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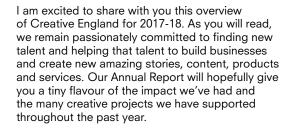
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Caroline Norbury MBE

Creative England Chief Executive



The creative and digital industries play a vital role in England's economy, but they also contribute to creative and cultural wealth and health; they drive innovation and generate jobs, profile and growth.

Our aim at Creative England is to support creative talent to flourish, investing in creative ideas and early stage businesses. Our vision is for our country's creative businesses to be the most successful and innovative in the world.

As highlighted in our annual review, Creative England has increasingly looked to find innovative ways of supporting creative talent; working with brands, broadcasters, content partners and other platforms to grow and scale-up creative enterprises and the talented people who build them.

One way we do this is through investing in great ideas and great companies through our **Business Investment Programme**. Our first fund was fully invested in May 2017 and in total deployed over £16.8m across 5 years, leveraging a further £51m of further private sector investment. Originally created as a programme distributing grants, we re-designed the programme to incorporate a no-to-low interest rate loan product and equity investment and are now actively re-investing our capital back into the creative industries.



We are also proud of the many individual writers, directors and filmmakers we support – many of whom did exceptionally well in 2017-18 – with numerous BAFTA and BIFA nominations and wins. It's gratifying to see how well films such as *Lady Macbeth, Jawbone* and *The Levelling* performed, and we are delighted to have played a part in the career development of the amazing talent behind those titles.

Creative England aspires to reach out across the country, acting as a catalyst to break down the barriers that can inhibit people realising their ideas. I'm incredibly proud of the impact we have had – both of the stories we've helped to reach new audiences and the businesses that our investment has helped to build.

All of this is made possible by the incredible team at Creative England, who I'd like to thank for the continuous positive attitude, hard work and passion that makes Creative England the dynamic constantly evolving organisation it is. I also want to thank our board of non-executive directors and the whole host of public and private partners we have had the pleasure of working with over the past year.

We have had a tremendous year and I do hope you enjoy reading about it.



Creative England Successes 2017-2018

Throughout the year we have seen creative businesses scale-up, first-time filmmakers take their projects to international festivals and enjoy box office success, and games and digital companies receive prestigious industry awards. Here is an overview of our key successes this year.

April 2017

Raising Films launch **Closr**, a development programme for filmmaker parents and carers in the English Regions supported by Creative England

Games company **Mad Fellows** releases *Aaero*, a rhythm-based flying adventure, to strong reviews

Living Lens, one of our first investee companies, closes a £1.3m investment round towards their next stage of growth

Solutions for Retail Brands, a Creative England supported company, secure six figure investment for US expansion

May 2017

iFeatures films *Lady Macbeth, The Levelling* and *Spaceship* receive their UK national release

26 aspiring filmmakers are announced for **shortFLIX**, the short film development programme run in partnership with Sky Arts and National Youth Theatre

Alex Rose Games releases Rude Bear Resurrection and later wins Gamespot's Game of the Year Editor's Choice Award

Creative England's **Regional Growth Fund** closes with £7.9m invested into over 100 companies

Real Gods Require Blood becomes the first British short film to premiere at Cannes Critics Week in eight years



Barclays Eagle Lab Flight closes, with the supported companies given the opportunity to pitch to investors

God's Own Country, developed through **iFeatures** and part-funded by Creative England, wins the Michael Powell Award at Edinburgh International Film Festival after screening as the Opening Gala film. The Full Story wins best short, The Marker has its premiere, and England is Mine is the Closing Gala film

July 2017

Our 'Be More Creative' campaign launches with 'Be More Leeds', a celebration of the creative industries fuelling the Leeds City Region

We invest in East Sussex-based **TuringLab** and Manchester-based **NorthCoders** as part of our **iAmDigital Fund** with the Nominet Trust, aimed at building the next generation of inclusive digital leaders

We take a cohort of producers and location managers on a familiarisation tour of some of Cheshire East's most interesting, historical and varied filming locations, in partnership with Cheshire East Council

We invest £157,000 in nine indie games companies in Leeds City Region as part of **GamesLab Leeds**

We Are Human raises £320,000 in an early seed round. The business is a comprehensive video CV and video interview platform.





