

Den Creative Limited

Report and Financial Statements

For the year ended

31 December 2020

Company Number 07113885



Den Creative Limited

Report and financial statements for the year ended 31 December 2020

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Directors

S Newton
W Kingston

Registered office

12 Helmet Row, London, EC1V 3QJ

Company number

07113885

Independent auditor

Crowe U.K. LLP, Riverside House, 40-46 High Street, Maidstone, Kent, ME14 1JH

Den Creative Limited

Directors' report for the year ended 31 December 2020

The Directors present their report together with the audited financial statements for the year ended 31 December 2020.

Results

The statement of comprehensive income and retained earnings is set out on page 6 and shows the profit for the year.

The Directors do not recommend a dividend in relation to the year (2019: £Nil).

Principal activity

The ultimate holding company is Elixirr International Plc. The Company is a wholly owned subsidiary of Elixirr Creative Limited.

The Company provides design and creative consultancy services to a range of clients including other entities within the group controlled by Elixirr International Plc ("Group").

Directors

The Directors who held office during the year and to the date of this report are as follows:

S Newton
W Kingston

Going concern

After making enquiries into the future trading forecasts and cash requirements, the Directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to meet its obligations and continue in operational existence for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the Directors' report and accounts. Further information in relation to going concern is disclosed in note 1 to the financial statements.

Director's 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Den Creative Limited

Directors' report (continued) for the year ended 31 December 2020

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.

Post balance sheet events and future developments

Since the period ended 31 December 2020, the Company and Group have traded well with revenue growing and margins proving resilient. The Group continues to successfully execute its business strategy,

Auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Crowe U.K. LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in Financial Reporting Standard 102. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

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

On behalf of the Board



**S Newton
Director**

16 September 2021

Den Creative Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF DEN CREATIVE LIMITED

Opinion

We have audited the financial statements of Den Creative Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income and Retained Earnings and the Statement of Financial Position, and the notes to the financial statements, 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 December 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 Auditor's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's 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.

Den Creative Limited

Independent auditor's report (continued)

Opinions 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 period 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 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 Statement of Director's Responsibilities, 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

Den Creative Limited

Independent auditor's report (continued)

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included:

- enquiry of management about the company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the board meeting minutes;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

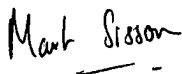
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Mark Sisson (Senior Statutory Auditor)

For and on behalf of

Crowe U.K. LLP
Riverside House
40-46 High Street
Maidstone
Kent
ME14 1JH
21 September 2021

Den Creative Limited

Statement of comprehensive income and retained earnings for the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover		2,919,145	1,251,342
Cost of sales	3	(1,442,836)	(537,879)
Gross profit		1,476,309	713,463
Administrative expenses		(178,323)	(395,300)
Operating profit/(loss), being profit/(loss) on ordinary activities before taxation	5	1,297,986	318,163
Taxation on (profit)/loss from ordinary activities	6	(247,364)	(62,599)
Profit/(loss) and total comprehensive income/(loss) for the financial year		1,050,622	255,564
Retained earnings at the beginning of the year		231,487	(24,077)
Retained earnings at the end of the year		1,282,109	231,487

All results relate to continuing operations.

The notes on pages 8 to 13 form part of these financial statements.

Den Creative Limited

Statement of financial position as at 31 December 2020

Company number 07113885	Note	2020 £	2019 £
Non-current assets			
Property, plant and equipment	7	1,145	-
Total non-current assets		<u>1,145</u>	<u>-</u>
Current assets			
Debtors	8	1,429,627	1,166,274
Cash at bank		190,344	235,836
Total current assets		<u>1,619,971</u>	<u>1,402,110</u>
Total assets		1,621,116	1,402,110
Creditors: amounts falling due within one year	9	(339,005)	(1,170,621)
Net current assets		<u>1,280,966</u>	<u>231,489</u>
Total assets less current liabilities		<u>1,282,111</u>	<u>231,489</u>
Capital and reserves			
Called up share capital	10	2	2
Retained earnings		1,282,109	231,487
Shareholders' funds		<u>1,282,111</u>	<u>231,489</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 16 September 2021.



S Newton
Director

The notes on page 8 to 13 form part of these financial statements.

Den Creative Limited

Notes forming part of the financial statements for the year ended 31 December 2020

1 Accounting policies

Den Creative Limited is a private company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the Directors' report. The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

Disclosure exemptions

In preparing the separate financial statements of the Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the Company as the results are included in the totals for the group as a whole in the consolidated financial statements of the ultimate parent (note 11); and
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole in the consolidated financial statements of the ultimate parent (note 11); and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company as their remuneration is included in the total for the group as a whole in the consolidated financial statements of the ultimate parent (note 11).

The following principal accounting policies have been applied:

Going concern

At the date of these financial statements, Group revenue has increased on the prior year comparable period and the Company's ultimate holding company is well capitalised following its admission to AIM.

The Directors have prepared cash flow forecasts for the Group for a review period of 12 months from the date of approval of these financial statements. These forecasts reflect an assessment of current and future market conditions and their impact on the Group's future cash flow performance.

Having considered these forecasts, the Directors remain confident in the long-term future prospects for the Group and the Company, and their ability to continue as going concerns for the foreseeable future. They therefore adopt the going concern basis in preparing the financial statements of the Company.

Presentation and functional currency

The Company's presentational and functional currency is pound sterling.

Turnover

Turnover is derived from the provision of creative and design consultancy services as part of the Elixirr group. Turnover recognised is determined by the value of services provided at the statement of financial position date invoiced on a time and materials, fixed fee or retainer basis dependent on the service provided.

