |
| | <u>3,450</u> | <u>3,450</u> |

2. STAFF COSTS

The aggregate payroll costs were:

| | | |
|-----------------------|----------------|----------------|
| | 2016 | 2015 |
| | £ | £ |
| Wages and salaries | 134,065 | 164,671 |
| Social security costs | 10,223 | 14,395 |
| Other pension costs | 11,269 | 9,570 |
| | <u>155,557</u> | <u>188,636</u> |

The average monthly number of employees during the year were:

| | | |
|------------------|----------|----------|
| | 2016 | 2015 |
| | No. | No. |
| Administration | 2 | 2 |
| Project delivery | 2 | 5 |
| | <u>4</u> | <u>7</u> |

3. TANGIBLE FIXED ASSETS

| | Building | Furniture | Computer & Office Equipment | Fixtures & Fittings | Total |
|---------------------|------------------|----------------|-----------------------------------|------------------------|------------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 April 2015 | 5,259,051 | 137,497 | 133,241 | 457,569 | 5,987,358 |
| Additions | 11,748 | - | 1,790 | 14,220 | 27,758 |
| At 31 March 2016 | <u>5,270,799</u> | <u>137,497</u> | <u>135,031</u> | <u>471,789</u> | <u>6,015,116</u> |
| Depreciation | | | | | |
| At 1 April 2015 | 104,823 | 64,722 | 110,231 | 97,268 | 377,044 |
| Charge for the year | 42,120 | 27,499 | 22,988 | 46,576 | 139,183 |
| At 31 March 2016 | <u>146,943</u> | <u>92,221</u> | <u>133,219</u> | <u>143,844</u> | <u>516,227</u> |
| Net book value | | | | | |
| At 31 March 2016 | <u>5,123,856</u> | <u>45,276</u> | <u>1,812</u> | <u>327,945</u> | <u>5,498,889</u> |
| At 31 March 2015 | <u>5,154,228</u> | <u>72,775</u> | <u>23,010</u> | <u>360,301</u> | <u>5,610,314</u> |

Creative & Cultural Industries Trading Limited
Notes to the Financial Statements
For the year ended 31 March 2016

| 4. DEBTORS | 2016 | 2015 |
|---|-------------------------|-------------------------|
| | £ | £ |
| Trade debtors | 138,269 | 69,131 |
| Accrued income | 6,727 | 80,123 |
| Other debtors | 104,037 | 103,089 |
| | <u>249,033</u> | <u>252,343</u> |
| | <u><u>249,033</u></u> | <u><u>252,343</u></u> |
| | | |
| 5. CREDITORS: Amounts falling due within one year | 2016 | 2015 |
| | £ | £ |
| Trade creditors | 3,483 | 9,810 |
| Amounts owed to group undertakings | 232,985 | 224,300 |
| Other creditors and deferred income | 86,650 | 98,206 |
| VAT | 21,329 | 9,934 |
| Deferred capital grant | 139,183 | 159,355 |
| | <u>483,630</u> | <u>501,605</u> |
| | <u><u>483,630</u></u> | <u><u>501,605</u></u> |
| | | |
| 6. CREDITORS: Amounts falling due in greater than one year | 2016 | 2015 |
| | £ | £ |
| Amounts owed to group undertakings | 152,000 | 190,000 |
| Deferred capital grant | 5,330,225 | 5,438,403 |
| | <u>5,482,225</u> | <u>5,628,403</u> |
| | <u><u>5,482,225</u></u> | <u><u>5,628,403</u></u> |

Included in the above is approximately £4.5m due in greater than five years (2015: £4.5m).

| Deferred Income | Balance at 1 April 2015 | Released to Profit and Loss | New Deferrals | Balance at 31 March 2016 |
|------------------|-------------------------------|-----------------------------------|----------------------|--------------------------------|
| Deferred capital | <u>5,597,758</u> | <u>(138,976)</u> | <u>10,626</u> | <u>5,469,408</u> |
| | <u><u>5,597,758</u></u> | <u><u>(138,976)</u></u> | <u><u>10,626</u></u> | <u><u>5,469,408</u></u> |

7. COMMITMENTS

The company entered into a 125 year lease in respect of the building at Purfleet which was occupied on completion of the construction in October 2012. At that time a premium of £100,000 became payable, the principal rent thereafter being one peppercorn.

