

# Creative England Investment Programme 2012–2017

## Impact Report

June 2018





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The Good Economy is a specialist advisory firm focused on enhancing the role of business and finance in building ‘a good economy’: an economy that works for everyone. The Good Economy has specialist expertise in impact measurement and management, including impact assessments for private equity and mainstream investors.

Creative England commissioned The Good Economy to provide an independent assessment of the performance of its investment programmes and its impact in addressing the access to finance challenge for creative industry businesses. The Good Economy has analysed the impact of Creative England's investment programme using the same basic framework that we used in impact assessments for Lloyds Development Capital (LDC), the private equity arm of Lloyds Banking Group, and Enterprise Ventures, now part of Mercia Technologies, which provides venture, growth and debt capital to small to medium sized enterprises (SMEs). The British Venture Capital Association has described this methodology as ‘state of the art’.

We also apply the Principles of Social Value which are generally accepted social accounting principles. In particular, we have developed an impact narrative that uses both quantitative and qualitative measures of social value as recognised by Creative England's stakeholders. These are its client businesses, its funders and government at national, regional and local level.

The Good Economy has also carried out a more detailed analysis and provided a separate report to Creative England on client perspectives of the investment experience and benefits of Creative England investment. This has provided insight and feedback to Creative England as to what is working well in its investment programme and areas for improvement.

IMPACT REPORT HEADLINE FINDINGS



£20M INVESTED

Creative England has invested an average of £4m per year during 2012-2017



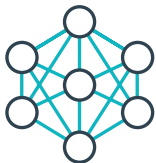
350  
CREATIVE  
BUSINESSES

Funded across film, TV, games, design and digital media



£67,000 AVERAGE INVESTMENT SIZE

Creative England is filling the access to finance gap



81% INVESTED OUTSIDE OF LONDON AND SOUTH EAST

Compared to 62% for UK SME lending



£4 PRIVATE CAPITAL MOBILISED FOR EVERY £1 PUBLIC SECTOR INVESTMENT

Creative England funding has been catalytic in helping businesses raise private finance

CREATIVE ENGLAND INVESTMENT PROGRAMME 2012–2017



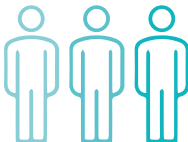
OVER 99% LOAN REPAYMENT RATE

Creative England has an excellent loan repayment track record



45% OF BUSINESSES CREATING JOBS IN PLACES WITH THE HIGHEST JOB NEED

Compared to 19% for all creative businesses nationally



1,145 JOBS CREATED OR SAFEGUARDED

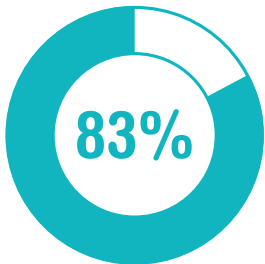
Creative England is supporting high quality job creation with median earnings of £24,000



25% REVENUE GROWTH

Creative England's businesses have grown by an average of 25% in their first year of investment  
For sample where data available

83% 3-YEAR SURVIVAL RATE



83% CREATIVE ENGLAND BUSINESSES

60% NATIONAL AVERAGE

Creative England businesses are more sustainable with 3-year survival rates of 83% compared to the business national average of 60%

## Executive Summary

Creative England is an organisation dedicated to the growth of the creative industries. Since 2012, Creative England has run a pioneering investment programme combining both finance and business support tailored to meet the needs of small creative businesses. The investment programme addresses the recognised market failure in access to finance<sup>1</sup>, which means that creative businesses, especially those based outside London, struggle to secure the investment they need to innovate and grow.

The Good Economy's assessment reviews the extent to which Creative England is supporting the following outcomes:

- + Business sustainability
- + Business growth
- + Job creation
- + International trade/exports
- + Innovation
- + Cluster development

The performance analysis is based on Creative England's investments from October 2012 to September 2017. Over this period, 424 individual investments were made to 350 companies for a total value of nearly £20 million.

As well as comprehensive quantitative data analysis, The Good Economy conducted in-depth interviews with 20 client businesses to gather qualitative feedback and client perspectives on the investment process and benefits of Creative England investment.

The Good Economy's assessment of Creative England's investment programme demonstrates that it is successfully delivering on its objective of helping small creative businesses to access the finance they require to scale-up.

The headline findings are:

### 1 Creative England's knowledge and understanding of creative industries sets it apart and is highly valued by its clients

Creative England is one of the only finance providers – either public or private – that focuses solely on the creative industries. Its specialist knowledge and understanding of creative industries is a major strength and differentiator, and key to its appeal to creative businesses and its success at assessing risk and reward and establishing a strong investment track record.

### 2 Creative England has experienced high demand and has deployed capital efficiently and effectively

Creative England has experienced high levels of demand for finance and has a strong pipeline of investment opportunities. Since 2012, Creative England has made an average of 85 investments totalling nearly £4 million per year, whilst also sustaining loan repayment rates of over 99% since 2014. The main constraint to growth is access to mission-aligned capital.

### 3 Creative England is backing creative businesses that help to deliver inclusive growth, particularly in regions of the country that need it most

Roughly 81% of Creative England's investment takes place outside of London and the South East, compared to an average of 62% for UK SME lending and 35% for venture capital. Forty-five percent of investee businesses are located in LEP areas where the social need for inclusive job growth is above the national average. Moreover, Creative England's investment is supporting the development of regional creative clusters, with nearly 70% of investment and businesses located within the 47 creative clusters identified by Nesta.

### 4 Creative England's investee businesses are achieving long-term sustainability and have better survival rates than the creative sector as a whole

83% of Creative England investee businesses have a 3-year survival rate, compared to an average of 60% for all businesses. The total number of jobs created and sustained by investee companies for the five-year period is 1,145, with 57% of companies having created or safeguarded employment since receiving investment.

### 5 Creative England's funding helps businesses to mobilise private, commercial investment

For every £1 of public sector investment, £4 of external capital has been mobilised, the majority from private, commercial sources. Creative England's investment has had a catalytic effect enabling businesses to secure other growth funding.

The Good Economy's analysis provides evidence that Creative England has developed an investment and business support model that is working. It is helping to fill the access to finance gap at the lower end of the 'ladder of growth', supporting creative companies to grow from start-up to sustainable, growing businesses.

Creative England has effectively mobilised public funding to deliver social value and economic growth. It is making an important contribution to achieving the ambitions of the Government's Industrial Strategy, helping to boost the role of creative businesses in securing the UK's future economic success and more inclusive and sustainable growth.

1. See [www.gov.uk/government/publications/creative-industries-sector-deal](http://www.gov.uk/government/publications/creative-industries-sector-deal)



# 1 / Introduction

## 1.1 Creative England and the Creative Industries

Creative England is an organisation dedicated to the growth of the creative industries. It invests in talented people and their creative ideas, supporting the growth of small creative businesses from start-up to scale-up across film, TV, tech, games, design and digital media. It is a critical role.

Having inherited from its predecessor bodies a traditional public sector mechanism of awarding small grants to creative organisations, since 2012 Creative England has created a pioneering investment programme. It provides a mix of loans, equity investment and some grants which has used public money more effectively by allowing it to be re-cycled as loans, and has attracted institutional and private investors from the commercial sector. After some years of proving this model in action, Creative England felt it was important to seek an independent assessment of its impact and value.

Creative businesses make a large contribution to the UK economy. They are one of the fastest growing sectors and a driver of inclusive growth. According to the Department for Digital, Media, Culture and Sport (DCMS), the UK has the world's third most valuable creative sector after the US and China, employing three million people and contributing £92 billion to the UK economy in 2016.

Creative industries are growing more rapidly than other sectors in 9 out of every 10 locations in the UK. They are an important contributor to UK employment, with more than two-thirds of these areas seeing faster growth in creative industries employment than in overall employment. Creative industries are also an important source of exports, accounting for 9% of all exports in 2015.

Supporting the growth and success of creative businesses is important from both an economic and social perspective – and Creative England aims to play a leading role in making that happen.

## 1.2 Purpose and structure of this report

Since 2012, Creative England has run a pioneering investment programme combining both finance and business support tailored to meet the needs of small creative businesses.

The programme tackles the market failure that many creative businesses face – that they find it harder to find the investment they need to grow their business than non-creative businesses.

This report provides an analysis of the performance of Creative England's investment programme and its impact in addressing the access to finance challenge. It also assesses the extent to which Creative England is a critical part of the ecosystem of finance and support for the creative industries.

- + Section 2 summarises the context for Creative England's investment programme.
- + Section 3 provides an overview of Creative England's investment and support offer and its expected impacts using a Theory of Change model as a framework for the performance analysis.
- + Section 4 presents the results of analysing Creative England's 2012-2017 portfolio in terms of overall investment activity and business-level impact.
- + Section 5 draws together headline findings and conclusions.

## 2/ Context

### 2.1 The role of creative businesses in inclusive growth

The Government has called for an inclusive economy that works for everyone. ‘Inclusive growth’ that enables the widest range of people and places to both contribute to and benefit from economic success has become an overarching policy goal.

The creative industries are uniquely placed to help deliver inclusive growth in the UK. No other part of the private sector of the UK economy can match the creative sector’s geographical profile. Research by Nesta identified ‘47 creative growth clusters’ – hotspots of creative business activity – in all regions and nations of the UK.<sup>2</sup> This geographical distribution is a prerequisite for making the Industrial Strategy genuinely place-based and successful.<sup>3</sup> This is why growing creative industries – and financing their sustainable growth – should be a distinctive and important focus of UK Government policy and business support.

These ‘clusters’ are based on SME dynamism. The creative industries lack the types of global corporate flagships that anchor other industries covered by the Industrial Strategy’s other sector deals – such as the automotive and life sciences sectors. As such, cluster-based growth strategies – via the Government’s mesh of place and sector deals – have to be more squarely focused on supporting SMEs to start-up and grow in the case of the creative industries.

The economic case for financing and supporting SME growth in the creative industries can be reinforced by other evidence-backed arguments. Firstly, like ‘high tech’ SMEs, creative businesses have an instant or natural international reach from a very early stage; secondly, they are more innovative than the majority of ‘high growth’ SMEs; and thirdly, once they have scaled up, dynamic creative businesses are attractive to private equity investors – they no longer depend on public sector backing. All of this matters to the UK’s business capacity to achieve inclusive growth before and after Brexit.