August 2017

CE50 company **Evidential** secures Innovate UK grant money to develop a major new research and development programme for its AR product

CE50 games studio **Milky Tea** secures investment from Tencent, one of the world's leading investment funds based in China

Previous Future Leader and CE50 games studio **Nomad Games** releases *Fighting Fantasy Legends*, a role-playing card game set in the world of Fighting Fantasy

Knowledge Bites and Hertfordshire ProConnect support 178 micro-businesses and sole traders

September 2017

Mayor for the West Midlands, Andy Street, announces the reopening of the **West Midlands Production Fund** at the CIC's national Creative Industries Toolkit event in Birmingham

God's Own Country has its UK release, achieving critical acclaim and box office success

iFeatures' Apostasy has its world premiere at Toronto International Film Festival

We celebrate our work in film with 'Stories About Place', an exclusive drinks reception in London, where we heard from Caroline Norbury MBE, film producer Stephen Woolley, Paul Ashton, Loran Dunn, Moin Hussain, Rubika Shah & Alex Usbourne

The final five **shortFLIX** projects are announced, each receiving in depth development and a production award of up to £10,000

Future Leader and CE50 games studio **Paw Print Games** releases *Bloody Zombies*

Previous CE50 company **Seenit** completes £1.5m funding round

October 2017

We hold the **ProConnect Manchester** *Converge* conference, an event on how games, TV, film, and digital companies can thrive by working together

ProConnect Manchester reaches 268
TV freelancers who all receive mentoring and one-to-one support for their businesses

CE50 company **Hammerhead VR** collaborates with *Microsoft* and *Digital Catapult* to open *Dimension*, one of the world's most advanced volumetric & 3D capture studios

Dan Kokotajlo, director of *Apostasy*, wins the IWC Filmmaker Bursary at London Film Festival, while *Kingdom of Us* wins the Grierson award

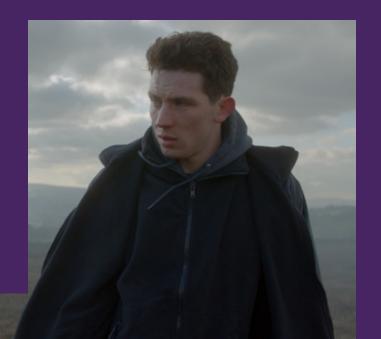
We attend the British Film Commission's annual *UK Film and TV Week* in New York, alongside the UK's national and regional screen agencies, meeting a host of US studios, networks and production companies, providing a direct opportunity to highlight to industry decision-makers the world-class infrastructure, crews and locations available in the UK

November 2017

EPIC Challenge Fund launches, offering grants and product/service development grants to SMEs operating in Cornwall and the Isles of Scilly

Imaginarium Studios releases Planet of the Apes: Last Frontier on PlayStation 4, Xbox One, Android and Microsoft Windows

Creative England supported **Snaptivity** win the 2017 Nokia Open Innovation challenge



December 2017

We partner with Facebook & Creative Review to deliver 'Be More Boss', a campaign celebrating female-led companies with bespoke and original digital artwork by Kate Bones

God's Own Country and Lady Macbeth win 9 British Independent Film Awards between them.

