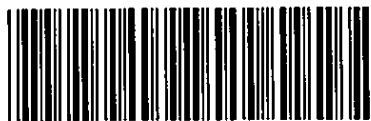


TECH NATION GROUP LIMITED
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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TECH NATION GROUP LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

Directors	S P Kelly - Chair (appointed 1 June 2020) E D Collins (appointed 15 September 2020) L Eccles G A Grech - Chief Executive J E Johnson (appointed 5 October 2020) H Kanji (appointed 15 September 2020) T S Lobo - People and Remuneration Committee (appointed 15 September 2020) D J Richards A E Wilson - Chair Audit & Risk Committee (appointed 15 September 2020) S F Wood - Senior Independent Non-Executive Director E Burbidge (Resigned 1 June 2020) E L Jones (Resigned 3 May 2020) T F Luke (Resigned 1 April 2021)
Company secretary	F Hemingway
Registered number	08843778
Registered office	20-22 Wenlock Road London N1 7GU
Independent auditors	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG

TECH NATION GROUP LIMITED
(A company limited by guarantee)

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TECH NATION GROUP LIMITED
(A company limited by guarantee)

STRATEGIC REPORT
FOR THE 52 WEEK PERIOD ENDED 31 MARCH 2021

Business review and performance

The Company's activities are aimed at fueling the growth of game-changing founders, leaders and scaling UK technology companies so they can positively transform societies and economies. It provides them with the coaching, content and community needed for their scaling journey. The principal activities of the Company are to provide programmes to support the growth of UK scaling technology companies by providing the skills, expertise and know-how needed to grow a digital business, process applications for the UK Global Talent Visa in digital technology, and champion the UK's digital economy through our thought leadership, data, research and analysis.

The Company is not for profit and its activities are partially funded by grants from the Department of Digital, Culture, Media and Sport and the Ministry of Justice; as well as contestable awards from the Department of International Trade and non-grant income generated from corporate partners and service providers that are keen to build relationships with scaling technology companies and visa processing fees. The Company is headquartered in London with an office in Manchester.

In this 2020/21 financial year, Tech Nation responded well to the COVID-19 pandemic by successfully pivoting all its delivery and operations to online and still achieving all its KPIs.

In the last financial year, Tech Nation successfully:

- Generated £82M of additional Gross Value Add (GVA) through its dedicated support of 225 companies via 3 sectors and 4 growth programmes, including launching the first UK Net Zero tech scaleup programme
- Helped create at least 1909 additional new jobs through its targeted support to these companies
- Provided £12 return to the UK economy for every £1 invested
- Increased its alumni network to 845 of the UK's most successful tech scaleups, reaching £0.5BN of GVA since Tech Nation was created.
- Processed 1,201 visa applications, reaching over 4,000 cumulatively since Tech Nation was created
- Generated £1.5M in commercial income, exceeding its target
- Delivered research and published findings in our most successful Tech Nation Report ever as well as 7 leading sector reports covering an overview of Technology developments in the UK, Net Zero tech investment, Existing and emerging jobs and skills, UK tech ecosystem development and international tech growth among others.
- Engaged with 1292 companies through its support networks such as Founders Network
- Through its Digital Business Academy, 12,234 were served with online learning courses and content to help start or scale a digital business

As a result of the above, revenue grew by 17% alongside an increase in the number of employees of 26% YoY. Tech Nation also successfully implemented an industry-leading D&I strategy that significantly reduced our median gender pay gap to 5% and mean gender pay gap to 7%.

Going concern

Please refer to the going concern report included as part of the Director's Report on page 4 of the financial statements.

TECH NATION GROUP LIMITED
(A company limited by guarantee)

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

Future developments

A 3-year business plan covering FY21/22 to FY 23/24 sets out how the company will drive towards three key strategic outcomes:

- Reach all 6,000 UK scaleups across the UK
- Generate over £1BN in GVA for the UK economy since Tech Nation was created
- Drive towards sustainability by commercial revenues making up 50% of total income

To achieve this, the Company has set out a digital transformation plan which will see the lessons learnt from the pandemic, remote working and digital delivery become embedded in the company's operating model and organisational design.

This report was approved by the board on 16 December 2021 and signed on its behalf.

Stephen Kelly

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Stephen Kelly
Chairman and Director

Gerard Grech

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Gerard Grech
Chief Executive and Director

TECH NATION GROUP LIMITED
(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 Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law, 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 and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

Principal activity

The Company's mission is to facilitate entrepreneurship and promote the formation and growth of digital technology businesses across the UK, principally achieved by running programmes bringing entrepreneurs and corporate companies together. Income is generated through programmes for entrepreneurs, sponsorship, research and services relating to visa application. The company also receives grant funding from the UK Government.

TECH NATION GROUP LIMITED
(A company limited by guarantee)

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

Going concern

Management has reviewed the Company's ability to operate as a going concern by considering the current and future impacts on the Company's operations and its financial health. Scenario modelling has been undertaken where it considered the impact of reduced revenue and any additional costs. This sensitivity analysis shows that the Company would still maintain a sufficient cash balance to remain a going concern. A stress test model was also examined, which considered a worst case scenario, however this required results which the Board considered highly unlikely to arise. It should also be noted that Covid-19 has not had a significant impact on the business to date. As a result the Board determines that Tech Nation has adequate resources to continue in operational existence for the foreseeable future and therefore it is appropriate for the accounts to be prepared on a going concern basis.

Results and dividends

The profit for the year, after taxation, amounted to £296,447 (2020: £290,150).