Taxation

Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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 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 taxable income.

Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Tangible assets

Tangible assets are stated at cost net of accumulated depreciation and accumulated impairment losses.

Costs comprise purchase costs together with any incidental costs of acquisition.

Depreciation is provided to write down the cost less the estimated residual value of all tangible fixed assets by equal instalments over their estimated useful economic lives on a straight-line basis. The following rates are applied:

Tangible fixed asset	Useful economic life
Computer equipment	3 years

Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued;
- Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgements and key estimations:

- Determination of whether amounts recorded in trade debtors are recoverable. In making this determination, the debtor's liquid resources, and current and future cash generation capacity are considered.

Den Creative Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

3 Employees

	2020 £	2019 £
Staff costs consist of:		
Wages and salaries	148,707	465,867
Social security costs	16,114	38,255
Other pension costs	3,140	33,757
	<u>167,961</u>	<u>537,879</u>

2019 staff costs include wages and salaries, social security costs and other pension costs recharged to the Company by Elixirr Creative Limited. In 2020 Elixirr Creative Limited's recharge of wages and salaries, social security costs and other pension costs are included within cost of sales as a management fee recharge.

The average number of persons employed by the company (including Directors) during the year, analysed by category, was as follows:

	2020 Number	2019 Number
Provision of services	3	3
Administration	1	1
	<u>4</u>	<u>4</u>

The Company operates a personal defined contribution pension plan for which the Company collects contributions on behalf of the scheme and employees. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period. The scheme is not operated by the Company and the assets of the scheme are held separately from those of the Company in an independently administered fund.

4 Directors' remuneration

The Directors received no emoluments in their capacity as officers of the Company during their period of service. Their remuneration is borne by other group companies, wholly in respect of their services to those parts of the group where they have primary responsibility.

5 Operating profit/(loss)

	2020 £	2019 £
This has been arrived at after charging:		
<i>Auditor's remuneration</i>		
Audit of these financial statements	<u>6,000</u>	<u>6,500</u>

The amount disclosed for the audit of the Company's financial statements is settled by Elixirr Consulting Limited.

Den Creative Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

6 Taxation on profit/(loss) on ordinary activities

	2020 £	2019 £
<i>Current tax</i>		
Current tax on income for the year	246,566	58,467
Adjustments in respect of prior periods	798	-
Total current tax	<u>247,364</u>	<u>58,467</u>
<i>Deferred Tax</i>		
Decrease/(increase) in deferred tax asset	-	4,132
Total deferred tax	<u>-</u>	<u>4,132</u>
Taxation on profit/(loss) on ordinary activities	<u>247,364</u>	<u>62,599</u>

Numerical reconciliation of tax

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19%.

	2020 £	2019 £
Profit/(Loss) on ordinary activities before tax	<u>1,297,986</u>	<u>318,163</u>
Profit/(loss) on ordinary activities multiplied by rate of tax	246,617	60,451
Expenses not deductible	163	404
Adjustments in respect of prior years	798	-
Other timing differences	(215)	-
Deferred tax adjustment in respect of prior periods	-	1,744
Total tax charge for year (see above)	<u>247,363</u>	<u>62,599</u>

Den Creative Limited

Notes forming part of the financial statements
for the year ended 31 December 2020 (continued)

7 Property, plant and equipment

	Computer Equipment £	Total £
Cost		
01 January 2020	-	-
Disposals	-	-
Additions	1,249	1,249
At 31 December 2020	1,249	1,249
Accumulated depreciation		
01 January 2020	-	-
Disposals	-	-
Charge for the year	(104)	(104)
At 31 December 2020	(104)	(104)
Net book value		
At 31 December 2019	-	-
At 31 December 2020	1,145	1,145

8 Debtors

	2020 £	2019 £
Trade debtors	43,494	78,172
Other debtors	-	422
Related party receivable	-	119,313
Amounts due from other group entities	149,427	30,839
Amounts due from parent entity	1,265,129	937,528
Work in progress	27,956	-
	1,486,006	1,166,274

All amounts fall due for repayment within one year.

Den Creative Limited

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts due to other group entities	56,379	994,474
Other taxation and social security	60,238	56,583
Deferred revenue	8,949	37,570
Trade creditors	3,738	16,742
Other creditors and accruals	19,497	10,918
Corporation tax	246,582	54,334
	395,383	1,170,621

10 Share capital

	2020 £	2020 Number	Allotted, called up and fully paid 2019 £	2019 Number
Ordinary shares of £1 each	2	2	2	2

The Company has one class of ordinary shares which carry no right to fixed income.

11 Related party transactions

There were no related party transactions outside of the Group which were concluded under abnormal market conditions. Group related party transactions have not been disclosed as the transactions were between wholly owned subsidiaries.

12 Ultimate controlling party

On 1 July 2019, Elixirr Creative Limited was acquired by Elixirr Consulting Limited as part of a restructure of the group of entities formerly owned by Elixirr Partners LLP (company number OC365706). As a further step in the restructure, Elixirr International Plc acquired Elixirr Consulting Limited on 15 July 2019.

The Company continues to be a wholly owned subsidiary of Elixirr Creative Limited. The Company's immediate controlling party is Elixirr Consulting Limited (company number 11723371) and ultimate controlling party is Elixirr International Plc (company number 11723404), both incorporated in the United Kingdom. The registered office of Elixirr International Plc is 12 Helmet Row, London, EC1V 3QJ.