Previous Future Leader and CE50 company **Lockwood Publishing** opens a new studio in Leamington Spa

Digital Accelerator company **SenseEye** raise £3.5m in Series A Funding round

We award follow-on equity investments into portfolio companies **Crowdfunder**, **Seenit** and **Covatic**

iFeatures' Lady Macbeth wins the Discovery prize at the European Film Awards

January 2018

GamesLab Leeds invests £156,000 in 15 indie games companies in the Leeds City Region

Digital Cities, in association with the British Council, connects the UK with six countries of the Western Balkans, launching with a conference in Budva, followed by a schedule of visits and events in London, hosted by Creative England

We partnered with the All Party Parliamentary Group on the **Fourth Industrial Revolution** for an event at parliament, with speeches by Caroline Norbury MBE, the Rt Hon Matt Hancock, award-winning narrative designer Alex McDowell and Alan Mak MP

Lady Macbeth, God's Own Country, Jawbone and Kingdom of Us all receive BAFTA nominations

Emerging Fund supported filmmaker Colin O'Toole wins BAFTA for Best Short Film

Emerging Talent Fund supported Westwood, a documentary on celebrated fashion designer Vivienne Westwood, premieres at Sundance in the World Documentary Competition

CE50 company **Coatsink** releases *Shu*, a beautiful and engrossing platformer game, on Nintendo Switch

Bec Evans, co-founder at **Prolifiko**, is named as a top Female Founder of Tech by Business Cloud

February 2018

We hold 'Be More Manchester', a creativity celebration, across two days with speakers including writer and poet Lemn Sissay MBE, Mayor of Greater Manchester Andy Burnham, film and music producer Ged Doherty and Caroline Norbury MBE

14 Western Balkans creative & digital SMEs come to the UK to learn best practice from SMEs in Bristol and Manchester

iFeatures relaunches and reopens to applications for the 2018 programme with a revised lab structure

We produce a promotional short film for New Forest District Council to encourage filming in the region, premiering at an event in New Forest. The film featured broadcaster and film critic, Mark Kermode

March 2018

Creative England's **GamesLab Leeds** supports 42 indie games companies via workshops and grants in Leeds City Region to release new IP

'Be More Stoke' takes place, with Jawbone Producer, Mike Elliott and Director, Thomas Napper talking about their experience whilst filming in the city along with speakers from the BFI, Social Media Makes Sense, Spearhead Interactive and Rabbit Punch Films

Digital Cities, in association with the British Council, continues with a two-day final UK summit for 69 industry and city administration participants from across the Western Balkans and the UK, in Birmingham

The West Midlands Production Fund relaunches to find great British content across film & TV

Toxic Games releases *Q.U.B.E. 2* with a complete redesign of how the puzzles work and increased complexity



Making a Difference





Put simply, we influence, we invest and we create

We work to influence policy across the creative industries landscape at a national and regional level, as a key agent in creative clusters across the country. We understand our industry at every level, so we advocate for creative people and businesses in key decision-making forums whilst also working on the ground, with hundreds of businesses and content creators across the country.

This year, in partnership with the All Party Parliamentary Group on the Fourth Industrial Revolution, our Westminster reception was addressed by the Secretary of State for Digital, Culture, Media and Sport, who outlined how the creative industries were powering the next era of innovation.

Alongside this, Metro mayors Andy Burnham (Greater Manchester) and Andy Street (West Midlands) supported our events in their respective regions, both highlighting the creative industries as a critical factor in the growth of their thriving cities.

Whilst the creative industries are thriving in the UK, we can't afford to stop there. Standing still is falling back. Our creative exports continue to grow, but studies show that our growth rates are behind our international competitors and so it is imperative that the UK continues to invest for growth.

To enable these businesses to innovate and export they need investment and specialist advice to support their business growth and improve productivity.

When we needed finance, outside of the local regional development grants (which have been disappearing since 2008), Creative England is unique in offering 0% unsecured loans, to finance games and creative media to get off the ground.

– Joel Kemp, Lockwood Publishing

Co-Founder & Director

We invest in storytellers, technologists, innovators and makers with ideas that bring change, disruption and new IP to the creative industries.

Creative England addresses the market failure that prevents small creative businesses from getting the early finance they need to scale-up, by providing the vital first steps on the ladder of growth with investments up to £250,000.

