

Company registration number 08554978 (England and Wales)

CREATIVE AUTO-ENROLMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

CREATIVE AUTO-ENROLMENT LIMITED

COMPANY INFORMATION

Directors	N M Gough S A Webber D I White T A Clutterbuck D C Howarth	(Appointed 13 April 2022) (Appointed 13 April 2022)
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Company number	08554978
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Registered office	Cannon Place 78 Cannon Street London England EC4N 6AF
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Auditor	Goodman Jones LLP 29/30 Fitzroy Square London W1T 6LQ
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Business address	Stephenson House 2nd Floor 2 Cherry Orchard Road Croydon CR0 6BA
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CREATIVE AUTO-ENROLMENT LIMITED

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CREATIVE AUTO-ENROLMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2021

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Review of the business

Creative Auto-Enrolment Limited ("CAE" / "the Company") a private company limited by shares and registered in England and Wales and provides Auto enrolment services to employers and it is also the Scheme manager and Scheme Funder of the Creative Pension Trust (CPT). CAE is part of the Creative Group and the group consists of two other companies which are,

- a. Creative Benefit Solutions Limited (CBS) – an employee benefit consultancy business
- b. Creative Benefit Wealth Management Limited (CWM) - providing financial services advice to individuals.

CAE is the largest part of the Creative Group in terms of revenue and profit. CPT obtained Master Trust authorisation from The Pensions Regulator on 04 September 2019, which marked both a key achievement for the group and an important strategic step for its future.

The profit for CAE for the year ended 30th November 2021 before taxation was £2.0m (2020 - profit £1.2m).

The board considers the results for the year to be satisfactory and that the business is performing well in terms of retaining its clients, increasing the membership and funds under management in the CPT and building even greater resilience within our operational capability.

Key performance indicators

The Company has a number of key performance indicators (KPI's) that assist in assessing the performance of the Group. Considered together, these give a holistic view of the underlying performance of the Group and the alignment with the overall strategy.

Financial KPI's: turnover growth 28% (2020 - 15%) and profit before finance charge and taxation £2.04m (2020 - £1.3m). The annualised repeat income is 96% which is the same as FY 20. Funds under management as at 30th November 2021 were £680,897,385 (2020 - £462,654,753)

Non-financial KPI: the number of chargeable employers 13,293 (2020: 13,500). This reduction is largely due to insolvency but is in line with expectations.

2021 was another challenging year for the business due to the impact of the COVID pandemic but still increased its turnover and profits over that of 2020 and exceeding budget expectation.

Principle risks and uncertainties

The Company is primarily exposed to operational and reputational risks due to the sector Creative operates in, and in particular with the parts of the business which are regulated.

The Company is proactive and focused on understanding and managing the risks it is naturally exposed to and actively seeks to mitigate these wherever possible.

Creative has a comprehensive governance structure, maintains a detailed risk register, a considerable number of policies and procedures, regular and effective management reporting and controls in place to identify, mitigate and control risks.

CREATIVE AUTO-ENROLMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

Financial risk management objectives and policies

The Company's activities expose it to several financial risks including credit risk, market risk and liquidity risk. The Company does not use derivative financial instruments for speculative purposes.

Credit risk

Credit risk exists through employers settling charges levied by the Company. A provision for doubtful debt is made based on the period of the outstanding debt. The Company is not exposed to high levels of credit risk from financial institutions as it only places cash on deposit.

Market risk

Market risk arises from adverse changes to the value of assets arising from fluctuations in exchange rates, interest rates and market prices, which then impacts revenue. A provision is made when budgeting for a reasonable market fluctuations, however a large part of the income of the Company is not based on market fluctuations and this reduces this risk.

The Company's cash assets are all denominated in sterling and thus is not exposed to any significant market risk.

Liquidity risk

The Company monitors its net cash flow on an ongoing basis to ensure that it has sufficient cash resources to meet the funding demands of the business. Quarterly forecasting is also undertaken to identify any future cash deficiency to allow time for corrective actions to be taken if required.

Brexit risk

There remains some residual uncertainty about trading relationships both inside and outside of the EU and how this may impact the markets or businesses going forward. It is impossible to predict the materiality of this outcome given the ongoing uncertainty, but the board are comfortable that the prudent financial assumptions made within our forward projections, make allowance for a range of potential negative outcomes.