### The Government recognises that creative industries are ‘engines of growth’.

The Government recognises that creative industries are ‘engines of growth’. In 2017, it commissioned an Independent review, led by the Chair of ITV Sir Peter Bazalgette, to develop a strategy as to how the Creative Industries can underpin the UK’s future economic growth.<sup>4</sup> A key recommendation of the Bazalgette report was to support the growth of regional clusters based on a City Deal model. The Bazalgette Report also argued that removing the financial barriers to SME dynamism is essential for the creative industries to flourish across the country. The report recommended establishing a ‘ladder of growth’ investment scheme that is regionally focused and works for businesses of different sizes. The subsequent Creative Industries Sector Deal acknowledges Bazalgette’s recommendations and the difficulty creative businesses face in attracting investment. But the Government has not, as yet, unlocked new funds to meet demand at the lower end of the ladder of growth. With the Regional Growth Fund (RGF) winding down, and EU funding due to end with no clarity on how it might be replaced, much will depend on private sector investment and the local ‘arms’ of the Government’s Industrial Strategy, led by the Local Enterprise Partnerships (LEPs), Growth Hubs and Combined Authorities, to provide this ‘ladder of growth’ funding.

### 2.2 The access to finance challenge

Creative England’s focus is on tackling the access to finance challenge. Despite the impressive growth of the creative industries in recent years, and the overwhelmingly positive contribution they have made to the UK economy, there are still systemic challenges within the sector in terms of access to finance.

In research commissioned by the Creative Industries Council in 2017, 67% of creative businesses reported that they and other creative businesses have struggled to get finance because providers struggle to understand what they do.<sup>5</sup>

The growth potential of creative businesses is often overlooked by lenders due to a lack of understanding, or an absence of shared vision between recipient and investor. Early-stage businesses within the creative sector are often excluded from accessing mainstream finance due to being viewed as too risky to present a viable investment. A lack of performance track record, regular cashflow, coupled with a relative lack of sufficient capital to act as security, often makes creative businesses a difficult proposition for traditional bank lending. Moreover, with the creative industries operating at the forefront of innovation, or working to develop new disruptive technologies, the main asset they possess is often their Intellectual Property, rather than a tangible asset. Creative businesses are ‘intangibles rich’, loaded towards the assets shown in Chart 2.1. The combination of these factors goes a long way to explaining why the creative industries, as a collective, find it generally difficult to leverage private investment to finance growth.

Chart 2.1 Categories of intangible investment

Broad Category	Type of Investment	Type of legal property that might be created
Computerised Information	Software development and database development	Patent, copyright, design IPR, trademark, other
Innovative Property	R&D, creating entertainment and artistic originals, design and other product development costs	Patents, design IPR, copyright and trademark
Economic Competencies	Training, market research and branding, business process re-engineering	Copyright, trademark and patents

Source: Jonathan Haskell & Stian Westlake, Capitalism without Capital: The Rise of the Intangible Economy, Princeton University Press, 2018

2. NESTA, The Geography of Creativity in the UK, July 2016  
3. Industrial Strategy White Paper, 2017  
4. Sir Peter Bazalgette, Independent Review of the Creative Industries, September 2017  
5. Creative Industries Council, ‘Unlocking Potential’ Report, 2017

This form of market failure, however, is not exclusive to the creative industries. As an economy, the UK repeatedly fails in its attempts to translate its conducive start-up culture into an effective scale-up environment. The UK ranks third in the world when it comes to new company creation according to the OECD (Organisation for Economic Cooperation and Development). However, it ranks a modest 13th in the league table in regard to nurturing scale-ups. On average, 91% of businesses are still operating after a year of trading. Yet after five years of trading this figure reduces to 40%. The Coutu Report identified several barriers to SMEs scaling-up, including accessing skilled talent, developing leadership capable of managing growth and appropriate finance for scaling-up.<sup>6</sup>



In order to maximise the growth potential of the UK’s creative industries, it is vital that we close the access to finance gap.

The UK is a global leader in many creative industries. The Government is rightly keen to maximise its competitive advantage and the sector’s growth potential through encouraging transformative innovation. Yet as long as start-up creative businesses are systematically excluded from accessing the finance they require in order to scale-up and fulfil their potential, the benefits of possessing a world-leading creative sector will not be as substantial or as widely distributed as they should be. In order to maximise the growth potential of the UK’s creative industries, it is vital that we close the access to finance gap.

### Living Lens – An Example of Job Creation and Growth

Set up in Liverpool in 2013, Living Lens is a specialist software platform that captures and analyses customer experiences through video content, from anywhere in the world, to provide consumer behaviour insights in seconds, and unlock stories to inspire decisions.

In 2013 Creative England invested £40,000 to help the company’s two founders develop the platform, then invested again in 2014 and 2018 to support their expansion. They now employ 25 people, have offices in Liverpool, London, New York and Toronto and have gone on to raise more than £4m in follow on funding. Their current clients include 16 of the world’s top 25 market research agencies as well as major brands like Lloyds and O2.



6. Sherry Coutu, The Scale-Up Report on UK Economic Growth, November 2014

### 3/ Impact Assessment Framework

#### 3.1 Creative England’s value proposition

Creative England’s investment programme is designed to address the recognised market failure in creative industry businesses’ ability to access the investment they need.

It aims to fill the access to finance gap, focusing on providing smaller amounts (between £10,000 to £250,000) of step up, or follow on funding. It provides a combination of tailored investment and support to creative businesses to help them develop new business models, deliver products and services and take risks on innovation. Ultimately, Creative England aims to grow strong, sustainable creative businesses that contribute to the creative ecosystem.

#### Finance offer

Creative England’s finance offer is client-driven rather than product-driven; it tailors the type of finance provided to suit the needs of the business, rather than offering fixed financial terms and conditions.

Creative England has raised funding for its investment programme from a range of different sources, some with specific target businesses and types of funding available (see below). However, overall Creative England has been able to offer the following types of financial support to creative businesses:

Chart 3.1 Types of funding offered by Creative England

Investment Type	Amount Range	Typical Terms
Grant	£1,000 – £125,000	Non-repayable financial support. Part of a wider industry support programme. Usually for capacity building, R&D, business planning or support
Loan	£10,000 – £250,000	Interest rates ranging from 0–10%. Terms from 3–5 years. Unsecured loan, floating debenture charge
Revenue Share	£5,000 – £400,000	Linked to company and product revenue growth
Equity	£25,000 – £250,000	Typically minority stake. Sometimes includes board position

Creative England’s finance offer is client-driven rather than product-driven; it tailors the type of finance provided to suit the needs of the business, rather than offering fixed financial terms and conditions.

Creative England is a hands-on, engaged investor. The specialist investment team builds strong relations with investee businesses and offers ongoing advice and support alongside the funding it provides.

Business support offer

+ Informal business support

All businesses that Creative England invests in get ongoing advice and support from the specialist investment team. They become part of a Creative England cohort, connected into a wide range of informal opportunities and offers. These include visits to trade fairs, pitching sessions with major brands, and links with university placements to provide extra manpower. Creative England offers a bespoke service to match the opportunities it generates to specific business needs.

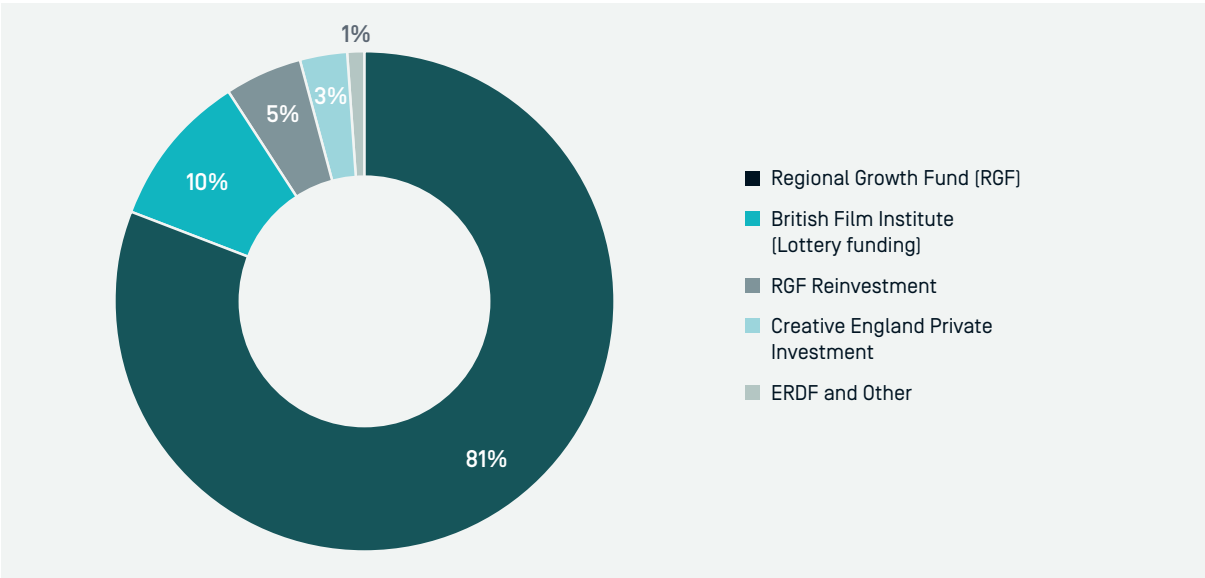
+ Formal business support

Creative England also runs more formal executive development programmes, including mentoring and skills development workshops to develop a commercial as well as creative mindset in the entrepreneurs they support. These are often delivered in partnership with other organisations. For example, Creative England’s regional ProConnect and GamesLab programmes provide non-financial support packages to help respective screen production and games SMEs develop their business skills through professional masterclasses, business mentoring, workshops and industry showcase and networking events.

Sources of funding

Creative England has succeeded in developing an ‘investment programme’ from separate sources of primarily public funding, with different objectives and timeframes. To date, its main funding source has been the Regional Growth Fund (RGF). Creative England also reinvests capital repayments from its lending operations.

