

THE CREATIVE ENGAGEMENT GROUP LIMITED
UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



THE CREATIVE ENGAGEMENT GROUP LIMITED

COMPANY INFORMATION

Directors N G Jones
R J Lidstone
M Morrow
D M Sharrock

Registered number 01244084

Registered office 8th Floor, Holborn Gate
26 Southampton Buildings
London
England
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THE CREATIVE ENGAGEMENT GROUP LIMITED

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THE CREATIVE ENGAGEMENT GROUP LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The Directors present their report and the financial statements for the year ended 31 December 2020.

Business review

The Company provides the creation and delivery of marketing and live communication and is expected to continue to do so in the foreseeable future.

~~On 1 May 2020, the Company's ultimate parent undertaking, Huntsworth plc, was acquired by Clayton, Dubilier & Rice Holdings, LLC. The Company is now a subsidiary of Hunter Holdco 3 Limited for which the key performance indicators have been identified as revenue and profit before tax growth.~~

The Company's revenue has decreased in the year by £1,833,443 to £14,596,819. Net assets have increased by £15,039,742 to £16,930,675 in the year.

The Directors aim to maintain the management policies that have been applied to the Company in the period.

Principal risks and uncertainties

The ultimate parent of the Company reviews the principal risks and uncertainties facing the Group and individual companies. The Company's key risks and uncertainties are identified as: economic downturn; political instability; currency risk; service offering fails to evolve to meet changing market needs; client dissatisfaction and loss of key clients; loss of key talent; poor profitability; information systems access and security; unethical business practices and legal and regulatory compliance.

This report was approved by the board on 21/09/2021 and signed on its behalf.



D M Sharrock
Director

THE CREATIVE ENGAGEMENT GROUP LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £14,733,457 (2019 - loss £218,644).

The Directors did not recommend the payment of a dividend in the year (2019: nil).

Directors

The Directors who served during the year were:

N G Jones
R J Lidstone
M Morrow
D M Sharrock

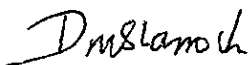
Future developments

The Directors expect that the company will continue with its existing operations for the foreseeable future.

Post balance sheet events

On 16 August 2021 Nenelite Limited, (a newly incorporated company and affiliate of Clayton, Dublier & Rice LLC) acquired the entire issued share capital of UDG Healthcare plc. Nenelite Limited is a wholly owned subsidiary of Hunter Holdco 3 Limited.

This report was approved by the board on 21/09/2021 and signed on its behalf.



D M Sharrock
Director

THE CREATIVE ENGAGEMENT GROUP LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CREATIVE ENGAGEMENT GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	20,713,278	59,437,489
Cost of sales		(6,116,459)	(43,007,227)
Revenue		14,596,819	16,430,262
Administrative expenses		(17,383,405)	(16,493,379)
Exceptional expenses		16,779,446	(140,085)
Operating profit/(loss)	5	13,992,860	(203,202)
Interest receivable and similar income	9	3,266	4,336
Interest payable and similar expenses	10	(44,157)	(38,949)
Profit/(loss) before tax		13,951,969	(237,815)
Tax on profit/(loss)	11	781,488	19,171
Profit/(loss) for the year		14,733,457	(218,644)

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

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

The notes on pages 8 to 29 form part of these financial statements.

THE CREATIVE ENGAGEMENT GROUP LIMITED
REGISTERED NUMBER: 01244084

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Tangible assets	13	1,696,324	2,327,475
Investments	14	1,892,019	1,892,027
		<u>3,588,343</u>	<u>4,219,502</u>
Current assets			
Work in progress	15	359,817	434,987
Debtors: amounts falling due after more than one year	16	101,944	-
Debtors: amounts falling due within one year	16	35,263,145	13,380,141
Cash at bank and in hand	17	-	18,514
		<u>35,724,906</u>	<u>13,833,642</u>
Creditors: amounts falling due within one year	18	(21,466,797)	(14,698,212)
Net current assets/(liabilities)		<u>14,258,109</u>	<u>(864,570)</u>
Total assets less current liabilities		<u>17,846,452</u>	<u>3,354,932</u>
Creditors: amounts falling due after more than one year	19	(508,949)	(846,595)
		<u>17,337,503</u>	<u>2,508,337</u>
Provisions for liabilities			
Property provisions	22	(617,404)	(617,404)
Net assets		<u><u>16,720,099</u></u>	<u><u>1,890,933</u></u>

THE CREATIVE ENGAGEMENT GROUP LIMITED
REGISTERED NUMBER: 01244084

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

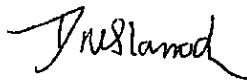
	Note	2020 £	2019 £
Capital and reserves			
Called up share capital	23	361	361
Share premium account	24	100,000	100,000
Profit and loss account	24	16,619,738	1,790,572
		<u>16,720,099</u>	<u>1,890,933</u>

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21/09/2021.



