

DIGITAL CATAPULT
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

DIGITAL CATAPULT
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors	I A Baverstock (resigned 31 May 2020) P Guha (appointed 11 April 2020) R H Ironside J Maier W J A Priest (appointed 1 May 2020) J S Ridley-Smith N D Sanders L M Shesgreen (resigned 14 October 2020) J M Silver S K Thomas K R Underwood (appointed 1 April 2020)
Company secretary	C Stait
Registered number	07964699
Registered office	101 Euston Road London NW1 2RA
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor 2 Chawley Park Cumnor Hill Oxford Oxfordshire OX2 9GG

DIGITAL CATAPULT
(A Company Limited by Guarantee)

CONTENTS

	Page
Group Strategic Report	1 - 3
Directors' Report	4 - 7
Independent Auditor's Report	8 - 11
Consolidated Statement of Comprehensive Income	12
Consolidated Statement of Financial Position	13
Company Statement of Financial Position	14
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16
Notes to the Financial Statements	17 - 35

DIGITAL CATAPULT
(A Company Limited by Guarantee)

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The directors present their Group Strategic Report for the year ended 31 March 2021.

Business Review

Digital Catapult is the UK authority on advanced digital technology. Through collaboration and innovation, we accelerate industry adoption of advanced digital technologies, to drive growth and opportunity across the economy. We bring together an expert and enterprising community of researchers, startups, scaleups and industry leaders to discover new ways to solve the big challenges limiting the UK's future potential. Through our specialist programmes and experimental facilities, we make sure that innovation thrives and the right solutions make it to the real world. Our goal is to accelerate new possibilities in everything we do and for every business with which we partner, breaking down barriers, de-risking innovation, opening up markets and responsibly shaping the products, services and experiences of the future.

Digital Catapult has grown and scaled its programmes over the past financial year despite the challenges posed by the pandemic. The organisation migrated its entire function online, which meant developing a new set of tools and solutions to help our partner companies continue to be able to do business and develop their solutions. It meant ensuring our entire workforce continued to be able to work from home, protecting their well being and mental health as well driving increased productivity. In this challenging context, our commercial partnerships slowed down, inevitably some companies needed to withdraw from innovation work entirely, but overall we grew our business as the appetite for digital adoption accelerated in the pandemic. This also meant developing new initiatives in cross technology applications such as Advanced Digital Infrastructure, scaling our regional presence and building new facilities.

During the pandemic, through the Financial year 20/21, Digital Catapult successfully pivoted to a remote working setting and put in place various mechanisms and initiatives to support our teams. This included events as well as improvements in some of our business systems. We ensured we were listening to our team members' needs by running surveys and through focused group conversations and responded to the needs of our team in varying ways. Through the year, we addressed different aspects of wellbeing and mental health, running events for all team members and related training sessions for managers. For example, we ran a series of training on building

resilience within ourselves and our teams. Additionally, we continued to promote the benefits we have in place to support health and wellbeing, including our free for all Employee Assistance Programme and other optional health benefits. We also ensured that we continued to develop our EDI programme, again as a means of supporting our team's wellbeing and in order to build an understanding of the benefits of building a diverse team

and to create a sense of belonging for all who work at Digital Catapult.

In Financial year 20/21, we have also worked with companies to innovate through the pandemic and into recovery, helping the economy to build back better. In the midst of the emergency we were able to act as a helpful interface between our ecosystem of high growth businesses and government. We fed regular information back into government departments about what the companies were telling us they needed to survive the impact of the pandemic. Some companies struggled to survive, but many brought new products and services to market, transformed their business operations and have grown despite the many challenges faced over the past year. The longer-term impact of our work will be visible in the customers of those new products and services and the benefits to wider society and the economy from those innovations.

Overall, this past year has seen us create real momentum in the marketplace, growing our reputation through a track record of high-level technical competence, leading edge innovation capability and a responsible approach to technology optimism, as well as ambition for the companies we work with across all regions of the UK. We are more than excited about what we can do in the coming year as our ambition and impact grows.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Highlights of achievements in FY 20/21

Digital Catapult completed the third year of its second Five Year Delivery Plan (2018 to 2023). During this third year, we have built a new facility called the SmartRAN Open Network Interoperability Centre (SONIC Labs) announced as part of DCMS' 5G Diversification Strategy. This is a joint programme between Digital Catapult and Ofcom to foster emergence of new solutions in the telecom supply chain in the UK, focusing on multi-vendor open, disaggregated and software-centric network products, solutions and services, starting with Open RAN, which has been live and operational from June 2021.