Chart 3.2 Creative England’s multiple sources of funding



The Government acknowledges the market failure related to access to finance for creative industries, yet there is no significant public investment to fill this gap. This means Creative England has to spend a lot of time pulling together multiple sources of funds to finance its investment programme. This is sub-optimal both from Creative England’s perspective and from the perspective of addressing the problem to hand.

Creative England’s funding is complex and uncertain given the multiplicity of performance-based funding regimes it depends on to sustain its investment activity. Fundraising remains a constant challenge, particularly during these times of government spending cuts. Transaction costs are high. Many public funding sources that do exist are not well-suited to the nature of creative businesses. Some set job creation targets in an industry that is heavily dependent on freelancers, not full-time employees, for example. So finding appropriate sources of capital funding – both public and private – that are mission-aligned in terms of wanting to back successful creative businesses, with both social and financial return objectives, is a key priority for Creative England.

Differentiation

As a finance provider, Creative England’s value and differentiation derives from its specialist knowledge and understanding of the creative sectors it invests in. The investment team is highly knowledgeable. This is complemented by an experienced investment committee that consists of external members who are selected for their industry knowledge.

Creative England is one of the only finance providers – either public or private – that focuses exclusively on the creative industries. Creative England’s closest peer group is ‘responsible finance providers’ that provide access to finance to small businesses that struggle to get finance from mainstream banks. There are 27 self-identified small business responsible finance providers in the UK. Although Creative England does not self-identify as a responsible finance provider, these organisations are like Creative England in that they raise public money to fund their investment activities. No responsible finance provider specialises in creative businesses [see list of responsible finance providers in Annex 1].

Creative England is one of the only finance providers – either public or private – that focuses exclusively on the creative industries.

Creative England’s peers also include private equity and venture capital providers. These organisations are more commercial and focus on achieving financial returns. There are only a few specialist creative finance firms in the UK, such as Edge – a creative industries venture specialist and Ingenious, a film and media finance specialist. The British Private Equity and Venture Capital Association (BVCA), which represents 133 private equity and venture capital providers, does not even recognise creative industries as a sector in its annual investment activity reporting [see Annex 2].<sup>7</sup>

Creative England’s investee businesses value the team’s specialist knowledge and understanding of the creative sectors – which covers everything from the film industry, TV, the tech landscape, the gaming community to the creative agency space. The Good Economy’s separate research report on Creative England’s investees shows that Creative England is valued especially for its understanding and appreciation of the ‘intangible’ nature of creative businesses. Creative England is seen as being ‘in and of’ the sector. This type of social capital is unique and hard to replicate and is the true source of Creative England’s social value added at the micro and macro level. Ultimately, businesses and finance providers co-create social value and this requires a strong relationship of trust and goodwill. Creative England has built such a relationship with the vast majority of its clients.

7. BVCA, Report on Investment Activity, 2016 at [www.bvca.co.uk](http://www.bvca.co.uk)



Every client interviewed highlighted Creative England's knowledge of creative industry sectors as a major strength.

The quotes below from three CEOs of investee businesses represent the clients' perspective:

- “ Creative England understand the creative industry, understand our business model, and are gentler than banks.
- “ One of the challenges we have, as a games company, is that very few people understand that space, and what the risks and rewards are. Creative England do and it just made the conversation much easier.
- “ Creative England prove the point that the public sector is not always rubbish. There was a close and fair scrutiny of IP and our figures. It takes a while to understand the film business, Creative England did this and were genuinely very professional and constructive. Good people.

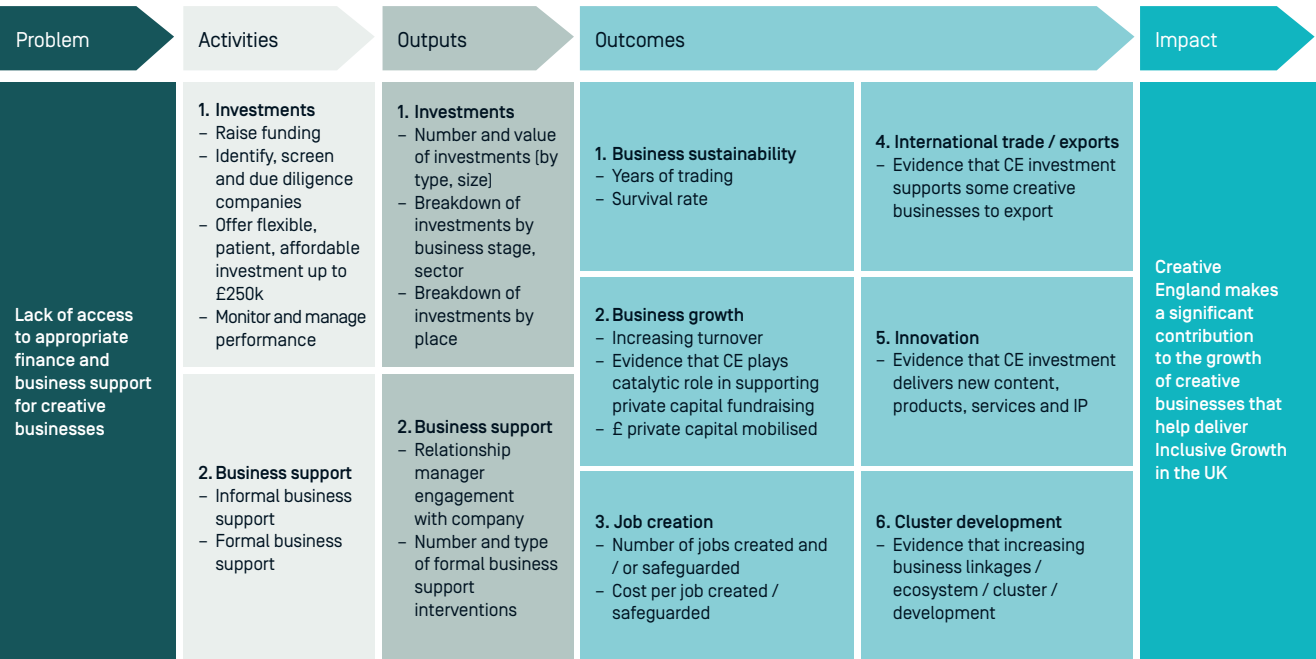
This specialist knowledge and understanding means that Creative England can better assess the risks and rewards presented by a business. It also helps it to make investment decisions more quickly, which is essential in the fast-moving creative industries.

3.2 Theory of Change

The Good Economy has created a Theory of Change to create a framework for analysing Creative England's impact. A Theory of Change is a methodology for planning, stakeholder analysis and evaluation. It can be a useful tool for understanding shorter-term, intermediate and longer-term outcomes and the prerequisites or assumptions to achieve these, known as a 'pathway of change'. The Theory of Change takes into account impacts valued by Creative England's stakeholders, namely its client businesses, funders and government (at national, regional and local level).

Here we have created a retrospective ToC which articulates Creative England's activities, outputs, desired outcomes and impact which provides a framework for the results and impact analysis.

Creative England's Theory of Change



Creative England's investment performance was analysed at the portfolio level for the period 2012 to 2017. Data for 350 investee businesses were supplied by the Creative England team. The Good Economy also carried out in-depth interviews with 20 client businesses to gather client feedback on Creative England's offer and investment process. Performance analysis was carried out at two levels:

- + **Portfolio level** – investment activity analysed by overall scale and growth, type and value of investment, stage of business development and geographical coverage.
- + **Business level** – analysis of sustainability and growth by turnover and job creation, as well as private capital mobilisation. Innovation, export performance and cluster development outcomes could not be systematically assessed using standardised measures and data. This is a familiar problem which we have addressed through case study research, which provide valuable insights and evidence of Creative England's contribution to these outcomes.

Creative England's impact is assessed in terms of its contribution to business growth and sustainability, job creation, exports, innovation and cluster development. These are aligned with the Government's policy objective of maximising the growth potential of the creative industries and enabling them to be a key sector driving inclusive growth in the UK.

4 / Performance Analysis

This section presents the results of The Good Economy's performance analysis. First we analyse Creative England's investment activity at the portfolio level. This is followed by an analysis of the performance of Creative England's investee companies. In particular we look at the extent to which Creative England has helped grow strong, sustainable creative businesses that are driving innovation, exports and the development of clusters that contribute to more inclusive growth in the UK.

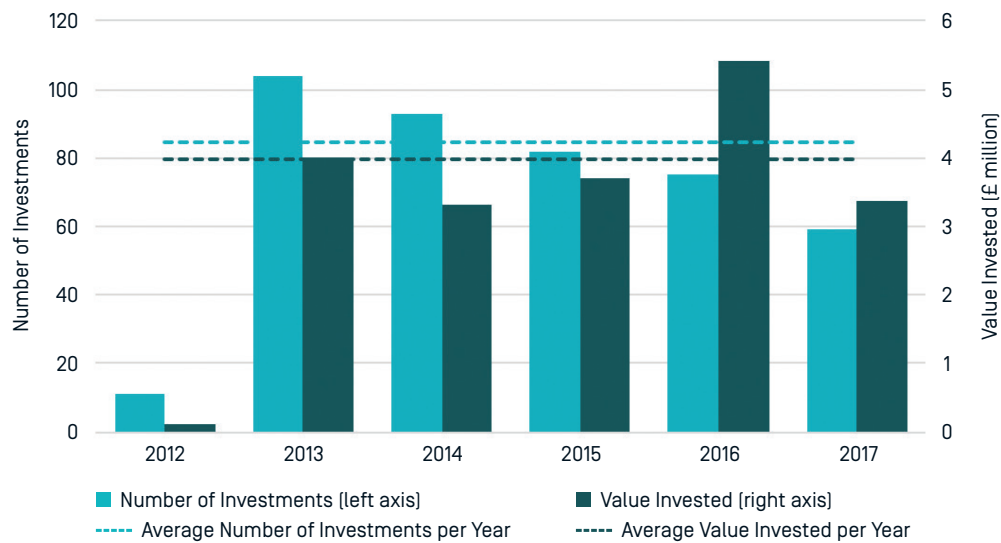
4.1 Portfolio performance

Scale of investment

Since 2012, Creative England has made on average 85 investments totalling just under £4 million each year. In total, from October 2012 to September 2017, it made 424 individual investments to 350 individual businesses for a total value of nearly £20 million.