Covid risk

The COVID-19 pandemic developed rapidly in early 2020, and the Board invoked its Business Continuity Plan (BCP) in February 2020. Over the following few months, the Business amended its working practices to the 'new norm' and currently is not working under its BCP plan but continues to monitor government guidance and regulation in operating its business. In the opinion of the board, the Company has continued to operate effectively throughout the period, with little interruption to business as usual. It continues to do, including in reflecting in its financial budgets the impact seen on employers, employees and members as a result of the Pandemic and an assessment of how the business may be impacted over FY 22.

Future developments

The directors believe that the ongoing investment in business, will provide future benefit to both employers, their employees and the members of the CPT and will provide a firm platform for future growth.

The Creative Group consists of Creative Benefit Limited (CBL), Creative Benefit Solutions Limited (CBSL), Creative Benefit Wealth Management Limited (CBWML) and Creative Auto Enrolment Limited (CAEL). Shareholders of CBSL and CAEL have recently agreed to sell the shares in these two entities to the acquiring entity, Cushon Group Limited. The contracts were exchanged on 14th January 2022, FCA approval was received on 29th March 2022 and the acquisition completed on 13th April 2022. In addition to the sale of CBSL & CAEL, CBL has separated from the group on 28th February 2022 and CBWML has separated from the group on 31st January 2022.

CREATIVE AUTO-ENROLMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

Section 172 of the Companies Act

The Directors must act in accordance with a set of general duties outlined in Section 172 of the Companies Act 2006. The Directors must demonstrate that they act in good faith and promote the success of the Company for the benefit of its stakeholders. Examples of how the Directors respond to these requirements are:

Section 172: The likely consequences of any decision in the long term

The Company's strategic plan to 2023 is closely monitored by the management and strategic boards consisting of largely the executive directors. There are monthly meetings with the Board reviewing performance and a range of other reporting. Consideration of risks and opportunities are also reviewed throughout the year, together with scenario planning and stress testing of plans where appropriate to support consideration of different outcomes in strategic planning. The Company's strategic programmes focus on optimising delivery of strategic objectives in the short, medium and longer term.

Section 172: The interests of the Company's employees

The Company's employees and values are central to the company's ethos:

The health, safety and wellbeing of the Company's employees is a top priority, with an increased focus on mental health through 2021 and into 2022, emphasised by the challenges posed by the COVID-19 pandemic. The Company fosters an integrated approach to health and wellbeing with a range of services and benefits to support employees.

The Company is committed to developing teams, supporting individuals in their career pathways and supporting the achievement of the highest standards. The Company continues to offer career enhancement to its employees through relevant management and personal development work, and a range of training opportunities are in place to ensure that the Company offers high quality opportunities to attract applicants from all backgrounds, to ensure fair and equitable access.

The Company is committed to Diversity, Inclusion and Belonging, creating a sustainable culture of inclusion for its employees.

Section 172: The need to foster the Company's business relationships with suppliers, customers and others

The Company has categorised several suppliers as strategic, with whom regular meetings take place to discuss strategic and values alignment and performance. These meetings are attended by relevant employees and this activity is key to fostering mutually beneficial business relationships. The Procurement Policy promotes an ethical approach to business and Corporate Social Responsibility with respect to supplier management. As a regulated business Creative demands high standards of conduct from all employees to foster best practice and broader engagement in business relationships.

Section 172: The impact of the Company's operations on the community and the environment

The Company recognises its responsibility to consider its impact on the environment through its direct operations and indirectly through its supply chain. The majority of energy utilisation is through leasing of office premise.

Section 172 : Encouragement of Volunteering/community projects

Creative offers a volunteer program to its staff to encourage active participation in local and national projects.

CREATIVE AUTO-ENROLMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

Section 172: The desirability of the Company maintaining a reputation for high standards of business conduct, and the need to act fairly between members of the Company

Creative has a strong brand and it is critical to uphold the brand and reputation of the Company. The Company has a clear Code of Conduct and framework of Policies and Procedures to support the highest standards of business conduct, integrity and adherence to regulatory requirements, fostering fairness amongst members of the Company and Group.

S172 – the need to act fairly as between the members of the Company

In approving the Company's annual financial statements, the Directors carefully review the financial statements and duly consider a number of factors, including (but not limited to) any recommendations or observations from the Group's Finance team and/or the Company's auditors. To the extent that any operational or control recommendations are raised to the Directors, they are duly considered and discussed with the Group's Finance team and a course of action agreed, thereby facilitating a long-term approach by ensuring future good practice and having regard for the interests of the Company's shareholders in respect of the Company's financial efficacy.