Digital Catapult has continued to build and develop our innovation and acceleration programmes. In October Digital Catapult launched The Made Smarter Technology Accelerator, a national programme funded by UKRI, set to shape technology innovation for the manufacturing sector. Working with both manufacturers and innovative UK startups and scaleups, the programme sees leading innovators develop technology prototypes that will address some of the UK's most prevalent manufacturing challenges. This year Digital Catapult has worked closely with over 500 SME's - largely early stage and high growth deep tech companies.

Digital Catapult reached each of its KPI targets which were set by Innovate UK.

Another highlight has been the realisation of our ambitions, set out in last year's accounts, to grow our offer across the UK. Maintaining our strategy of leveraging local strengths has been particularly relevant during COVID-19 to develop deeper and new partnerships regionally. As outlined previously, scaling our interventions is paramount to success, examples of this include; the developing 'Design Smarter' Digital Twin project with commercial partners in Northern Ireland, 5G SPRING in partnership with West Midlands Combined Authority; and a Digital Catapult North East & Tees Valley £1.5m Digital Adoption programme. In 20/21 we have also launched a collaboration with Bristol University focused on developing translational vehicles for advanced digital technologies within the creative and manufacturing sectors in the South West of England.

In 20/21 we added two new regional sites and significantly scaled existing sites/centres, therefore our focus for 21/22 will be to embed ourselves further and reinforce the growth within those regions. This will deliver to our levelling up strategy and will support the growth of the network in areas of emerging opportunity.

Funding

Digital Catapult is funded by Innovate UK (UK Government grant) in accordance with the grant funding agreement to 2023. In addition, the company generated income from Collaborative Research and Development projects and Commercial business activities.

Commercial Income

This is the eighth year of trading for our subsidiary, DCS Ltd and we are pleased to report £3,350,013 of income

Principle risks and uncertainties

The risk register is reviewed in combination with the parent company register, which was presented to the Audit Committee and Board. Each risk is followed up and actions taken to mitigate risk where practicable.

The most significant risks for the Group are:

A reduction in government funding or a material change in government policy, continues to be an ongoing risk. The government focus on covid-19 for some time may delay decisions for example on spending

DIGITAL CATAPULT
(A Company Limited by Guarantee)

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

The impact of UK withdrawal from the EU may affect the availability of EU funded projects. The availability and timing of new funding opportunities by the UK government may be slow to materialise. This could impact the scope of collaborative research and development projects, innovation investment in the market and the speed of commercial adoption

The economic impact of the pandemic on certain industrial sectors will create a downturn unevenly across different sectors. This will result in company failures and increased unemployment which will have a knock-on effect in terms of industrial participation in DC activities.

The Grant funding agreement (GFA) with Innovate UK contains a number of key performance indicators (KPIs), which, if not met for two years in succession would give Innovate UK the right to review the terms and continuation of the GFA.

This report was approved by the board and signed on its behalf.

J M Silver

Director

Date: 1 October 2021

DIGITAL CATAPULT
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the surplus or deficit of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Principal activities and review of business

This is the seventh year of Digital Catapult helping to accelerate the early adoption of advanced digital technologies by UK industry.

With policy responsibility sitting with both the UK Government's Department for UK Government's Business Energy Industrial Strategy (BEIS) and the Department for Digital Culture Media and Sport (DCMS), as well as being part of the world-renowned Catapult Network, Digital Catapult is the UK's leading advanced digital technology innovation centre. We accelerate the adoption of new and emerging technologies to drive regional, national and international growth for businesses across the UK economy.

With 180+ technology, innovation, industry and policy experts - Digital Catapult works with the supply and demand for advanced digital technologies - from start-ups and scaleups, to established businesses, investors, government and public sector, research and academia. Digital Catapult helps to discover and design new ways of solving industry challenges, increasing productivity and opening up new markets.