Since 2012, Creative England has made on average 85 investments totalling just under £4 million each year.

Chart 4.1 Creative England has demonstrated its capacity to deploy funds effectively



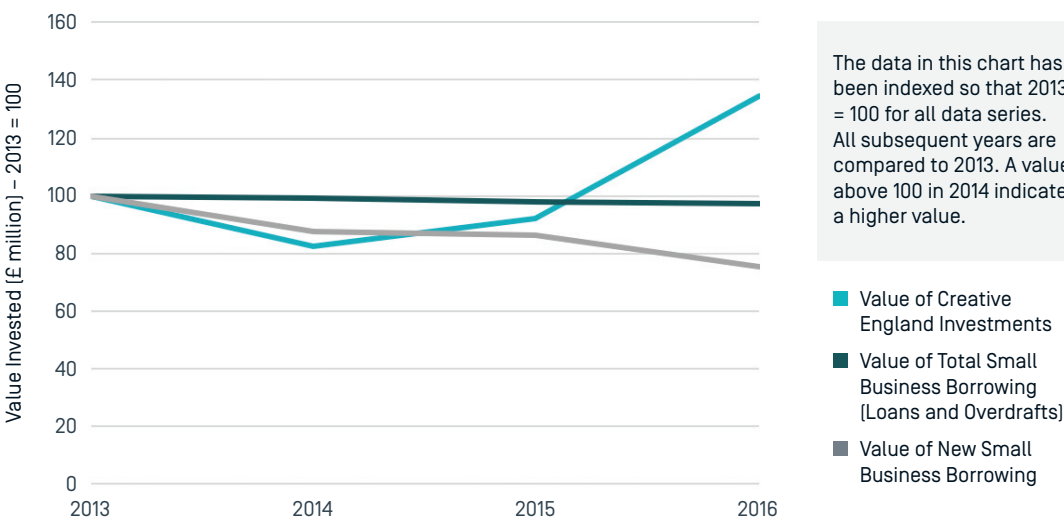
Creative England has demonstrated that it has strong demand for investment and can deploy funds raised effectively. One of the challenges of many government-backed investment funds is that they have a lack of dealflow. This is not the case for Creative England. Creative businesses are hungry for investment. The variability in annual investment amounts is constrained not by demand but access to funding. Despite funding constraints, Creative England has outperformed the Responsible Finance industry.

Between April 2016 and March 2017, Creative England invested 76% more than the previous year whereas the industry as a whole lent 35% less to businesses than the previous year. According to Responsible Finance, 'this decrease was driven by the lack of new funding into the industry during the year, and underscores the need for access to sustainable capital.'

Creative England has experienced high levels of demand, deployed capital effectively and sustained high loan repayment rates.

Creative England has also increased its volume of investment at a time when small business bank lending has declined. This trend is in part because of macroeconomic uncertainty which dampens investment ambitions but on the whole "small businesses are poorly engaged with finance markets", often preferring to finance growth from their own surpluses. The creative industries by contrast are hungry for investment and ambitious for rapid growth, as evidenced by the Creative Industries Council research and Creative England's own high levels of demand. In the research commissioned by the Creative Industries Council, 69% of respondents expected to need extra finance in the coming year compared with 10% of SMEs in general.

Chart 4.2 Creative England funding versus small business bank lending trends



Source: Small Business Borrowing, UK Finance, Bank Support for SMEs

Loan repayment rates

Creative England hasn't just deployed funds effectively. It has also sustained high loan repayment rates. Creative England's ability to make good investment decisions and achieve high repayment rates has improved over time. The average repayment rate for its RGF-funded loans during 2012–2017 is 81.53%. However, if we exclude the first RGF programme, repayment rates rise to an impressive 99.37% with Creative England achieving 100% on-time, in-full repayment for RGF loans made in 2017 (Chart 4.3). This is a very high level of portfolio quality that compares well with other responsible finance providers – the Portfolio at Risk for SME lenders in 2017 was 9.3% with write-offs/provisions totalling 9% (Responsible Finance, The Industry in 2017).

Creative England is helping to fill a critical finance gap, specifically the 'Step-Up Finance' gap identified by the Creative Industries Council's 'ladder of growth' proposal at the £50,000 to £250,000 level.

8. Responsible Finance, The Industry in 2017, December 2017  
9. Small Business Finance Markets 2016/17, British Business Bank, February 2017  
10. The 10% is a reference to respondents surveyed in BDRC's SME finance monitor  
11. The low repayment rate during the first RGF programme reflects the fact this was the first lending programme for Creative England and the team were in the early stages of development

Chart 4.3 Creative England's repayment rates

RGF Programme	Number of Companies	Recouped % against schedule	Insolvent
RGF 2012-13	58	66.82%	20
RGF 2014-15	21	100.00%	0
RGF 2015-16	38	98.64%	0
RGF 2017	5	100.00%	0
Repayment rate 2012-17	122	81.53%	20
Repayment rate 2014-17	64	99.37%	0

It is too early to judge financial returns on Creative England's equity investments, as it has not made any exits yet.

Filling the access to finance gap

Creative England is helping to fill a critical finance gap, specifically the 'Step-Up Finance' gap identified by the Creative Industries Council's 'ladder of growth' proposal at the £50,000 to £250,000 level. Forty-four per cent of its investments are within this range, with 55% of investee businesses receiving less than £50,000, the level of financing which is often needed but is hard to access for early stage, growth businesses.

Chart 4.4 Filling the Access to Finance Gap

Investment Type	Number of Investments	Value Invested (£)	Value Invested (%)	Average Amount Invested (£)
Business Loan	133	£9,055,657	45.5	£68,088
Revenue Share	92	£5,759,993	28.9	£62,609
Grant	158	£2,151,540	10.8	£13,617
Equity	41	£2,935,051	14.7	£71,587
Total	424	£19,902,241	100	£46,939

Creating a financial 'runway' for micro and small creative businesses

Creative England investment benefits micro and small creative businesses. Micro businesses make up 85% of all Creative England's investee businesses. The rest are mostly small businesses with 10 to 49 employees (Chart 4.5). This is reflective of the size of creative businesses in general. Currently 90% of all UK creative businesses have no more than five employees.<sup>12</sup>

Chart 4.5 Creative England backs Micro and Small Businesses

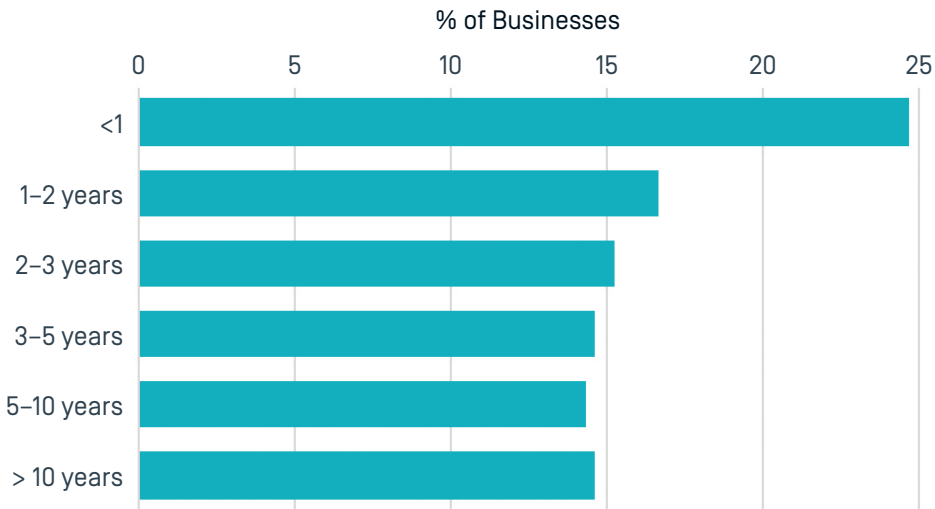
Employees at Time of First Investment	Businesses [%]	Value Invested [%]	Average Investment (£)
1-4	64.2	46.8	£39,902
5-9	20.1	23.6	£64,163
10-49	13.7	25.7	£86,525
50-99	1.0	1.4	£67,797
100-249	1.0	2.4	£173,000

Note: Based on data from 208 companies

Creative England's investment, by size and timing, provides a 'runway' for creative business development in the critical start-up to scale-up stage of growth. One in four businesses Creative England provide investment to are start-ups, that is they receive investment in their first year of business. Businesses tend to first receive investment from Creative England within their third year of trading (median 2.4 years), with the average value of investments increasing by firm size [employment].

Creative England's investment, by size and timing, provides a 'runway' for creative business development in the critical start-up to scale-up stage of growth.