As a specialist investor with sector-specific knowledge, we invest in businesses earlier and at lower levels than traditional venture capitalists. In doing so, we are building a pipeline of businesses that are growing to become strong candidates for further investment.

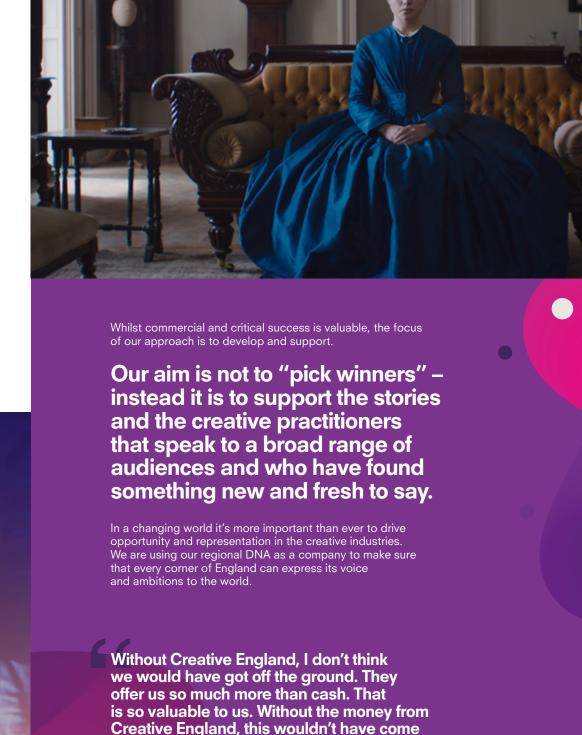
Our investments empower this talent to accelerate change and push the boundaries across multiple sectors in multiple forms – storytelling, immersive entertainment, technology, healthcare, ed-tech, fin-tech and many others. Alongside investment we also provide business support to creative companies across the country at every level, with meaningful development programmes such as ProConnect in Hertfordshire and Manchester, EPIC in Cornwall and Gameslab in Leeds.

Supporting talent to flourish across the country is paramount and many of our film projects reflect the voices of those who often do not see their experiences presented within the mainstream media.

iFeatures, our world-class industry film initiative for new feature film writers and directors, supported by BBC Films, the BFI and Creative Skillset, has unearthed some unique voices and reimagined independent filmmaking. iFeatures developed films such as Lady Macbeth, The Levelling and God's Own Country achieved both critical and commercial success this year.

We have supported new talent from every part of the country to connect to audience and tell stories that reach far and wide – from love and loss on the Yorkshire Moors and Somerset Levels to secrets and lies on East Anglia's Broads and Fens; from alien abduction in the suburbs to grief in a northern shed; from crimes of passion in period Northumberland to the criminal underworld in contemporary Birmingham.

Without Creative England and their understanding of the industry, and the economic climate, we would not have been able to do what we've done' – Jessica Holyland, Duck Soup Films Co-Founder & Director of Finance and Operations



together. Creative England gave momentum

and a level of security and maturity

- Nick Pinks, Covatic Co-Founder & CEO

Making a difference

INFLUENCER: Championing the creative industries

We work proactively to find people who have talent but not the money, connections or even the recognition of their own potential. Just as importantly, we celebrate talent by raising the profile of people and businesses that struggle to get the recognition they deserve.



We pride ourselves on discovering and supporting creative talent in the regions outside of London, and our focus this year was to shine a light on the innovative work that can be found in creative clusters across the country.

We continue to establish ourself as a significant thought-leader and talent accelerator. Through CE50 – our annual showcase of 50 of the most interesting and innovative creative producers and entrepreneurs – we shine a light on the future creative leaders who are making a real impact on the growth and prosperity of our creative industry sector.