Digital Catapult's focus is on a new and emerging advanced digital technology stack, that combines:

- Future networks: 5G, the internet of things (IoT) and other next generation network technologies
- Artificial intelligence and machine learning
- Distributed systems (distributed ledger technologies, including blockchain)
- Immersive technologies (virtual, augmented and mixed reality, and haptics)

Digital Catapult (1) builds and operates physical and virtual facilities that would not exist without its investment; (2) designs and delivers specialised regional, national and international innovation programmes, that tackle capability and market failures, driving UK leadership and economic growth; and (3) build combined technology proof of concepts and pilots through collaborative and commercial research & development (R&D), unlocking the economic potential of innovation, helping to prove the business case and accelerate the adoption of emerging technology start-ups and scaleups solutions into industry.

We accelerate practical approaches to adoption – with ethical and security considerations – so that the UK can benefit from these technologies at a national scale.

The review of the business is presented in the strategic report

Sources of Income

In the current year, Digital Catapult was funded by a UK Government grant. In addition, the Company generated income from Collaborative Research and Development projects and Commercial business activities.

Financial results

Turnover of £21,719,459 (2020: £18,416,441) was made up of grants totalling £18,369,446 (2020: £15,421,438) received from Innovate UK and Collaborative R&D projects and also £3,350,013 (2020: £2,995,003) of Commercial income from the Trading subsidiary, Digital Catapult Services Limited. Operational costs of the organisation were £21,747,418 (2020: £18,190,623) and Other operating income of £109,157 (2020: £128,512) resulting in an operating profit of £81,198 (2020: profit £354,330).

The surplus for the year, after taxation, amounted to £33,769 (2020 : £249,026).

The directors have disclosed some required information within the Group Strategic Report.

Directors

The directors who served during the year were:

I A Baverstock (resigned 31 May 2020)

R H Ironside

J Maier

DIGITAL CATAPULT
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

J S Ridley-Smith
N D Sanders
L M Shesgreen (resigned 14 October 2020)
J M Silver
S K Thomas
K R Underwood (appointed 1 April 2020)
P Guha (appointed 11 April 2020)
W J A Priest (appointed 1 May 2020)

Future developments

2021/22 will be significant for the UK as we move out of the pandemic into a stage of economic recovery, with a focus on levelling up regional capabilities, establishing better resilience through digitalisation across multiple sectors and driving the UK forward as a global leader in science and technology innovation. This includes a shift towards innovations and R&D for cyber physical systems and infrastructure - which brings together the digital and the physical worlds through applications and solutions such as digital twins, virtual production and new human machine interfaces such as AR Cloud. Digital Catapult will continue to help the UK become more globally competitive in this environment, by leveraging our ability to specialise and capitalise on our international reputation for innovation and creativity. Technology is at the heart of this, and the UK has a vibrant and growing tech ecosystem that with the right support, delivered locally, can continue to flourish and scale.

The core principles of the Digital Catapult strategy will remain the same, and our vision of the new technology stack will take a step further forward in development. However, in 2021 new themes have emerged in resilience, sustainability, and net zero. We will also provide expert insights for the UK Government around Cyber Physical Infrastructure and Digital Twins, supporting the UK in developing new innovations in these areas that can benefit the wider economy and society. This includes work around telecoms supply chain diversification, through our recently launched SONIC OpenRAN facility for 5G in partnership with Ofcom and DCMS. These initiatives will also enable interventions across industries, particularly in our manufacturing work as we embark on new projects in the food supply chain and seek to build ambitious collaborative projects to address climate change. In the creative industries we are starting to develop the UK's position as the leading global digital media production centre and stimulate the development of new digital production techniques along with some ambitious proposals with academic and industrial partners for the creation of new world class facilities across the UK.

Digital Catapult will be at the heart of the most critical digital technology developments for business and for national innovation and R&D strategies for the UK over the course of the next year. In both the short term and in the longer term, Digital Catapult will ensure that opportunities are grown for UK innovation - leveraging our strengths and the capabilities of advanced digital technology supply and demand to position us for the future.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Post balance sheet events

After the year end, the Group issues £200,000 3% unsecured loan notes to Creative Capture Studios Limited.