Chart 4.6 Proportion of first Creative England investment by years trading



Investing in the regions

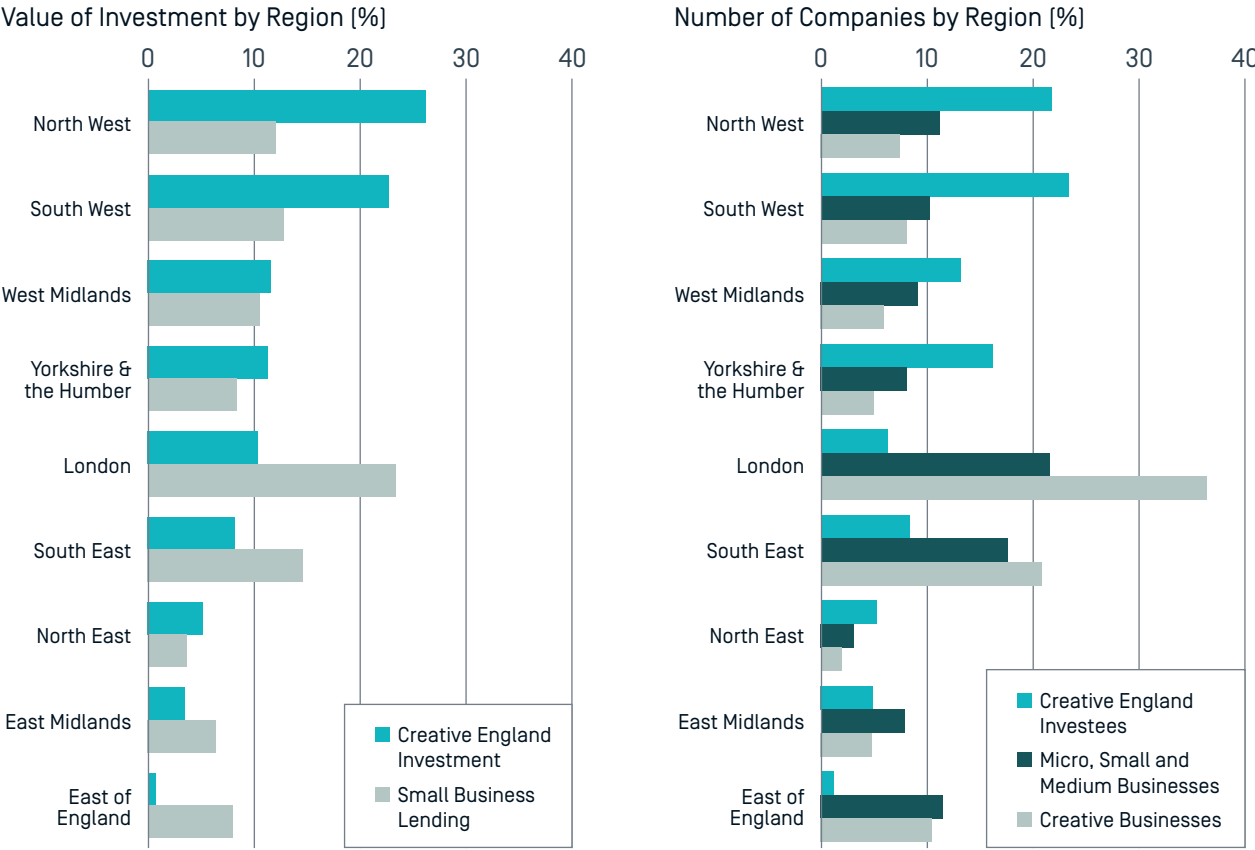
Creative England's investments are a force for regionally inclusive growth within the sector and also in the wider economy. Nearly 85% of Creative England investee businesses are located outside of London and the South East. At about 80%, the total value of Creative England investments outside London and the South East compares favourably to a figure of 62% for all small business lending. It also helps to counterbalance the fact that only 35% of early stage/startup venture capital funding went to businesses located outside of London and the South East in 2016.<sup>13</sup>

Creative England's investments are a force for regionally inclusive growth. Nearly 85% of Creative England's investment is outside of London and the South East compared to only 35% of early stage and start-up venture capital funding.

12. [http://www.frontier-economics.com/documents/2016/07/absorptive-capacity\\_frontier-report.pdf](http://www.frontier-economics.com/documents/2016/07/absorptive-capacity_frontier-report.pdf)  
13. BVCA Private Equity and Venture Capital Report on Investment Activity, 2016



Chart 4.7 Investing in the Regions



Source: Small Business Lending, UK Finance, SME Lending Across the Country 2013–2016

Source: UK Business Counts 2016 (Creative Businesses are defined using the DCM's official classification)

Investing in areas of high job need

Creative England’s investment geography is also favourable to ‘inclusive job growth’, defined by the OECD as ‘sustainable job creation that leads to a more equitable distribution of good job opportunities socially and geographically’. Chart 4.8 shows the distribution of Creative England’s investee businesses across England’s inclusive job growth landscape, mapped here by Local Enterprise Partnership (LEP) area because of the central role that LEPs play in delivering the Government’s sector and place deals.

Creative England’s investment geography is favourable to ‘inclusive job growth’.

Forty-five per cent of Creative England businesses are located in LEP areas where the social need for inclusive job growth is above the national average. The most darkly shaded areas on the map represent where these areas are. These are the ‘cold spots’ of the so called ‘inclusive economy’ envisaged by the Government and DCMS. These ‘cold spots’ are locations for 33% of all businesses and 19% of all creative businesses nationally. As such, Creative England’s investment geography not only favours regions outside London and the South East, but also LEP areas throughout the country where private sector job growth is most needed.

4.8 Creative England investee businesses on England’s inclusive job growth landscape, mapped by Local Enterprise Partnership area.

The Good Economy analyses inclusive job growth by place, sector and company. This map shows the results of our place-based analysis by LEP area.

Growth metrics used are: private sector output, productivity and employment, plus working age population.

Inclusion metrics are: earnings quality, job security, skills and vulnerable group participation.

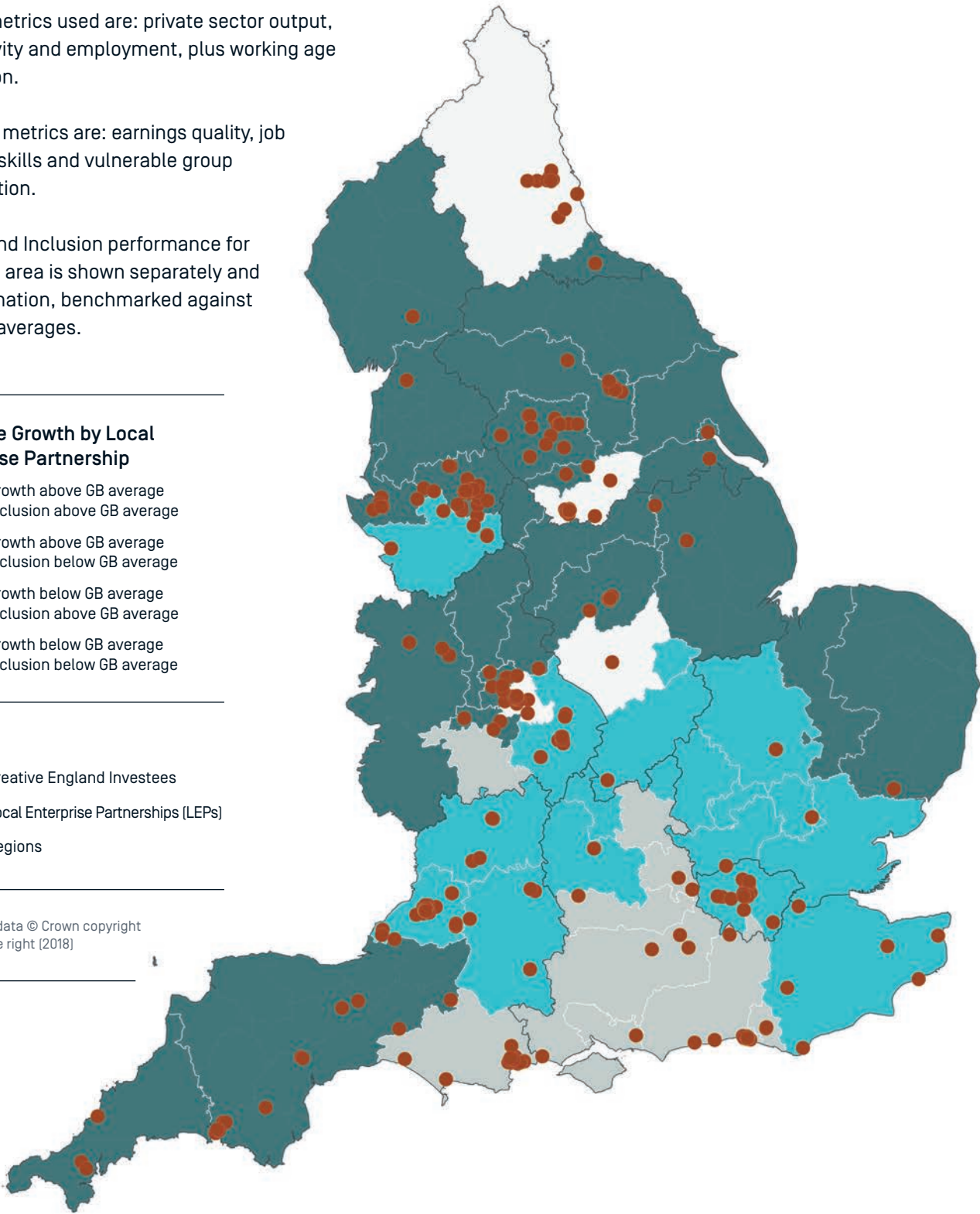
Growth and Inclusion performance for each LEP area is shown separately and in combination, benchmarked against national averages.

Inclusive Growth by Local Enterprise Partnership

- Growth above GB average  
Inclusion above GB average
- Growth above GB average  
Inclusion below GB average
- Growth below GB average  
Inclusion above GB average
- Growth below GB average  
Inclusion below GB average

- Key
- Creative England Investees
  - Local Enterprise Partnerships (LEPs)
  - Regions

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Creative England’s investee businesses out-perform the creative sector as a whole in terms of their survival rates.