In July 2017, we launched our multi-year regional campaign 'Be More Creative', an on-going celebration of creative talent showcasing our country's most creative hubs. We started in Yorkshire with 'Be More Leeds' with high-profile industry leading speakers including Nicola Mendelsohn CBE, co-chair of the Creative Industries Council and VP EMEA of Facebook, lain Smith OBE, Chair of the British Film Commission, Sally Joynson, CEO Screen Yorkshire and Leedsborn BFI Chief Executive Amanda Nevill CBE, really helped to highlight the opportunities for Leeds to make a big impact on the creative industries.

We have since taken 'Be More Creative' to two more cities, Manchester and Stoke-on-Trent. 'Be More Manchester' ran across two days, exploring the exciting opportunities for creative growth and celebrating the voices, companies and organisations from the region. In Manchester, we explored 'The Future of Storytelling' to a room packed out with creatives, policy makers, businesses and brands to hear industry-leading speakers, including an inspirational poem from Lemn Sissay MBE. Mayor of Greater Manchester Andy Burnham announced findings from the NESTA Creative Nation research on how the creative industries contribute to the economy of the region, followed by an insightful discussion with ex-Sony Music CEO and Chairman of the BRIT Awards, Ged Doherty.

'Be More Stoke' featured insightful talks from talent working across film, TV and games in the region, including Mike Elliot of EMU Films, producer of *Jawbone*, a Creative England-backed boxing film shot in the region. This event was held in partnership with Stoke-on-Trent City Council and Platform, Stoke & Staffordshire's moving image cluster organisation.

But we don't just focus on the domestic. In January we were thrilled to partner with the British Council on the 'Digital Cities' programme, promoting collaboration and learning between city administrations and digital entrepreneurs in the UK and the Western Balkans. The programme succeeded in connecting digital business networks and creative hubs from across the UK and the Western Balkans, culminating in working relationships and shared projects across the nations, which were presented at the final conference in March.

We also partnered with Creative Review and Facebook to create the 'Be More Boss' campaign. Together, we sought to encourage more femaleled businesses to seek investment by celebrating some of the female leaders spearheading innovative and exciting work within the creative industries, collaborating with GIF artist and photographer Kate Bones to create cutting-edge digital art, profiling four female leaders within the tech and digital industries. The campaign took place primarily on Instagram and was published in the December issue of Creative Review.







Our focus on early-start investment provides the necessary fuel for creative businesses who often struggle to attract the finance they need.

Originally designed as a programme distributing grants, we re-designed strands within the Business Investment Programme to incorporate a no-to-low interest rate loan product and equity investment. This enables us to utilise returning funds to invest in and support even more creative businesses across the country, and during 2017-18, we recouped £1.6m in loans to re-invest in digital businesses.

GamesLab is our flagship development programme for new and emerging micro games studios. Currently concentrating on the cluster of games start-ups in the Leeds City Region, in 2017/18 we supported 70 companies.

Through our ProConnect programmes in Manchester and Hertfordshire we have supported over 400 film and TV freelancers and micro-businesses looking to put their business on a more sustainable footing.

18%

of the games companies we are working with are female-led

19%

of the companies are led by people from black and minority ethnic communities.

Highlights include The Guardian listing Ava Airborn by LaserDog as one of the 'Top 12 UK Games' at the flagship games expo EGX and a deal between Fierce Kaiju and Oculus.





shortFLIX is a first step for young people looking for a career in media and an opportunity for them to make their short film. It provides aspiring new filmmakers aged 18-25 with the skills and tools they need to gain access to the industry and develop a short film, which is then broadcast on Sky Arts.

Following an open call to talent, with ambassadors Noel Clarke (Star Trek into Darkness, Adulthood, Kidulthood), Riz Ahmed (Rogue One: A Star Wars Story, Four Lions, Jason Bourne) and Ellie Kendrick (Game of Thrones, The Levelling, An Education), over 300 applicants were whittled down to 26 participants who underwent training and intensive development, gaining significant practical skills and experience. The final five filmmaking teams then received £10,000 to create their films. Ladies Day, Nosebleed, Batty Boy, Losing It and Together, They Smoke were all broadcast on Sky Arts on 24th May 2018 and made available for download across Sky's on-demand services for 6 months.