Auditor

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

J M Silver

Director

Date: 1 October 2021

DIGITAL CATAPULT
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DIGITAL CATAPULT

Opinion

We have audited the financial statements of Digital Catapult (the 'parent Company') and its subsidiary (the 'Group') for the year ended 31 March 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DIGITAL CATAPULT (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DIGITAL CATAPULT (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DIGITAL CATAPULT (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sue Staunton MA FCA CF (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park

Cumnor Hill

Oxford

Oxfordshire

OX2 9GG

5 October 2021

DIGITAL CATAPULT
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	21,719,459	18,416,441
Gross profit		<u>21,719,459</u>	<u>18,416,441</u>
Administrative expenses		(21,747,418)	(18,190,623)
Other operating income	5	109,157	128,512
Operating profit	6	<u>81,198</u>	<u>354,330</u>
Interest receivable and similar income	10	-	39
Profit before taxation		<u>81,198</u>	<u>354,369</u>
Tax on profit	11	(47,429)	(105,343)
Profit for the financial year		<u><u>33,769</u></u>	<u><u>249,026</u></u>
Profit for the year attributable to:			
Owners of the parent Company		<u>33,769</u>	<u>249,026</u>
		<u><u>33,769</u></u>	<u><u>249,026</u></u>

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 17 to 35 form part of these financial statements.

DIGITAL CATAPULT
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07964699

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	19,119	-
Tangible assets	13	3,456,361	3,572,545
Investments	14	150,000	150,000
		<hr/> 3,625,480	<hr/> 3,722,545
Current assets			
Debtors: amounts falling due after more than one year	15	1,908,000	1,908,000
Debtors: amounts falling due within one year	15	8,332,589	5,079,465
Cash at bank and in hand	16	1,695,870	3,882,686
		<hr/> 11,936,459	<hr/> 10,870,151
Creditors: amounts falling due within one year	17	(8,397,303)	(7,314,506)
		<hr/>	<hr/>
Net current assets		3,539,156	3,555,645
		<hr/>	<hr/>
Total assets less current liabilities		7,164,636	7,278,190
Creditors: amounts falling due after more than one year	18	(6,536,412)	(6,683,735)
Provisions for liabilities			
		<hr/>	<hr/>
Net assets		<u>628,224</u>	<u>594,455</u>
Capital and reserves			
Profit and loss account	21	628,224	594,455
Equity attributable to owners of the parent Company		<hr/> 628,224	<hr/> 594,455
		<hr/> <u>628,224</u>	<hr/> <u>594,455</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J M Silver
Director

Date: 1 October 2021

The notes on pages 17 to 35 form part of these financial statements.

DIGITAL CATAPULT
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07964699

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	19,119	-
Tangible assets	13	3,456,361	3,572,545
Investments	14	1	1
		<hr/>	<hr/>
		3,475,481	3,572,546
Current assets			
Debtors: amounts falling due after more than one year	15	1,908,000	1,908,000
Debtors: amounts falling due within one year	15	11,760,493	7,116,781
Cash at bank and in hand	16	328,856	1,965,106
		<hr/>	<hr/>
		13,997,349	10,989,887
Creditors: amounts falling due within one year	17	(10,707,866)	(7,747,559)
		<hr/>	<hr/>
Net current assets		3,289,483	3,242,328
		<hr/>	<hr/>
Total assets less current liabilities		6,764,964	6,814,874
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	18	(6,536,412)	(6,683,735)
		<hr/>	<hr/>
Net assets		<u>228,552</u>	<u>131,139</u>
Capital and reserves			
Profit and loss account	21	228,552	131,139
		<hr/>	<hr/>
		<u>228,552</u>	<u>131,139</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J M Silver

Director

Date: 1 October 2021

The notes on pages 17 to 35 form part of these financial statements.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Profit and loss account £	Total equity £
At 1 April 2019	345,429	345,429
Comprehensive income for the year		
Profit for the year	249,026	249,026
	<hr/>	<hr/>
At 1 April 2020	594,455	594,455
Comprehensive income for the year		
Profit for the year	33,769	33,769
	<hr/>	<hr/>
At 31 March 2021	628,224	628,224
	<hr/>	<hr/>