4.2 Business-level performance

Business sustainability

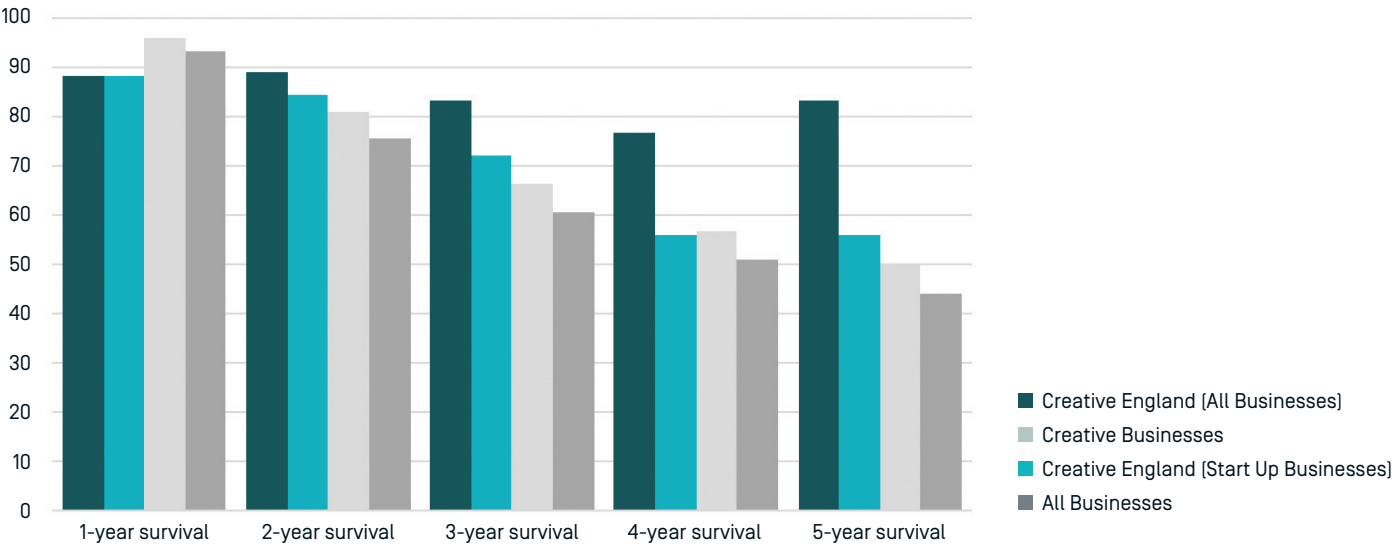
The majority of Creative England’s investee businesses are achieving long-term sustainability. On average (median), the portfolio businesses have been trading for over 5 years so getting beyond the critical start-up to scale-up phase of growth. Eighty-four per cent of companies that Creative England has invested in are still currently active. Only 12% have been dissolved and on average these businesses had been trading the least amount of time.

Chart 4.9 Creative England investee businesses – years trading

Company Status	Number of Businesses	Number of Businesses (%)	Years Trading (median)
Active	294	84	5.6
Dissolved or in administration	53	15.1	3.8
Unknown	3	0.9	8.3
Total	350	100	5.4

Creative businesses in general have better survival rates than the average small business nationally.<sup>14</sup> Most importantly for this assessment, Creative England’s investee businesses out-perform the creative sector as a whole in terms of their survival rates. Furthermore, Creative England business survival rates perform increasingly favourably over time when compared against national rates. As expected, Creative England start-up businesses (those where Creative England invested in their first year of business) survival rates are lower than the survival rates of all of Creative England investees. However the survival rates of the start up businesses still outperform national rates on the whole. This demonstrates that Creative England is supporting businesses to achieve long-term sustainability.

Chart 4.10 Creative England enhances business survival performance



Source: Creative England, Business Demography 2016, ONS

14. Business Demography 2016, ONS (Creative Businesses as defined by DCMS)

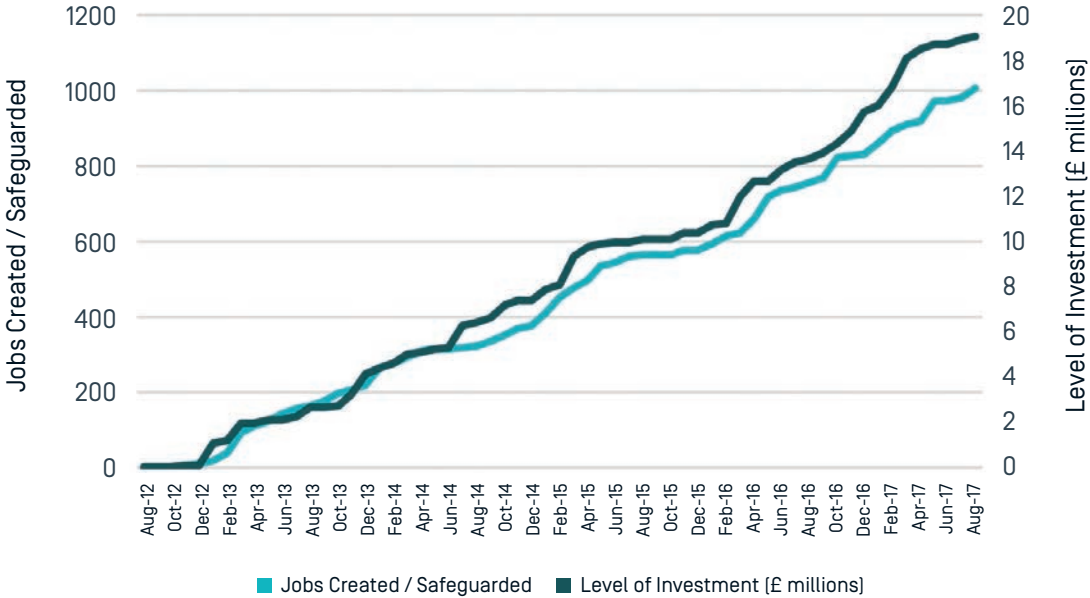
Business growth

Creative England is supporting business growth. For 52 businesses where data was available, 67% of businesses increased their turnover by 25% on average in the first year of investment. 96% of 24 companies where Creative England took an equity stake increased their market value by 45%.

Creative England is also supporting job growth. Total jobs created by investee businesses so far over the 5-year period is 1,145 (489 created, 656 safeguarded), with 57% of all companies creating or safeguarding employment. The quality of jobs created is also good. Median earnings (£24,000) are marginally higher than national average annual earnings of £23,099.<sup>15</sup> This is also much higher than all creative businesses in the lower-paid entertainment and recreation sector (circa. £16,000), although lower than the higher-paid digital sector (circa. £35,000). In a sector with high levels of self-employment, Creative England is supporting ‘good job’ creation by security and earnings quality.

Further, these job numbers underestimate the level of job creation as they only capture full-time employees. Many Creative England investees hire people on a freelance basis. This type of employment is not captured by the data. Concerns have been raised about the lack of diversity within the creative industries. Creative England currently does not collect data on the diversity of the workforce but this is an area recommended for further analysis.

Chart 4.11 Jobs created/safeguarded as a result of Creative England investment



The average cost per job (both created and safeguarded) for the period 2012 – Sept 2017 is £17,382. In 2017, Creative England’s performance in terms of this measure and the quality of jobs has improved. In 2017, Creative England generated 307 employment outputs, 55% of these were new jobs with an overall average salary of £31,200. Eighty-six per cent of people employed were qualified to NVQ level 4 or above. The average cost per job in 2017 was £13,243.

Total jobs created by investee businesses over the 5-year period is 1,145 (489 created, 656 safeguarded).

15. Annual Survey of Hours and Earnings 2016

## Lockwood Publishing – An Example of Job Growth and IP Creation



Lockwood Publishing is an online gaming studio located in Nottingham's Creative Quarter. The company originally generated the bulk of its income as a content provider to the Sony PlayStation Home Network. When this platform was closed in 2014, the Lockwood team used a loan from Creative England to develop their own content for mobile devices. During this transition, staff numbers fell from roughly 50 down to 15. However, Creative England finance enabled Lockwood to attract higher quality staff in order to develop their own game, Avakin Life.

With 40 million downloads worldwide, the game has enjoyed phenomenal success, and this has enabled Lockwood to build a skilled 70-person workforce and make the successful transition from a service business to one which creates and retains the value of its own intellectual property. The studio now has four offices in the UK and earlier in 2018 opened up its first international office in Lithuania.



## Private capital mobilisation

### Creative England funding has had a catalytic effect supporting businesses to raise further funding for business growth.

Creative England funding has had a catalytic effect supporting businesses to raise further funding for business growth. It has helped mobilize £4 of external investment for every £1 of public sector funding. Creative England requires that all investee businesses provide match funding from either private or public sources. This target has been met such that Creative England has leveraged nearly £20 million in match funding. Creative England goes beyond this target. For 21% of investee businesses, its funding has acted as a catalyst for investee businesses to secure additional follow-on investment totalling almost £49.5 million.

A large portion of this additional follow-on funding (58% or £28.5 million) was due to the success of two companies. Avocarrot (now Glispa Connect), a native mobile advertising technology company, was acquired for £15.5 million in 2016. More recently, in 2017, The Floow, a telematics technology provider, received £13 million of equity investment.<sup>16</sup>

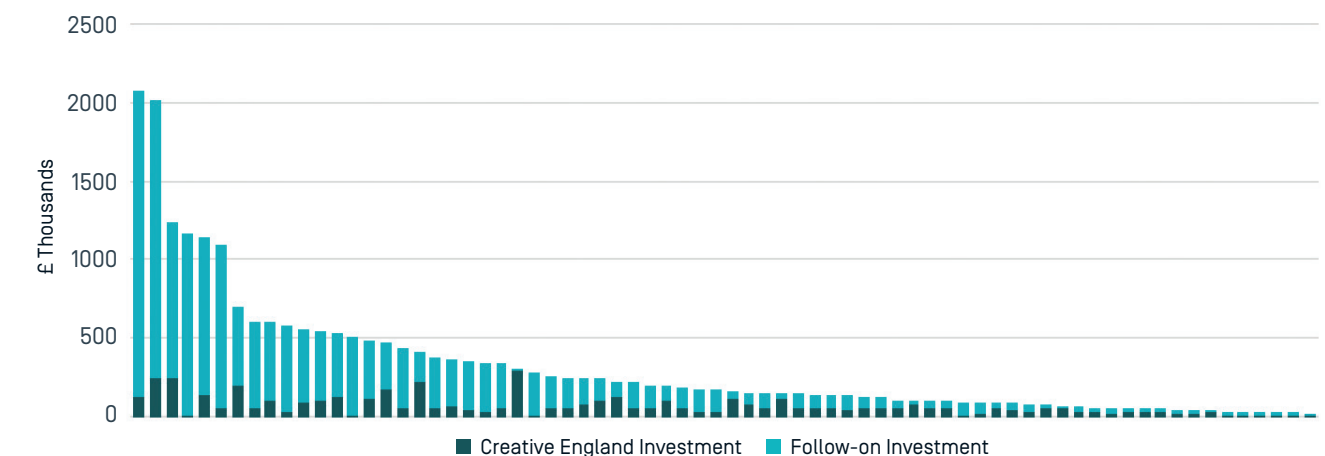
Of the remaining £21 million additional follow-on investment, 73% was raised from private sources. The average investment was just over £250,000. Additional follow-on investment is almost four times Creative England's initial investment.