D M Sharrock
Director

The notes on pages 8 to 29 form part of these financial statements.

THE CREATIVE ENGAGEMENT GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	361	100,000	1,790,572	1,890,933
Comprehensive income for the year				
Profit for the year	-	-	14,733,457	14,733,457
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	14,733,457	14,733,457
Charge for share-based payments	-	-	95,709	95,709
Total transactions with owners	-	-	95,709	95,709
At 31 December 2020	361	100,000	16,619,738	16,720,099

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2019	361	100,000	1,983,916	2,084,277
Comprehensive income for the year				
Loss for the year	-	-	(218,644)	(218,644)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(218,644)	(218,644)
Charge for share based payments	-	-	25,300	25,300
Total transactions with owners	-	-	25,300	25,300
At 31 December 2019	361	100,000	1,790,572	1,890,933

The notes on pages 8 to 29 form part of these financial statements.

THE CREATIVE ENGAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

The Creative Engagement Group Limited f.k.a WRG Creative Communication Limited ('the Company') provides the creation and delivery of marketing and live communication. The Company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is 8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

THE CREATIVE ENGAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the strategic report. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with Hunter Holdco 3 Limited and fellow subsidiaries.

~~On the basis of their assessment of the Company's financial position the Company's directors have~~ a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The COVID-19 pandemic has not affected the treasury and banking arrangements and has had no effect on the going concern assessment.

2.4 Exemption from preparing consolidated financial statements

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

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction prices of these contracts for the time value of money.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Rendering of services

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

Turnover comprises charges for fees, commissions, rechargeable expenses incurred on behalf of clients and sales of marketing products. Revenue is turnover less amounts payable on behalf of clients to external suppliers where they are retained to perform part of a specific client project or service, and represents fees, commissions and mark ups on rechargeable expenses and marketing products.

THE CREATIVE ENGAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. [Provide an explanation how the incremental borrowing rate is determined].

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in 'Creditors' on the Balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Balance sheet.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

THE CREATIVE ENGAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

~~At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.~~

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

L/Term Leasehold Property	-
Short Term Leasehold Property	- 25% straight line
Motor vehicles	-
Fixtures & fittings	- 20% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Work in progress

Work in progress is stated at the lower of cost and net realisable value, and consists of third party costs incurred on behalf of clients which have still to be recharged.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

THE CREATIVE ENGAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.14 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

THE CREATIVE ENGAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.15 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an Index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Interest income

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

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

THE CREATIVE ENGAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

~~The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.~~

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.20 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

THE CREATIVE ENGAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements and assumptions about the future, based on historical experience and other factors which are considered to be relevant. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Revenue Recognition

The Company recognises revenue on projects based on the proportion of work completed at the balance sheet date. Judgement is required in assessing the fair value of the proportion of work completed and hence the appropriate value of revenue to be recognised in the year. Management make this judgement using estimates of expected hours required to complete the project against the budget, alongside any milestones set out in the contract.

Carrying value of investments

The Company tests annually whether investments have suffered any impairment. The recoverable amounts of investments have been determined based on value in use calculations. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from each investment and a suitable discount rate in order to calculate present value. Central costs are not allocated to individual investments.

4. Turnover

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	13,126,626	37,928,910
Rest of Europe	5,535,993	7,164,822
Rest of the world	2,050,659	14,343,757
	<u>20,713,278</u>	<u>59,437,489</u>

Timing of revenue recognition:

	2020 £	2019 £
Goods and services transferred over time	20,713,278	59,437,489
	<u>20,713,278</u>	<u>59,437,489</u>

THE CREATIVE ENGAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets	810,183	476,375
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	39,900	27,212
Exchange differences	(184,088)	48,075
Other operating lease rentals	(7,684)	41,912
	14,701	693,574

6. Auditors' remuneration

	2020	2019
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	39,900	27,212
	39,900	27,212

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

7. Employees

Staff costs, including Directors' remuneration, were as follows:

	2020	2019
	£	£
Wages and salaries	12,372,653	8,917,645
Social security costs	1,266,422	971,925
Cost of defined contribution scheme	411,737	246,216
	14,050,812	10,135,786

The average monthly number of employees, including the Directors, during the year was as follows:

	2020	2019
	No.	No.
Creative and Productions	196	169
Administrative and Directors	39	36
	235	205

THE CREATIVE ENGAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	586,707	454,937
Company contributions to defined contribution pension schemes	15,168	15,168
	<u>601,875</u>	<u>470,105</u>

During the year retirement benefits were accruing to 2 Directors (2019 - NIL) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £364,250 (2019 - £296,250).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £7,584 (2019 - £7,584).