The notes on pages 17 to 35 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Profit and loss account £	Total equity £
At 1 April 2019	27,254	27,254
Comprehensive income for the year		
Profit for the year	103,885	103,885
	<hr/>	<hr/>
At 1 April 2020	131,139	131,139
Comprehensive income for the year		
Profit for the year	97,413	97,413
	<hr/>	<hr/>
At 31 March 2021	228,552	228,552
	<hr/>	<hr/>

The notes on pages 17 to 35 form part of these financial statements.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	33,769	249,026
Adjustments for:		
Depreciation of tangible assets	1,174,718	1,649,416
Loss on disposal of tangible assets	(1,700)	-
Interest received	-	(39)
Taxation charge	47,429	105,343
(Increase)/decrease in debtors	(3,253,125)	1,959,353
Increase/(decrease) in creditors	932,395	(1,546,670)
Corporation tax (paid)	(44,348)	(60,602)
Net cash generated from operating activities	<u>(1,110,862)</u>	<u>2,355,827</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(24,224)	-
Purchase of tangible fixed assets	(1,053,430)	(276,409)
Sale of tangible fixed assets	1,700	-
Interest received	-	39
Net cash from investing activities	<u>(1,075,954)</u>	<u>(276,370)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(2,186,816)</u>	<u>2,079,457</u>
Cash and cash equivalents at beginning of year	3,882,686	1,803,229
Cash and cash equivalents at the end of year	<u><u>1,695,870</u></u>	<u><u>3,882,686</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,695,870	3,882,686
	<u><u>1,695,870</u></u>	<u><u>3,882,686</u></u>

The notes on pages 17 to 35 form part of these financial statements.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Digital Catapult is a company incorporated in England and Wales, and limited by guarantee.

Digital Catapult is the UK's leading advanced digital technology innovation centre. It drives the early adoption of digital technologies to make UK businesses more competitive and productive to grow the country's economy

The Company's registered office is 101 Euston Road, London, NW1 2RA.

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Company and its own subsidiary ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are, therefore, eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date upon which control is obtained. They are deconsolidated from the date control ceases.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.4 Going concern

Funding for the 5 year term from 2018/19 onwards was confirmed in November 2018. This core funding is supplemented by funding from other sources.

The Grant funding agreement (GFA) contains a number of key performance indicators (KPIs), which, if not met for two years in succession, would give Innovate UK the right to review the terms and renewal of the GFA.

The Directors believe that the Group can continue to operate as a going concern.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	3	years on a straight line basis.
----------	---	---	---------------------------------

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.

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:

Fixtures & fittings	- 3 years straight line.
Office equipment	- 3 years straight line.
Other fixed assets	- Over 10 years or the lease term, if shorter

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.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 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.

2.10 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102.

Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Company and Group'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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.16 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.17 Sale and leaseback

Where a sale and leaseback transaction results in a finance lease, no gain is immediately recognised for any excess of sales proceeds over the carrying amount of the asset. Instead, the proceeds are presented as a liability and subsequently measured at amortised cost using the effective interest method.

When a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately unless the loss is compensated for by the future lease payments at below market price. In that case any such loss is amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is amortised over the period for which the asset is expected to be used.

2.18 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.19 Interest income

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.20 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

2.21 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The recognition of income arising from government grants has been carefully considered to ensure compliance with the requirements of the accruals based approach permitted under FRS 102.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Core grant	12,706,367	12,401,266
Collaborative R&D and other income	5,331,541	3,020,172
Scaling up	331,538	-
Digital Catapult Services fees receivable	3,350,013	2,995,003
	<u>21,719,459</u>	<u>18,416,441</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	20,978,775	17,325,902
Rest of Europe	740,684	1,090,539
	<u>21,719,459</u>	<u>18,416,441</u>

5. Other operating income

	2021 £	2020 £
Other operating income	109,157	128,512
	<u>109,157</u>	<u>128,512</u>

6. Operating profit/(loss)

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

	2021 £	2020 £
Research & development charged as an expense	4,543,893	2,634,100
Exchange differences	(45,979)	(427)
Other operating lease rentals	978,699	954,735
Group audit fees	15,400	14,350
Depreciation	1,169,614	1,649,416
Amortisation	<u>5,105</u>	<u>-</u>