“Creative England gave momentum to the fund-raise. When they committed, it gave a new level of maturity and credibility. It really did unlock a whole load of new investment.

[Tech & Digital company, for whom £200k equity from Creative England was part of an £800k round.]

### Additional follow-on investment is almost four times Creative England's initial investment.

Chart 4.12 Distribution of Creative England's initial investment and additional follow-on investment (excludes Avocarrot and The Floow)



Among Creative England's client base, it is the technology, digital and games companies, especially those with a scalable business model, that have had the most success at raising private investment. For some angel investors, the credibility of an investment from Creative England, and the implicit vote of confidence, encouraged them to invest. Clients said that one of the most tangible outcomes from Creative England's business support is subsequent success in raising further finance. This demonstrates that Creative England's investment signals to other finance providers that they are a good investment opportunity.

## Clusters

Clusters are geographic concentrations of interconnected companies and institutions (governments, universities and business support services, including finance) in a particular field. Characterised by relatively dense SME networks, clusters drive urban-regional economic growth through innovation, export and entrepreneurial performance and have been an important feature of UK industrial and regional policy for several decades. The Creative Industries Clusters Programme was launched in September 2017.

Creative England's data on innovation, exports and management development for individual businesses are too uneven for an aggregate portfolio-level analysis. However, we can indirectly assess Creative England's social value added benefits in these areas of business performance by analysing the concentration of its investees in identified UK creative industry clusters. We can reasonably assume that Creative England's investments enhance the aggregate innovation, export and managerial performance of those clusters where it has a significant 'footprint' i.e. high number of investee businesses. We use Nesta's map of 47 creative business clusters as a landscape for identifying where Creative England already makes an impact on local-regional growth and hence national economic growth.<sup>17</sup>

Creative England has an investment presence as a specialist provider of finance and business support to small creative businesses in numerous clusters spread across all of the English regions (Chart 4.13). Indeed, nearly 70% of Creative England's investment and businesses are located in the creative clusters identified by Nesta. This is comparable to Nesta's estimate of 75% for all creative businesses. This provides proof Creative England is already a 'cluster asset' in all regions. As such it should be considered as a ready-made creative business growth partner for the LEP network.

16. <http://www.thefloow.com/news/13m-investment-for-technology-firm-the-floow.html>

17. The Geography of Creativity in the UK (2016)



Creative England has an investment presence as a specialist provider of finance and business support to small creative businesses in numerous clusters spread across all of the English regions



Covatic –  
An Example of Innovation

Covatic is a media technology spin-out from Oxford University’s Computer Sciences department. It has developed an innovative broadcast personalisation engine.

Following two years of research, a Creative England convertible loan in early 2017 was used to cover staff developer costs and progress the commercialisation of the product. The investment allowed the Covatic team to deliver their first tech demonstrator, incorporating intellectual property rights from Oxford University’s Computer Science department which enables delivery of secure and personalised content to consumers.

The product ‘Serendipity’ has attracted the interest of large broadcasters seeking to incorporate the technology into their current content offer. Covatic has since opened an office in London and is working with broadcasters in Indonesia to build a springboard for launching into Asian markets.



Duck Soup –  
An Example of Cluster Development

Based at The Round Foundry estate in Holbeck, Leeds, Duck Soup Films was a recipient of the BFI Vision Awards 3 for its film slate. The company received a £5,000 grant and a £140,000 Company Development Loan from Creative England and Alpha Fund support from Channel 4 – all of which were vital for the early development and growth. In 2017, the global production company Freemantle Media took a 25% stake in the flourishing scripted TV and film business.

The following quote from Creative Space Management, developers of The Round Foundry space, underlines the benefits of the Leeds creative cluster:

“Duck Soup Films are joining a community of thriving creative businesses, and hopefully in the coming years we will see them replicate the success of their TV production neighbours True North TV, who are the biggest factual independent outside London.”

Chart 4.13 Distribution of Creative England investment by creative clusters

Creative clusters as identified in ‘The Geography of Creativity in the UK’, Nesta (2016) .

Clusters are identified using groups of creative sub-sectors and their geographic hotspots of activity. Activity is measured in terms of current levels of agglomeration (relative importance of the sector in the local economy), and in terms of rapid clustering growth.

Type of Creative Cluster

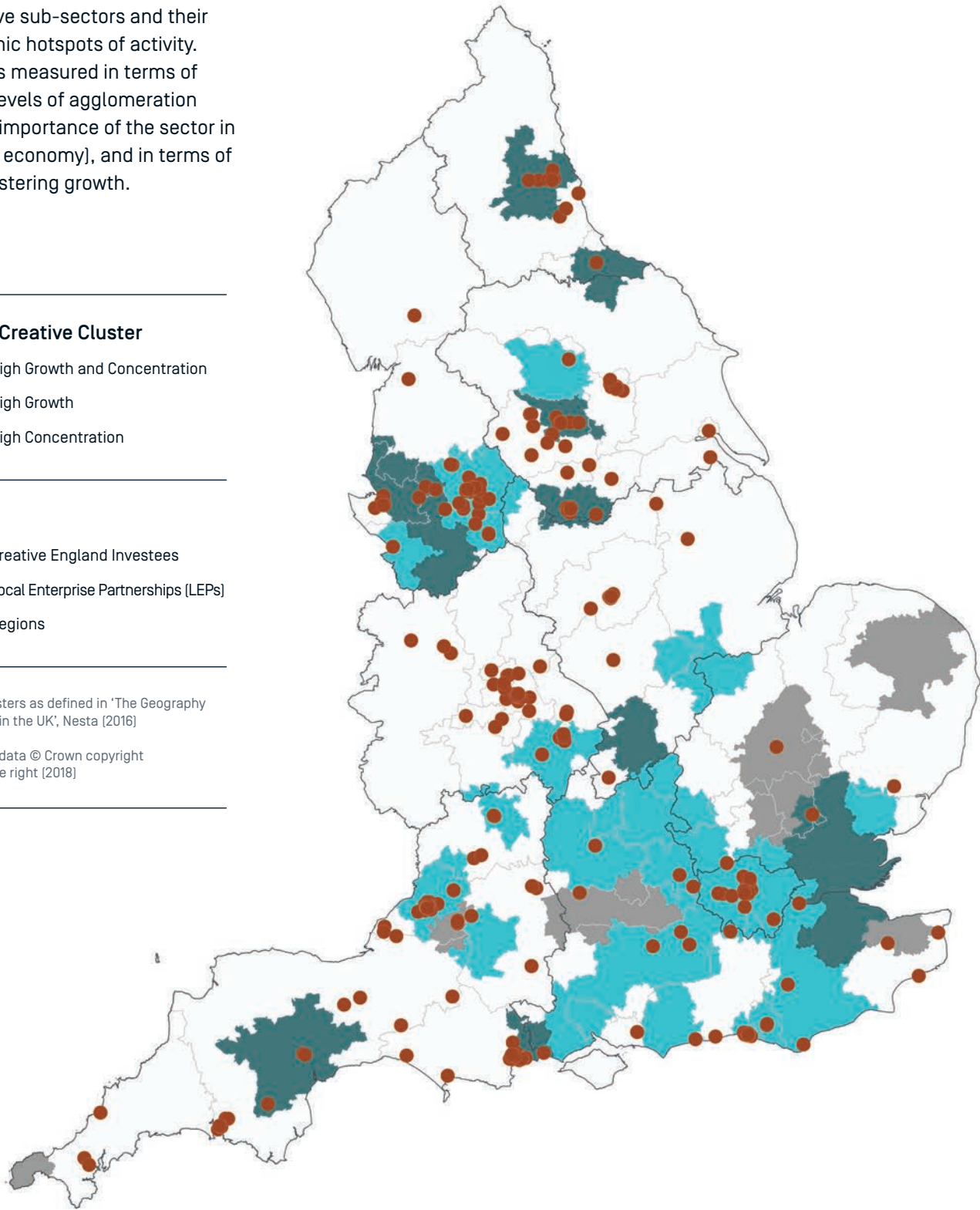
- High Growth and Concentration
- High Growth
- High Concentration

Key

- Creative England Investees
- Local Enterprise Partnerships (LEPs)
- Regions

Creative Clusters as defined in ‘The Geography of Creativity in the UK’, Nesta (2016)

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## 5 / Summary of Conclusions

Creative businesses are experiencing record levels of growth and employment, outperforming all other sectors. The Government has begun to recognise the central role the creative industries can play in securing the UK's future economic success, social cohesion and boosting regional and local economies.

However, the sector could provide a bigger boost to the UK if more creative businesses increased in scale, particularly in the regions outside of London and the South East. Lack of access to appropriate finance and support at all stages of development is a key barrier to realising this growth. Creative England was established to help fill the finance and support gap.

Our assessment demonstrates that Creative England is successfully delivering on its objective of helping small creative businesses grow from start-up to scale-up across film, TV, games, design and digital media.

### FIVE KEY FINDINGS STAND OUT



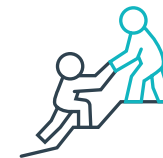
#### ✓ CREATIVE ENGLAND'S KNOWLEDGE AND UNDERSTANDING OF CREATIVE INDUSTRIES SETS IT APART AND IS HIGHLY VALUED BY ITS CLIENTS.

Creative England is a sectoral specialist that understands the nature and needs of the businesses it serves – from the film and TV industry, to the tech landscape, to the gaming community and creative agency space. This is a unique selling point and one that is very attractive to creative businesses as evidenced by client feedback. This specialist knowledge is also key to Creative England's ability to assess risk and reward and its success as an investor.



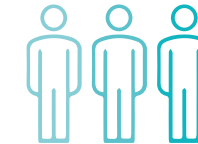
#### ✓ CREATIVE ENGLAND HAS DEPLOYED CAPITAL EFFICIENTLY AND EFFECTIVELY.