Approved by the Board and signed on its behalf by:

S A Webber
Director

27 May 2022

CREATIVE AUTO-ENROLMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2021

The directors present their annual report and financial statements for the year ended 30 November 2021.

Principal activities

The principal activity of the company continued to be that of employee benefit consultancy and automatic enrolment services.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N M Gough	
D W Johnstone	(Resigned 13 April 2022)
S A Webber	
D I White	
T A Clutterbuck	(Appointed 13 April 2022)
D C Howarth	(Appointed 13 April 2022)

Auditor

In accordance with the company's articles, a resolution proposing that Goodman Jones LLP be reappointed as auditor of the company will be put at a General Meeting.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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;
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CREATIVE AUTO-ENROLMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

S A Webber

Director

27 May 2022

CREATIVE AUTO-ENROLMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CREATIVE AUTO-ENROLMENT LIMITED

Opinion

We have audited the financial statements of Creative Auto-enrolment Limited (the 'company') for the year ended 30 November 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 30 November 2021 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

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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

CREATIVE AUTO-ENROLMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CREATIVE AUTO-ENROLMENT LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the company is entitled to claim exemption in preparing a strategic report as it would be so entitled to small companies exemptions but for being a member of an ineligible group.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried. These procedures included:

CREATIVE AUTO-ENROLMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CREATIVE AUTO-ENROLMENT LIMITED

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading minutes of meetings of those charged with governance;
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC;
- Identifying and testing journal entries;
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

As part of an audit in accordance with ISAs (UK), we have exercised our professional judgement and maintained professional scepticism throughout the audit.

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.

Philip Woodgate (Senior Statutory Auditor)
For and on behalf of Goodman Jones LLP

30 May 2022

Chartered Accountants
Statutory Auditor

29/30 Fitzroy Square
London
W1T 6LQ

CREATIVE AUTO-ENROLMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Notes	2021 £	2020 £
Revenue	3	7,582,117	5,910,235
Cost of sales		(1,978,805)	(1,277,737)
Gross profit		5,603,312	4,632,498
Administrative expenses		(3,574,389)	(3,390,332)
Other operating income		2,910	11,639
Operating profit	4	2,031,833	1,253,805
Finance costs	6	-	(7,904)
Profit before taxation		2,031,833	1,245,901
Tax on profit	7	118,429	-
Profit for the financial year		2,150,262	1,245,901

The income statement has been prepared on the basis that all operations are continuing operations.

CREATIVE AUTO-ENROLMENT LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Trade and other receivables	9	1,146,338		756,580	
Cash and cash equivalents		544,706		480,400	
		<u>1,691,044</u>		<u>1,236,980</u>	
Current liabilities	10	(2,924,548)		(4,620,746)	
Net current liabilities			(1,233,504)		(3,383,766)
Equity					
Called up share capital	13		200		200
Share premium account			9,900		9,900
Retained earnings			(1,243,604)		(3,393,866)
Total equity			(1,233,504)		(3,383,766)

The financial statements were approved by the board of directors and authorised for issue on 27 May 2022 and are signed on its behalf by:

S A Webber
Director

D I White
Director

Company Registration No. 08554978

CREATIVE AUTO-ENROLMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Share capital	Share premium account	Retained earnings	Total
	£	£	£	£
Balance at 1 December 2019	200	9,900	(4,639,767)	(4,629,667)
Year ended 30 November 2020:				
Profit and total comprehensive income for the year	-	-	1,245,901	1,245,901
Balance at 30 November 2020	200	9,900	(3,393,866)	(3,383,766)
Year ended 30 November 2021:				
Profit and total comprehensive income for the year	-	-	2,150,262	2,150,262
Balance at 30 November 2021	200	9,900	(1,243,604)	(1,233,504)

CREATIVE AUTO-ENROLMENT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	16	64,306		33,557	
Interest paid		-		(7,904)	
Net cash inflow from operating activities		64,306		25,653	
Net increase in cash and cash equivalents		64,306		25,653	
Cash and cash equivalents at beginning of year		480,400		454,747	
Cash and cash equivalents at end of year		544,706		480,400	

CREATIVE AUTO-ENROLMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2021

1 Accounting policies

Company information

Creative Auto-enrolment Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cannon Place, 78 Cannon Street, London, England, EC4N 6AF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 under the historical cost convention. The principal accounting policies adopted are set out below.