9. Interest receivable and similar income

	2020 £	2019 £
Other interest receivable	3,266	4,336
	<u>3,266</u>	<u>4,336</u>

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	36	18,483
Finance leases and hire purchase contracts	-	1,258
Interest on lease liabilities (IFRS 16)	44,121	19,208
	<u>44,157</u>	<u>38,949</u>

THE CREATIVE ENGAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on losses for the period	(712,977)	(12,090)
Adjustments in respect of previous periods	(28,988)	(18,416)
Total current tax	<u>(741,965)</u>	<u>(30,506)</u>
Deferred tax		
Origination and reversal of timing differences	(29,660)	(3,182)
Changes to tax rates	(12,238)	12,517
Adjustment in respect of prior period	2,375	2,000
Total deferred tax	<u>(39,523)</u>	<u>11,335</u>
Taxation on loss on ordinary activities	<u>(781,488)</u>	<u>(19,171)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>13,951,969</u>	<u>(237,815)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	2,650,874	(45,185)
Effects of:		
Expenses not deductible for tax purposes	11,993	25,106
Income on investment disposal not taxable	(3,324,998)	-
Adjustments to tax charge in respect of prior periods	(26,613)	(16,416)
Impact of changes in statutory tax rate	(12,238)	-
Recognition and utilisation of tax losses	-	12,517
Impact of share based remuneration	(80,506)	4,807
Total tax charge / (credit) for the period	<u>(781,488)</u>	<u>(19,171)</u>

Factors that may affect future tax charges

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NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation (continued)

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, had it been substantively enacted by the balance sheet date, the effect of the change would not materially impact the balance sheet.

12. Exceptional items

	2020 £	2019 £
Property costs	49,450	30,407
Reorganisation and restructuring (credit) / costs	(16,828,896)	109,678
	<u>(16,779,446)</u>	<u>140,085</u>

Property costs relate to one-off costs incurred as a result of consolidating the Company's property portfolio. Reorganisation costs included expenses incurred as a result of the change of ownership of the Company in the year.

THE CREATIVE ENGAGEMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Right-of-use assets £	S/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Computer equipment £
Cost or valuation					
At 1 January 2020	1,287,971	1,278,984	10,000	809,869	1,556,446
Additions	19,079	2,199	31,995	22,790	102,311
Disposals	-	-	(486)	426	-
At 31 December 2020	<u>1,307,050</u>	<u>1,281,183</u>	<u>41,509</u>	<u>833,085</u>	<u>1,658,757</u>
Depreciation					
At 1 January 2020	255,916	640,766	9,513	618,410	1,091,190
Charge for the year on owned assets	289,511	209,533	7,341	79,042	224,756
Disposals	-	-	-	(718)	-
At 31 December 2020	<u>545,427</u>	<u>850,299</u>	<u>16,854</u>	<u>696,734</u>	<u>1,315,946</u>
Net book value					
At 31 December 2020	<u><u>761,623</u></u>	<u><u>430,884</u></u>	<u><u>24,655</u></u>	<u><u>136,351</u></u>	<u><u>342,811</u></u>
At 31 December 2019	<u><u>1,032,055</u></u>	<u><u>638,218</u></u>	<u><u>487</u></u>	<u><u>191,459</u></u>	<u><u>465,256</u></u>

THE CREATIVE ENGAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Tangible fixed assets (continued)

	Total £
Cost or valuation	
At 1 January 2020	4,943,270
Additions	178,374
Disposals	(60)
At 31 December 2020	5,121,584
Depreciation	
At 1 January 2020	2,615,795
Charge for the year on owned assets	810,183
Disposals	(718)
At 31 December 2020	3,425,260
Net book value	
At 31 December 2020	1,696,324
At 31 December 2019	2,327,475

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance sheet is as follows:

	2020 £
Tangible fixed assets owned	934,701
Right-of-use tangible fixed assets	761,623
	1,696,324

Information about right-of-use assets is summarised below:

Net book value	
	761,623

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NOTES TO THE FINANCIAL STATEMENTS
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14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	1,892,027
Additions	(17,500,000)
Disposals	17,499,992
At 31 December 2020	<u>1,892,019</u>

During the year, the Company revalued and sold its subsidiary, WRG Creative Communications Inc in line with IFRS5.