Creative England has deployed capital efficiently and effectively, with an average of £4 million investments to 85 businesses a year and repayment rates of over 99%. Our evidence shows that it is filling the 'funding gap' in the range of £25,000 to £250,000 (with an average investment size of £67,000). It is also providing business support that is helping creative businesses move from start up to growing, sustainable businesses.



#### ✓ CREATIVE ENGLAND IS BACKING CREATIVE BUSINESSES THAT CONTRIBUTE TO INCLUSIVE GROWTH, PARTICULARLY IN REGIONS OF THE COUNTRY THAT NEED IT MOST.

About 80% of Creative England's investment takes place outside of London and the South East, compared to an average of 62% for UK SME lending and 35% for venture capital finance. Forty-five percent of investee businesses are located in LEP areas where the social need for inclusive job growth is above the national average. Moreover, Creative England's investment is contributing to the development of regional creative clusters, with nearly 70% of investee businesses located within the 47 creative clusters identified by Nesta.



#### ✓ CREATIVE ENGLAND'S INVESTEE BUSINESSES ARE ACHIEVING LONG-TERM GROWTH AND SUSTAINABILITY AND HAVE BETTER SURVIVAL RATES THAN THE CREATIVE SECTOR AS A WHOLE.

The majority of Creative England's investees are growing their turnover and employment. Creative England's businesses have created and so far sustained a total of 1,145 jobs.

Creative England is backing creative businesses that help deliver inclusive growth, particularly in regions of the country that need it most.



#### ✓ CREATIVE ENGLAND'S FUNDING HELPS BUSINESSES MOBILISE COMMERCIAL INVESTMENT.

Creative England has leveraged £20 million in match funding and catalysed a further £49.5 million in follow-on funding, the majority from private sources. For every £1 of public sector investment, £4 of further investment has been mobilised, the majority from private, commercial sources. Creative England has also supported business innovation and export growth.

Creative England has demonstrated its value added and catalytic role in the creative industries marketplace. It is the one of the few specialist organisations dedicated to providing finance and support to creative businesses. It has built a proven track record and strong brand in creative industries investing.

Creative England has developed an investment and business support model that is working. It is helping to fill the access to finance gap at the lower end of the 'ladder of growth' supporting creative businesses to sustain and grow. A high level of trust exists between Creative England and its clients. Now is the time for Creative England to find trusted partners willing to invest in scaling-up its investment and support programme.

Creative England has effectively mobilised public funding to deliver social and economic value. It is making an important contribution to achieving the ambitions of the Government's Industrial Strategy, helping to boost the role of creative businesses in securing the UK's future economic success and more inclusive and sustainable growth.





Creative England is supporting businesses to achieve long-term sustainability.

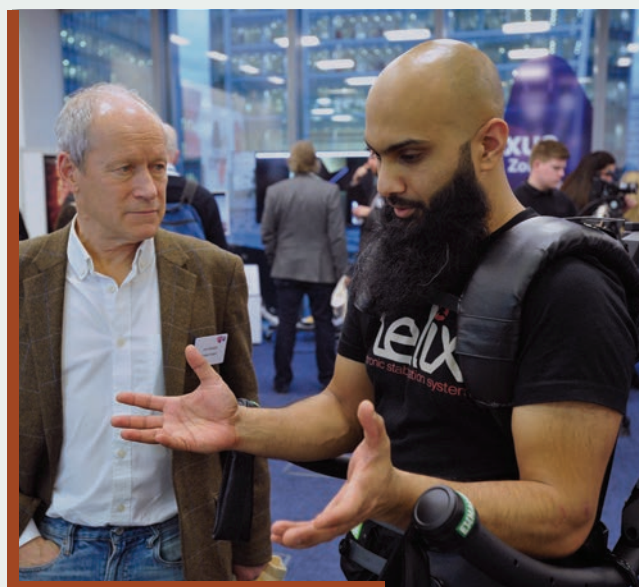


### Mad As Birds – An Example of Sustainability

Based in the Wirral and Wales, Mad as Birds is an independent film and television production company with a unique blend of expertise across production, writing, directing and post-production. Their first feature film *Set Fire to the Stars*, starring Elijah Wood and Celyn Jones, won three Welsh BAFTAs from a total of seven nominations in 2015.

In 2016, Creative England invested £100,000 in the company to facilitate the development of a commercial slate of eight projects. Developing the slate was essential to the company for two reasons – firstly, to demonstrate the type of work that the team were capable of producing (three of the four projects mentioned were fully developed and written in-house); and secondly, to establish sustainable revenue streams. The finance provided by Creative England filled a critical cash-flow gap, enabling a talented creative team to continue with the development of projects during the ‘runway’ time to production.

Two years on from receiving investment, Mad as Birds have completed their next feature film, the thriller *Keepers* starring Gerard Butler and Peter Mullan which is due for international release later this year. They are also in production on *Six Minutes to Midnight*, starring Eddie Izzard and Dame Judi Dench, for Lionsgate UK and *Poms*, starring Diane Keaton and Jacki Weaver.



### Hammerhead VR – An Example of Innovation

Set up in Newcastle in 2014 Hammerhead VR, is a multi-award winning immersive content studio and one of the first dedicated Virtual Reality studios globally. The team create entertainment experiences and commercial applications working with clients from Ford to Boursin, Wimbledon to Louis Vuitton. Their first VR short film, *ABE*, was showcased by BAFTA.

Creative England invested in the company in 2016 to support the development of their VR horror survival game, *Syren* for Playstation VR, Steam VR and Oculus. Hammerhead have invested in cutting edge production facilities and processes, to open up new possibilities for immersive content. In 2017 the company opened Dimension, a volumetric data capture studio in London and the first Microsoft Mixed Reality Capture partner in Europe.





Annex 1: Responsible finance SME business lenders

ORGANISATION	AREA OF OPERATION	FINANCE RANGE
ART Business Loans	West Midlands	£10,000 - £150,000
BCRS Business Loans	West Midlands	£10,000 - £150,000
Business Enterprise Fund	The West, North Yorkshire and the North East	£500 - £150,000
Business Finance Solutions	North West	£500 - £100,000
Coventry and Warwickshire Reinvestment Trust	Coventry and Warwickshire [West Midlands]	£1,000 - £75,000
DSL Business Finance	Scotland	£500 - £50,000
Enterprise Loans East Midlands	East Midlands	£500 - £100,000
Enterprise Northern Ireland	Northern Ireland	£1,000 - £50,000
Finance for Enterprise	South Yorkshire and the North Midlands	£250 - £150,000
Five Lamps	Yorkshire and the North East	£250 - £25,000
Foundation East	Eastern part of the UK	£500 - £100,000
Fredericks Foundation	England and Wales	£2,500 - £35,000
Impetus	West Midlands	£1,000 - £150,000
Let's Do Business Finance	South East	Up to £50,000
London Community Finance	London, Hertfordshire and Bedfordshire	Up to £15,000
London Small Business Centre	London	£1,000 - £25,000
Merseyside Special Investment Fund	Merseyside	£250 - £2,000,000
Newable	UK	£26,000 - £150,000
Robert Owen Community Banking Fund	Wales	£500 - £90,000
Sirius	Hull and East Riding of Yorkshire	£500 - £25,000
SWIG Finance	South West and Hampshire	£500 - £100,000
The FSE Group	UK	£25,000 - £500,000

Annex 2: BVCA investment by industry sector [2016]

INDUSTRY SECTOR	Number of Companies	% of Companies	Amount Invested (£m)	% of Amount Invested
Basic Materials – Chemicals	7	1	8	0
Basic Materials – Forestry and Paper	1	0	6	0
Basic Materials – Industrial Metals and Mining				
Basic materials – Mining	1	0	6	0
Total Basic Materials	8	1	14	0
Consumer Goods – Beverages				
Consumer Goods – Food Producers	11	2	66	1
Consumer Goods – Household Goods and Home Construction	14	2	82	1
Consumer Goods – Automobiles and Parts	7	1	32	0
Consumer Goods – Leisure Goods	8	1	86	1
Consumer Goods – Personal Goods				
Consumer Goods – Tobacco	19	3	449	6
Total Consumer Goods	59	8	715	10
Consumer Services – Food and Drug Retailers	8	1	161	2
Consumer Services – General Retailers	46	6	2,111	30
Consumer Services – Media	23	3	310	4
Consumer Services – Travel and Leisure	35	5	339	5
Total Consumer Services	112	15	2,922	41
Financials – Financial Services	21	3	404	6
Financials – Banks	3	0	67	1
Financials – Life Insurance	0	0	0	0
Financials – Non-Life Insurance	8	1	133	2
Financials – Equity Investment Instruments	0	0	0	0
Financials – Non-equity Investment Instruments	0	0	0	0
Financials – Real Estate Investment Trusts	0	0	0	0
Financials – Real Estate Investment and Services	5	1	7	0
Total Financials	37	5	611	9
Health Care – Equipment and Services	59	8	538	8
Health Care – Pharmaceuticals and Biotechnology	63	9	331	5
Total Health Care	122	17	869	12
Industrials – Areospace and Defense	2	0	49	1
Industrials – Construction and Materials	18	2	119	2
Industrials – Electronic and Electrical Equipment	15	2	21	0
Industrials – Engineering	13	2	95	1
Industrials – General Industrials	6	1	53	1
Industrials – Support Services	64	9	668	9
Industrials – Transportation	8	1	219	3
Total Industrials	126	17	1,224	17
Oil & Gas – Alternative Energy	14	2	11	0
Oil & Gas – Oil and Gas Producers	4	1	10	0
Oil & Gas – Oil Equipment, Services and Distribution	13	2	45	1
Total Oil & Gas	31	4	65	1
Technology – Hardware and Equipment	17	2	82	1
Technology – Software and Computer Services	197	27	500	7
Total Technology	214	29	582	8
Telecommunications – Fixed Line	6	1	37	1
Telecommunications – Mobile	8	1	57	1
Total Telecommunications	14	2	94	1
Utilities – Electricity	2	0	11	0
Utilities – Gas, Water and Multiutilities	3	0	10	0
Total Utilities	5	1	21	0
Other	0	0	0	0
TOTAL	728	100	7,119	100

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