Creative Auto-enrolment Limited, has taken advantage of the exemption to prepare a cash-flow statement, as its results are included in the consolidated accounts of its parent, Creative Benefit Solutions Limited.

Creative Auto-enrolment Limited is a subsidiary under the majority control of Creative Benefit Solutions Limited and the results of Creative Auto-enrolment Limited are included in the consolidated financial statements of Creative Benefit Solutions Limited which are available from Cannon Place, 78 Cannon Street, London, England, EC4N 6AF.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

The company operated at a profit for the year of £2,031,833. At the year end net current liabilities amounted to £1,233,504. The company receives ongoing support from its parent company, Creative Benefit Solutions Limited, for a period of at least 12 months from approval of the accounts, in respect of the intercompany balance due of £2,410,115.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have prepared cash flow and profit forecasts which show that the company can meet its financial obligations as they fall due. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

In the annual review of the Company's going concern, the Directors have considered the immediate and longer term impact of the Covid-19 pandemic for the group. The directors have taken action to reduce the overhead cost base of the business where appropriate and also safeguard cashflow by utilising government support initiatives such as the furlough scheme. After a careful review of the business forecasts, making prudent assumptions for new client business, the impact to existing business and the direct costs associated with this, the directors are satisfied that the cashflow forecasts support that there is no material uncertainty in relation to the going concern position of the business. The Directors are committed to carrying out regular reviews of the Company's cash flows to monitor the ongoing situation and take further steps as required.

CREATIVE AUTO-ENROLMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

1 Accounting policies

(Continued)

1.3 Revenue

Turnover represents amounts receivable for auto-enrolment services net of VAT and trade discounts.

Ongoing consultancy support charges and other income are recognised when due.

Income from employee and employer scheme administration charges are recognised as the associated contractual obligations are fulfilled.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Cash at bank and in hand includes an amount of £361,000 (2020 - £361,000) deposited in an escrow account. This cash is held in escrow for the trustees in the event of a wind up of the Creative Auto-Enrolment Master Trust.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

CREATIVE AUTO-ENROLMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

CREATIVE AUTO-ENROLMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 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 non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CREATIVE AUTO-ENROLMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

1 Accounting policies

(Continued)

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

During the year, the company received £2,910 (2020: £11,639) under the government backed Coronavirus Job Retention Scheme (CJRS), following the outbreak of Covid-19 during the year. This amount has been recognised as other operating income.

1.11 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The directors have assessed the critical judgements made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in financial statements. The directors are of the view that there are no judgements that need to be highlighted above the descriptions within the accounting policies in note 1 above.

3 Revenue

	2021 £	2020 £
Revenue analysed by class of business		
Fees receivable in respect of auto-enrolment services	7,582,117	5,910,235
	<u>7,582,117</u>	<u>5,910,235</u>
	2021 £	2020 £
Revenue analysed by geographical market		
United Kingdom	7,582,117	5,910,235
	<u>7,582,117</u>	<u>5,910,235</u>

CREATIVE AUTO-ENROLMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

3 Revenue (Continued)

	2021 £	2020 £
Other revenue		
Grants received	2,910	11,639

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(2,910)	(11,639)
Fees payable to the company's auditor for the audit of the company's financial statements	9,275	9,000

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2021 Number	2020 Number
41	40

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,580,876	1,582,926
Social security costs	125,489	133,769
Pension costs	75,802	131,449
	1,782,167	1,848,144

6 Finance costs

	2021 £	2020 £
Other finance costs:		
Other interest	-	7,904

CREATIVE AUTO-ENROLMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

7 Taxation

	2021	2020
	£	£
Deferred tax		
Origination and reversal of timing differences	(118,429)	-

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	2,031,833	1,245,901
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	386,048	236,721
Tax effect of expenses that are not deductible in determining taxable profit	274	609
Tax effect of utilisation of tax losses not previously recognised	-	(234,543)
Deferred tax adjustments in respect of prior years	(504,702)	-
Movement in provisions	(49)	(2,787)
Taxation credit for the year	(118,429)	-

8 Cash

Creative Auto-enrolment Limited is the scheme manager and scheme funder of the Creative Pension Trust (CPT). As noted in 1.4 in the Accounting Policies section of these Financial Statements an amount of £361,000 is held in Escrow for the benefit of the Trustees of the CPT in the event of a Triggering Event as defined by Section 21 of the Pension Schemes Act 2017. The directors have considered the possibility of a Triggering Event occurring in the foreseeable future and consider it remote and consider that no impairment is deemed necessary.