In 2017/18, Creative England-backed films received BAFTA nominations for Lady Macbeth, God's Own Country, Jawbone and Kingdom of Us; multiple BIFA wins, and others including a Grierson Award for Kingdom of Us and an Empire award for Jawbone.

There were ten wins at the 2017 BIFAs and BAFTA nominations for Lady Macbeth, God's Own Country, Jawbone and Kingdom of Us; a Scottish BAFTA win for The Levelling; Hope Dickson Leach (The Levelling) and Dan Kokotajlo (Apostasy) winning the IWC Schaffhausen Filmmaker Bursary Award in association with the BFI in 2016 and 2017 respectively.

iFeatures is quickly becoming the UK's first-rate launch pad for new feature filmmakers. iFeatures films have not only been critically acclaimed, they have also performed commercially – with Lady Macbeth receiving distribution in 23 territories and achieving \$5.3m global box office, and God's Own Country (developed via iFeatures and funded through Creative England's Production Fund) achieving the most successful British debut opening weekend in UK cinemas for over 20 years.

Creative England also supports new talent in games and May 2017 saw Alex Rose Games release Rude Bear Resurrection to a number of high-praising reviews. Elsewhere Nomad Games released Fighting Fantasy; Paw Print Games released Bloody Zombies and Toxic Games released VR title Q.U.B.E. 2. Nottingham-based Lockwood Games, who Creative England has supported via the Business Investment Programme, have enjoyed tremendous growth thanks to their hugely popular game Avakin Life, and this year opened a new development studio in Leamington Spa.

Investments & Financial overview FY 17-18

Total investment

£4,605,242

£4.6m has been invested at year end 2017/18

£2,939,571

Digital & Games companies

£1,665,671

Film projects

Production Services



Statement of Comprehensive Income 2017-18 2016-17 Income 7,690,933 8,208,619 (5,901,843) (6,282,291) **Direct Expenses GROSS SURPLUS** 1,789,090 1,926,328 (1,746,995)(1,892,156)**Operating Costs OPERATING SURPLUS** 42,095 34,172 2,538 11,421 **Interest Receivable SURPLUS BEFORE TAXATION** 44,633 45,593 Tax on Surplus (1,013)(3,362)**SURPLUS FOR THE FINANCIAL YEAR** 42,231 43,620

Digital & Games Companies: NW SE SW WM Y&H Out of Awards

Statement of Financial Position	2018	2017
FIXED ASSETS		
Tangible assets	£28,948	£37,332
Investments	£150	£150
TOTAL	£29,098	£37,482
CURRENT ASSETS		_
Debtors: amounts falling due within one year	£913,201	£1,754,465
Current asset investments	£7,354,206	£9,491,025
Cash at bank and in hand	£9,843,141	£9,960,380
TOTAL	£18,110,548	£21,205,870
Creditors: amounts falling due within one year	-£9,797,814	-£10,818,590
NET CURRENT ASSETS	£8,312,734	£10,387,280
TOTAL ASSETS LESS CURRENT LIABILITIES	£8,341,832	£10,424,762
Creditors: amounts falling due after more than one year	-£7,540,677	-£9,667,227
NET ASSETS	£801,155	£757,353
CAPITAL AND RESERVES		_
Income and expenditure account	£801,155	£757,535
-		

Included in the group cash amounts above are the following balances held on trust and committed for specific investment activities and cannot be used to fund general activity; a) £2,574,464 (2017: £1,908,972) Lottery (British Film Institute) Funds b) £3,408,883 (2017: £5,004,205) Regional Growth Funds c) £2,329,074 (2017: £2,111,810) Advantage Media Production/ West Midlands Production Funds