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	10,100	9,200
	<u>10,100</u>	<u>9,200</u>
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of associates of the Group pursuant to legislation	5,300	5,150
Preparation of the annual accounts	2,900	2,900
Other services relating to taxation	20,924	20,000
Services in relation to corporation tax compliance	2,800	2,600
All other services	10,000	9,000
	<u>41,924</u>	<u>39,650</u>

8. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	9,869,218	8,091,878	9,869,218	8,091,878
Social security costs	1,045,828	875,191	1,045,828	875,191
Cost of defined contribution scheme	775,940	624,541	775,940	624,541
	<u>11,690,986</u>	<u>9,591,610</u>	<u>11,690,986</u>	<u>9,591,610</u>

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

	2021 No.	2020 No.
Management and administration	34	32
Development and Technology	44	36
Commercial, CR&D, Delivery and Communities	76	60
Non-Executives	10	8
	<u>164</u>	<u>136</u>

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	648,450	631,810
Company contributions to defined contribution pension schemes	28,054	14,605
	<u>676,504</u>	<u>646,415</u>

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £340,987 (2020 - £327,006).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

10. Interest receivable

	2021 £	2020 £
Other interest receivable	-	39
	<u>-</u>	<u>39</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	47,429	113,687
	<u>47,429</u>	<u>113,687</u>
Total current tax	<u>47,429</u>	<u>113,687</u>
Deferred tax		
Origination and reversal of timing differences	-	(6,502)
Changes to tax rates	-	(1,842)
	<u>-</u>	<u>(8,344)</u>
Total deferred tax	<u>-</u>	<u>(8,344)</u>
Taxation on profit on ordinary activities	<u>47,429</u>	<u>105,343</u>

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>81,198</u>	<u>354,369</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	15,428	67,330
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(12,348)	15,552
Fixed asset differences	-	8,925
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(24,417)
RDEC notional claim	44,349	37,953
Total tax charge for the year	<u><u>47,429</u></u>	<u><u>105,343</u></u>

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the main 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, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax expense for the period and to reduce the deferred tax liability. The impact of these changes is not expected to be material.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Intangible assets

Group and Company

	Software £
Cost	
Additions	24,224
At 31 March 2021	<u>24,224</u>
Amortisation	
Charge for the year on owned assets	5,105
At 31 March 2021	<u>5,105</u>
Net book value	
At 31 March 2021	<u><u>19,119</u></u>
At 31 March 2020	<u><u>-</u></u>

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Tangible fixed assets

Group and Company

	Fixtures & fittings £	Office equipment £	Other fixed assets £	Total £
Cost or valuation				
At 1 April 2020	330,286	5,190,738	5,466,452	10,987,476
Additions	11,000	1,042,430	-	1,053,430
At 31 March 2021	341,286	6,233,168	5,466,452	12,040,906
Depreciation				
At 1 April 2020	195,258	4,403,592	2,816,081	7,414,931
Charge for the year on owned assets	85,133	542,969	541,512	1,169,614
At 31 March 2021	280,391	4,946,561	3,357,593	8,584,545
Net book value				
At 31 March 2021	60,895	1,286,607	2,108,859	3,456,361
At 31 March 2020	135,028	787,146	2,650,371	3,572,545

14. Fixed asset investments

Group

	Other fixed asset investments £
Cost or valuation	
At 1 April 2020	150,000
At 31 March 2021	150,000
Net book value	
At 31 March 2021	150,000
At 31 March 2020	150,000

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Company

**Investments in
subsidiary
companies
£**

Cost or valuation

At 1 April 2020

1

At 31 March 2021

1

Net book value

At 31 March 2021

1

At 31 March 2020

1

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Digital Catapult Services Limited	101 Euston Road, London, NW1 2RA	Commercial activities designed to drive UK Innovation and SME engagement	Ordinary	100 %

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due after more than one year				
Other debtors	1,908,000	1,908,000	1,908,000	1,908,000
	<u>1,908,000</u>	<u>1,908,000</u>	<u>1,908,000</u>	<u>1,908,000</u>
	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade debtors	1,493,829	332,060	238,646	3,000
Amounts owed by group undertakings	-	-	6,400,213	2,992,103
Other debtors	525,099	372,409	370,099	207,446
Prepayments and accrued income	6,289,664	4,350,999	4,727,538	3,890,235
Deferred taxation	23,997	23,997	23,997	23,997
	<u>8,332,589</u>	<u>5,079,465</u>	<u>11,760,493</u>	<u>7,116,781</u>

Other debtors include £1,908,000 (2020: £1,908,000) that is receivable after one year. The amount relates to a lease deposit due back at the end of the lease period.

