

DIGITAL CATAPULT SERVICES LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2023

DIGITAL CATAPULT SERVICES LIMITED
REGISTERED NUMBER: 08564481

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	5	31,195	150,000
		<u>31,195</u>	<u>150,000</u>
Current assets			
Debtors: amounts falling due within one year	6	1,419,138	2,132,676
Cash at bank and in hand	7	718,873	1,706,304
		<u>2,138,011</u>	<u>3,838,980</u>
Creditors: amounts falling due within one year	8	(1,403,199)	(3,252,853)
Net current assets		<u>734,812</u>	<u>586,127</u>
Total assets less current liabilities		<u>766,007</u>	<u>736,127</u>
Net assets		<u><u>766,007</u></u>	<u><u>736,127</u></u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	766,006	736,126
		<u>766,007</u>	<u>736,127</u>

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

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

J Silver

Director

Date: 25 October 2023

The notes on pages 3 to 7 form part of these financial statements.

DIGITAL CATAPULT SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2022	1	736,126	736,127
Comprehensive income for the year			
Profit for the year	-	29,880	29,880
	<hr/>	<hr/>	<hr/>
At 31 March 2023	1	766,006	766,007

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2021	1	399,672	399,673
Comprehensive income for the year			
Profit for the year	-	336,454	336,454
	<hr/>	<hr/>	<hr/>
At 31 March 2022	1	736,126	736,127

The notes on pages 3 to 7 form part of these financial statements.

DIGITAL CATAPULT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Digital Catapult Services Limited is a private company limited by shares and incorporated in England and Wales. The Company's principal activities are to carry out commercial contracts for its parent company, Digital Catapult.

The registered and trading address of the Company 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 management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Digital Catapult as at 31 March 2023 and these financial statements may be obtained from 101 Euston Road, London, NW1 2RA.

2.3 Going concern

The Company is dependent upon its parent company, Digital Catapult, for operational support, which is in turn reliant upon its funding from Innovate UK. The management of Digital Catapult have confirmed the Company's ability to continue as a going concern following an assessment of the business on financial, operational and other factors. FY 22/23 was the final year of the current five year grant funding period for Digital Catapult. A new Five Year Grant Funding Agreement has been signed with Innovate UK, providing funding of Digital Catapult for the period from April 2023 to March 2028.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Revenue

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

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 Company 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.

2.5 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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.

2.8 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.

2.9 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)**2.10 Financial instruments**

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

3. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2023	2022
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	6,000	5,500

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2022: £NIL). Directors' fees are borne by the parent company. A proportion of their salaries is cross charged to the Company as part of the overhead re-charge within the pricing of the commercial products and the management fee markup and this amounts to £79,000 (2022: £114,000).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Fixed asset investments

	Other fixed asset investments £
Cost or valuation	
At 1 April 2022	150,000
At 31 March 2023	150,000
Impairment	
Charge for the period	118,805
At 31 March 2023	118,805
Net book value	
At 31 March 2023	31,195
At 31 March 2022	150,000

6. Debtors

	2023 £	2022 £
Trade debtors	853,200	1,196,158
Other debtors	155,000	155,000
Prepayments and accrued income	410,938	781,518
	<u>1,419,138</u>	<u>2,132,676</u>

Other debtors relates to convertible loan notes of £155,000 which have no fixed conversion date. These have converted after the balance sheet date, please see note 14.

7. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>718,873</u>	<u>1,706,304</u>

DIGITAL CATAPULT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8. Creditors: Amounts falling due within one year

	2023 £	2022 £
Amounts owed to group undertakings	563,738	2,613,176
Corporation tax	102,954	63,613
Accruals and deferred income	736,507	576,064
	<u>1,403,199</u>	<u>3,252,853</u>

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

9. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1 (2022 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

10. Reserves

Profit and loss account

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

11. Post balance sheet events

After the year end, the Company elected to convert loan notes held with Hammerhead Interactive Limited to equity and to immediately dispose of these shares. The balance of the loan notes at 31 March 2023 was £155,000 (2022: £155,000).

The loan notes were converted into 781 £0.20 ordinary shares for a total consideration of £325,221. Subsequently, the equity was sold for £325,221.

A new Five Year Grant Funding Agreement was signed with Innovate UK, providing for funding of Digital Catapult for the period from April 2023 to March 2028.

12. Controlling party

The Company is controlled by Digital Catapult by way of its 100% shareholding.

13. Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2023 was unqualified.

The audit report was signed on 30 October 2023 by Sue Staunton MA FCA CF (Senior Statutory Auditor) on behalf of James Cowper Kreston.

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.