9 Trade and other receivables

	2021	2020
	£	£
Amounts falling due within one year:		
Trade receivables	832,119	602,955
Amounts owed by group undertakings	11,485	1,349
Prepayments and accrued income	64,211	32,182
	907,815	636,486

CREATIVE AUTO-ENROLMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

9 Trade and other receivables (Continued)

	2021 £	2020 £
Amounts falling due after more than one year:		
Deferred tax asset (note 11)	238,523	120,094
	<u>238,523</u>	<u>120,094</u>
Total debtors	<u>1,146,338</u>	<u>756,580</u>

10 Current liabilities

	2021 £	2020 £
Trade payables	8,517	49,785
Amounts owed to group undertakings	2,410,115	3,994,326
Taxation and social security	39,758	38,908
Accruals and deferred income	466,158	537,727
	<u>2,924,548</u>	<u>4,620,746</u>

11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2021 £	Assets 2020 £
Balances:		
Accelerated capital allowances	238,523	120,094
	<u>238,523</u>	<u>120,094</u>
Movements in the year:		2021 £
Asset at 1 December 2020		(120,094)
Credit to profit or loss		(118,429)
Asset at 30 November 2021		<u>(238,523)</u>

The deferred tax asset set out above is expected to reverse within 24 months and relates to the utilisation of tax losses against future expected profits .

CREATIVE AUTO-ENROLMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

12 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	75,802	131,449

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

13 Share capital

	2021	2020
Ordinary share capital	£	£
Issued and fully paid		
200 Ordinary shares of £1 each	200	200

14 Related party transactions

During the year Creative Benefit Solutions Limited funded expenditure on behalf of Creative Auto-Enrolment Limited totalling £3,985,904 (2020: £3,884,871) and repayments totalling £5,570,115 (2020: £4,181,158) were made. At the balance sheet date, the balance outstanding on the intercompany account was £2,410,115 (2020: £3,994,326). Creative Benefit Solutions Limited is a related party by virtue of its shareholding in the company.

During the year Creative Benefit Wealth Management Limited funded expenditure on behalf of Creative Auto-Enrolment Limited totalling £3,555 (2020: £5,746) and repayments totalling £13,692 (2020: £3,001) were made. At the balance sheet date, the company was due £11,485 (2020: £1,349) from Creative Wealth Management Limited. Creative Benefit Wealth Management Limited is a related party by virtue of common ownership of Creative Benefit Solutions Limited.

The directors, N.K. Chambers and D.W. Johnstone, are also directors of Chambers Townsend Consultancy Limited (CTC) and shareholders of Chambers Townsend Holdings Limited, its parent company. During the year CTC invoiced Creative Auto-Enrolment Limited £492,881 (2020: £601,040); at the year end, the balance outstanding was £16,331 (2020: £35,189).

15 Control

The immediate parent company is Creative Benefit Solutions Limited, a company registered in England and Wales. There is no single ultimate controlling party.

CREATIVE AUTO-ENROLMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2021

16 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	2,150,262	1,245,901
Adjustments for:		
Taxation credited	(118,429)	-
Finance costs	-	7,904
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(271,329)	265,760
Decrease in trade and other payables	(1,696,198)	(1,486,008)
Cash generated from operations	64,306	33,557

17 Analysis of changes in net funds

	1 December 2020 £	Cash flows £	30 November 2021 £
Cash at bank and in hand	480,400	64,306	544,706

18 Post balance sheet events

The Creative Group consists of Creative Benefit Limited (CBL), Creative Benefit Solutions Limited (CBSL), Creative Benefit Wealth Management Limited (CBWML) and Creative Auto Enrolment Limited (CAEL). Shareholders of CBSL and CAEL have recently agreed to sell the shares in these two entities to the acquiring entity, Cushon Group Limited. The contracts were exchanged on 14th January 2022, FCA approval was received on 29th March 2022 and the acquisition completed on 13th April 2022. In addition to the sale of CBSL & CAEL, CBL has separated from the group on 28th February 2022 and CBWML has separated from the group on 31st January 2022.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.