15. Work in progress

	2020 £	2019 £
Work in progress	359,817	434,987
	<u>359,817</u>	<u>434,987</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	101,944	-
	<u>101,944</u>	<u>-</u>

	2020 £	2019 £
Due within one year		
Trade debtors	10,932,722	3,655,252
Amounts owed by group undertakings	23,336,959	6,725,067
Other debtors	184,408	337,714
Prepayments and accrued income	663,137	2,555,712
Deferred taxation	145,919	106,396
	<u>35,263,145</u>	<u>13,380,141</u>

17. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	-	18,514
Less: bank overdrafts	(80,822)	(1,402,795)
	<u>(80,822)</u>	<u>(1,384,281)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	80,822	1,402,795
Trade creditors	13,387,024	2,647,283
Amounts owed to group undertakings	4,346,450	3,619,717
Other taxation and social security	812,852	646,931
Lease Liability	358,685	328,710
Other creditors	343,769	270,064
Accruals and deferred income	2,137,195	5,782,712
	<u>21,466,797</u>	<u>14,698,212</u>

19. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Lease Liability	508,949	846,595
	<u>508,949</u>	<u>846,595</u>

THE CREATIVE ENGAGEMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. Leases

Company as a lessee

The company has several offices across the UK. The amounts recognised in respect of these leases in the financial statements are as follows:

Lease liabilities are due as follows:

	2020
	£
Not later than one year	358,685
Between one year and five years	508,949
	867,634

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2020
	£
Interest on lease liabilities (IFRS 16)	44,121
	44,121

21. Deferred taxation

	2020	2019
	£	£
At beginning of year	106,396	50,810
(Charge)/credit to the profit or loss	39,523	(11,335)
Intra-group transfer	-	66,921
At end of year	145,919	106,396

The deferred tax asset is made up as follows:

	2020	2019
	£	£
Accelerated capital allowances	145,919	106,396
	145,919	106,396

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NOTES TO THE FINANCIAL STATEMENTS
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22. Provisions

	Property £
At 1 January 2020	617,404
At 31 December 2020	<u>617,404</u>

Property provision

The Company provides for amounts payable, under the terms of lease agreements for premises, to restore premises to their original condition at the end of each lease. The total liability is estimated at the outset of each lease and is charged to the profit and loss account as the liability is incurred.

23. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
361 (2019 - 361) Ordinary shares of £1.00 each	<u>361</u>	<u>361</u>

24. Reserves

Share premium account

The share premium account is used to record the premium on shares issued. It is calculated as the amount paid over the par value of shares issued.

Profit & loss account

Includes all current and prior period retained profits and losses.

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25. Share based payments

The employees of the Company participated in a share based remuneration scheme operated by Huntsworth plc, the ultimate parent undertaking. The details of this share option scheme is summarised below:

Scheme:	The Huntsworth Long Term Incentive Plan 2016
Length of share option:	10 years
Exercise period:	March 2021 to May 2019
Exercise price (p):	£NIL
Exercise conditions:	Divisional revenue and operating profit margin

Following acquisition of Huntsworth plc (see controlling party note for detail) all share options were exercised in the year.

	Weighted average exercise price (pence) 2020	Number 2020	Weighted average exercise price (pence) 2019	Number 2019
Outstanding at the beginning of the year	-	471,478	-	302,833
Granted during the year	-	-	-	168,645
Forfeited during the year	-	-	-	-
Exercised during the year	-	(471,478)	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	471,478

No share options were exerciseable at 31 December 2020.

26. Contingent liabilities

The Company is registered with HM Revenue & Customs as a member of a group for VAT purposes and as a result is jointly and severally liable on a continuing basis for amounts owing by any other members of that group in respect of unpaid VAT. At the balance sheet date the outstanding VAT group liability was £2.4 million (2019: £1.3 million).

27. Post balance sheet events

On 16 August 2021 Nenelite Limited, (a newly incorporated company and affiliate of Clayton, Dublier & Rice LLC) acquired the entire issued share capital of UDG Healthcare plc. Nenelite Limited is a wholly owned subsidiary of Hunter Holdco 3 Limited.

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**NOTES TO THE FINANCIAL STATEMENTS
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28. Controlling party

The Company's immediate parent undertaking is WRG Group Limited.

On 1 May 2020, the Company's ultimate parent undertaking, Huntsworth plc, was acquired by Clayton, Dubilier & Rice Holdings, LLC. The ultimate parent undertaking was subsequently delisted and changed its name to Huntsworth limited.

Following the acquisition, the operating parent company in the Group is CD&R Artemis Holdco 1 Limited, ~~a Jersey incorporated company, which in the opinion of the Company's Directors, is the ultimate~~ controlling party, and is, amongst other things, where the strategic direction of the Group is set. It is noted that CD&R's investment was made through its investment funds, Clayton, Dubilier & Rice Fund X, L.P., Clayton, Dubilier & Rice Fund X-A, L.P. and CD&R Advisor Fund X, L.P. Hunter Holdco 3 Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements at 31 December 2020. Copies of Hunter Holdco 3 Limited's 2020 consolidated financial statements, which include the Company, are available from its registered office at 8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN.

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29. Subsidiary undertakings

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Just Communicate Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN	Ordinary	100%
WRG Public Events Limited	8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN	Ordinary	100%