Investments

Financial Overview FY 17-18

CE Lottery Awards FY 2017-18

Project Title	Organisation Name	Grant Amount
iFeatures 4 Production - Various Titles	iFeatures Limited	478,650
The Dynamite Room	Stray Bear Productions	10,000
Attrition	Artemisia Films Ltd	5,000
Frozen Assets	Rook Films Ltd	10,000
Roofrapper	Third Films Ltd	30,000
Duffy	Mint Pictures Ltd	15,750
God's Own Country	Shudder Films	500
Calibre	Calibre Films Ltd	1,500
Beasts	Sona Films Ltd	4,080
The Full Story	Life-Size Films	8,900
In Our Blood	Forge Films Ltd	14,500
Creative Producer Award	Haus Pictures	2,000
Creative Producer Award	Finite Productions	2,000
Creative Producer Award	Candle & Bell Limited	2,000
Censor	Silver Salt Films	20,000
Talent Centres 2017/18 Programme	Direct Lottery Award	29,935
iFeatures 5	iFeatures Limited	500,000
Creative Producer Award	Named Individual	2,000
Creative Producer Award	Named Individual	2,000
STINE	Candle & Bell Limited	30,000
War Paint	Named Individual	36,706
Creative Producer Award	Named Individual	2,000
Creative Producer Award	Named Individual	2,000
Creative Producer Award	Named Individual	2,000
Creative Producer Award	Named Individual	2,000
Creative Producer Award	Named Individual	2,000
Starting The End	EMU Films Ltd	16,000

Holy Cannelloni	Bluebird Pictures	31,500
Tuesday	Gingerbread Pictures Ltd	20,000
Woe is Me	Elation Pictures Ltd	50,000
Beautiful Ones	Delval Films	1,500
When The Night Comes	Haus Pictures	18,000
Lion and Panther	Little House Productions	18,750
The Stomach	Fume Films Ltd	13,500
I'll See Myself Out	Jeva Films Limited	5,500
4REAL	Streetcar Productions	8,000
Night Run	MSE Media Ltd	9,500
Strange Cities Are Familiar	Candle & Bell Limited	30,000
There is Light	Wellington Films Ltd	16,000
Pressing Matters	Named Individual	9,500
Shepherd	Stray Bear Productions Ltd	11,000
Caring Sharing	SulkyBunny Ltd	15,000
Dumbarton Road	The Bureau Film Company	19,500
Devil's River	Inflammable Films	6,750
Mr Tumble: The Movie	Headline Pictures	60,000
Hertfordshire ProConnect	Alexander Personal Management	5,000
Hertfordshire ProConnect	Interactive Imagination Limited	5,000
Pretty Red Dress	Teng Teng Films Ltd	17,000
The Tunnel	Griffin Pictures Ltd	30,000
ВОУ	Moxie Pictures	11,150
Things We Never Said	Blue Neil Ltd	11,000
Summerhill	Named Individual	11,000

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Investments & Financial Overview FY 17-18

Partner support

Our activity is supported by a variety of partners including the National Lottery, the BFI, the Regional Growth Fund and the European Regional Development Fund. In addition, we would like to thank the following individuals and organisations for their generous support in 2017–2018

Commercial Partners & Sponsors

Allied London
BBC Films
Barclays
British Council
Business Growth Hub
Cornwall LEP
Creative Skillset
Elstree Studios
Entertainment One
Facebook
Roundhouse Trust

Great Point Media Imaginarium Studios Manchester Growth Company Marketing Society Microsoft National Youth Theatre Silicon South Sky Arts Social Tech Trust Stoke-on-Trent City Council University of Plymouth

Board members

John Newbigin OBE Karen Blackett OBE Belinda Budge Matthew Coats Pardeep Duggal Irene Graham Ian Livingstone CBE Danny Perkins Neil Rami Andrea Stark Charles Wace Andrew Chitty Richard Klein Bill Lawrence Jonnie Turpie

Filming Partners

Local Authority Partners within the English Regions Film Office Partners