Amounts owed by group undertakings are non-interest bearing and repayable on demand.

16. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	1,695,870	3,882,686	328,856	1,965,106
	<u>1,695,870</u>	<u>3,882,686</u>	<u>328,856</u>	<u>1,965,106</u>

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	456,591	259,392	456,591	259,392
Amounts owed to group undertakings	-	-	4,077,408	1,541,308
Corporation tax	113,704	110,625	79,659	76,580
Other taxation and social security	505,676	264,837	329,124	264,838
Other creditors	494,190	583,054	415,382	163,053
Accruals and deferred income	6,827,142	6,096,598	5,349,702	5,442,388
	<u>8,397,303</u>	<u>7,314,506</u>	<u>10,707,866</u>	<u>7,747,559</u>

Amounts owed to group undertakings are non-interest bearing and repayable on demand.

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accruals and deferred income	6,536,412	6,683,735	6,536,412	6,683,735
	<u>6,536,412</u>	<u>6,683,735</u>	<u>6,536,412</u>	<u>6,683,735</u>

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

19. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at fair value through profit or loss	1,695,870	3,882,686	328,856	1,965,106
Financial assets that are debt instruments measured at amortised cost	9,395,145	6,684,094	12,999,601	8,721,409
	<u>11,091,015</u>	<u>10,566,780</u>	<u>13,328,457</u>	<u>10,686,515</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(3,076,755)</u>	<u>(2,028,708)</u>	<u>(7,075,355)</u>	<u>(3,150,016)</u>

Financial assets measured at fair value through profit or loss comprises of cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprises of debtors excluding prepayments and deferred tax.

Financial liabilities measured at amortised cost comprises of trade creditors, other creditors and finance lease obligations due in less than one year.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

20. Deferred taxation

Group

	2021 £
At beginning of year	23,997
Charged to profit or loss	-
At end of year	23,997

Company

	2021 £
At beginning of year	23,997
Charged to profit or loss	-
At end of year	23,997

The deferred tax asset is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Pension surplus	23,997	23,997	23,997	23,997
	23,997	23,997	23,997	23,997

21. Reserves

Profit & loss account

The profit & loss account is the Company's accumulated profits or losses at the year end date.

22. Company status

The Company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the Company in the event of liquidation.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

23. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to £775,940 (2020: £624,541). Contributions totalling £nil (2020: £95,892) were payable to the fund at the balance sheet date and are included in creditors.

24. Commitments under operating leases

At 31 March 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	1,076,312	691,259	1,076,312	691,259
Later than 1 year and not later than 5 years	1,950,823	3,049,551	1,950,823	3,049,551
	<u>3,027,135</u>	<u>3,740,810</u>	<u>3,027,135</u>	<u>3,740,810</u>

25. Related party transactions

During the year ended 31 March 2021 the Company reimbursed directors' travel and subsistence expenses for a total of £74 (2020: £4,081). A total of £nil (2020: £nil) were outstanding at the year end.

During the year ended 31 March 2021 the Group entered into a commercial contract with the University of Manchester, a company of which Jurgen Maier is a director. A total of £22,500 (2020: £nil) is included within deferred income at the year end. A total of £22,500 (2020: £nil), excluding VAT, was outstanding at the year end.

Entities over which the Company has control

The Company controls Digital Catapult Services Limited by way of its 100% shareholding. During the year ended 31 March 2021 the Company recharged costs of £2,996,748 (2020: £2,810,874). At 31 March 2021, Digital Catapult Services Limited owed the Company £6,400,213 (2020: £2,992,102) and £4,077,408 (2020: £1,541,308) was owed to Digital Catapult Services Limited from the Company.

26. Controlling party

There is no single controlling party.

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