Creative & Cultural Industries Trading Limited
Notes to the Financial Statements
For the year ended 31 March 2016

8. RELATED PARTY TRANSACTIONS

As at 31 March 2016 the company owed Creative and Cultural Industries Limited, its parent undertaking, an amount of £232,985 (2015: £224,300) which is shown in short term creditors.

The parent company has provided a loan facility of working capital up to £320,000 to the trading Subsidiary, £190,000 of this was drawn down. The first repayment of £38,000 as per the loan agreement has been made in this financial year and the balance is shown within creditors due after more than one year.

Interest paid on the loan during the year was £10,811 (2015: £12,081), which was at 6% above the Bank of England base rate (2015: 6% above the Bank of England base rate).

During the year no Director received any remuneration (2015: Nil).

The Chief Executive Officer of Creative and Cultural Industries Limited is a Board member of High House Production Park. Creative and Cultural Industries Trading Limited supplied services to High House Production Park (HHPP) Ltd for the amount £65,603. CCIT Limited also pays HHPP annual service charge of £52,572 as part of the maintenance and upkeep of the park.

9. SHARE CAPITAL

| | 2016 £ | 2015 £ |
|--|-----------|-----------|
| Allotted, called up and fully paid: 1 Ordinary share of £1 each | 1 = | 1 = |

10. PROFIT AND LOSS ACCOUNT

| | 2016 £ | 2015 £ |
|--------------------------------------|-------------------|-------------------|
| At the beginning of the year | (92,012) | (133,580) |
| (Loss)/Profit for the financial year | (29,660) | 41,568 |
| | <u> </u> | <u> </u> |
| At the end of the year | <u>(121,672)</u> | <u>(92,012)</u> |

11. ULTIMATE PARENT COMPANY

The company is a 100% subsidiary of Creative and Cultural Industries Limited, a company incorporated in England & Wales.

Creative and Cultural Industries is a registered charity whose principal objectives are to advance education for the public benefit by promoting, providing and developing the education of people working or intending to work in museums, cultural heritage, design crafts and arts sectors.

Consolidated accounts are available from Creative & Cultural Skills, The Backstage Centre, High House Production Park, Vellacott Close, Purfleet, Essex, RM19 1RJ

Creative & Cultural Industries Trading Limited
Detailed profit and loss account
For the year ended 31 March 2016

The following page does not form part of the statutory financial statements
which are the subject of the independent auditor's report.

Creative & Cultural Industries Trading Limited
Detailed profit and loss account
For the year ended 31 March 2016

| | 2016 | 2015 |
|-----------------------------------|----------|---------|
| | £ | £ |
| TURNOVER | 667,175 | 719,560 |
| OTHER OPERATING INCOME | 85,844 | 122,110 |
| PERSONNEL COSTS | 158,151 | 177,642 |
| ESTABLISHMENT EXPENSES | 190,446 | 198,475 |
| GENERAL EXPENSES | | |
| Computer & Website expenses | 22,702 | 35,302 |
| Board Meetings | - | - |
| Marketing | 5,922 | 11,902 |
| Auditors Remuneration | 4,300 | 4,300 |
| Interest payable | 10,811 | 12,081 |
| Other Operating expenses | 390,127 | 360,038 |
| | ----- | ----- |
| | 433,862 | 423,623 |
| | ----- | ----- |
| Bank charges | 220 | 362 |
| | ----- | ----- |
| TOTAL ADMINISTRATIVE EXPENSES | 782,679 | 800,102 |
| | ----- | ----- |
| (LOSS)/ PROFIT for financial year | (29,660) | 41,568 |