Directors

The directors who served during the year were:

S P Kelly - Chair (appointed 1 June 2020)
E D Collins (appointed 15 September 2020)
L Eccles
G A Grech - Chief Executive
J E Johnson (appointed 5 October 2020)
H Kanji (appointed 15 September 2020)
T S Lobo - People and Remuneration Committee (appointed 15 September 2020)
T Luke (resigned 1 April 2021)
D J Richards
A E Wilson - Chair Audit & Risk Committee (appointed 15 September 2020)
S F Wood - Senior Independent Non-Executive Director
E Burbidge (resigned 1 May 2020)
E L Jones (resigned 3 May 2020)

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16 December 2021 and signed on its behalf.

Stephen Kelly

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Stephen Kelly
Chairman and Director

Gerard Grech

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Gerard Grech
Chief Executive and Director

TECH NATION GROUP LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECH NATION GROUP LIMITED

Opinion

We have audited the financial statements of Tech Nation Group Limited (the 'company') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows (including Analysis of Net Debt) and notes to the financial statements, 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 company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

TECH NATION GROUP LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECH NATION GROUP LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the Reference and administrative details and Strategic Report and Directors' Report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 for the financial statements

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

TECH NATION GROUP LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECH NATION GROUP LIMITED

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

Auditor's responsibilities for the audit of the financial statements

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

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 audit report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the sector in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006, The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), and current UK corporation tax legislation
- We understood how the company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, and through our legal and professional expenses review.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
 - Challenging assumptions and judgments made by management in its significant accounting policies
 - Identifying and testing journal entries
 - Identifying and testing related party transactions
 - Inspecting the board minutes
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item

TECH NATION GROUP LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TECH NATION GROUP LIMITED

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
 - Knowledge of the industry in which the company operates, and
 - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of income.
- We did not identify any matters relating to non-compliance with laws and regulation and fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The company's operations, including the nature of its revenue sources, to understand the classes of transactions, accounts balances, expected financial statement disclosures and business risks that may result in risks of material misstatement, and
 - The company's control environment, including
 - Management's knowledge of relevant laws and regulations and how the company is complying with those laws and regulations
 - The adequacy of procedures for authorisation of transactions and review of management accounts, and
 - Procedures to ensure that possible breaches of laws and regulations are appropriately resolved

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.

Grant Thornton UK LLP

Stephen Dean
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
30 Finsbury Square
London EC2A 1AG
16/12/2021

TECH NATION GROUP LIMITED
(A company limited by guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	10,282,339	8,468,833
Cost of sales		(7,559,945)	(5,492,647)
Gross profit		2,722,394	2,976,186
Administrative expenses		(2,351,469)	(2,670,008)
Operating profit	5	370,925	306,178
Tax on profit	9	(74,478)	(16,028)
Profit for the financial year		296,447	290,150

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

The notes on pages 14 to 24 form part of these financial statements.

TECH NATION GROUP LIMITED
 (A company limited by guarantee)
 REGISTERED NUMBER: 08843778

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	10	-	19,992
		-	19,992
Current assets			
Debtors: amounts falling due within one year	11	2,536,570	1,298,578
Cash at bank and in hand	12	291,816	1,088,883
		2,828,386	2,387,461
Creditors: amounts falling due within one year	13	(1,134,045)	(759,559)
Net current assets		1,694,341	1,627,902
Total assets less current liabilities		1,694,341	1,647,894
Provisions for liabilities			
Other provisions		-	(250,000)
		-	(250,000)
Net assets		1,694,341	1,397,894
Capital and reserves			
Profit and loss account		1,694,341	1,397,894
		1,694,341	1,397,894

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 December 2021.

Stephen Kelly

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Stephen Kelly
 Chairman and Director

Gerard Grech

.....
Gerard Grech
 Chief Executive and Director

The notes on pages 14 to 24 form part of these financial statements.

TECH NATION GROUP LIMITED
(A company limited by guarantee)

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

	Profit and loss account £	Total equity £
At 1 April 2019	1,107,744	1,107,744
Profit for the year	290,150	290,150
At 1 April 2020	1,397,894	1,397,894
Profit for the year	296,447	296,447
At 31 March 2021	1,694,341	1,694,341

The notes on pages 14 to 24 form part of these financial statements.

TECH NATION GROUP LIMITED
(A company limited by guarantee)

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

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	296,447	290,150
Adjustments for:		
Depreciation of tangible assets	-	700
Loss on disposal of tangible assets	19,992	-
Taxation charge	74,478	16,028
(Increase)/decrease in debtors	(1,237,992)	61,472
Increase/(decrease) in creditors	352,870	(144,352)
(Decrease)/increase in provisions	(250,000)	250,000
Corporation tax (paid)	(52,862)	(301,260)
Net cash generated from operating activities	(797,067)	172,738
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(541)
Net cash from investing activities	-	(541)
Net (decrease)/increase in cash and cash equivalents	(797,067)	172,197
Cash and cash equivalents at beginning of year	1,088,883	916,686
Cash and cash equivalents at the end of year	291,816	1,088,883
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	291,816	1,088,883
	291,816	1,088,883

The notes on pages 14 to 24 form part of these financial statements.

TECH NATION GROUP LIMITED
(A company limited by guarantee)

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,088,883	(797,067)	291,816
	<u>1,088,883</u>	<u>(797,067)</u>	<u>291,816</u>

The notes on pages 14 to 24 form part of these financial statements.

TECH NATION GROUP LIMITED
(A company limited by guarantee)

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

1. General information

Tech Nation Group Limited is a private company, limited by guarantee, incorporated in England and Wales, registration number 08843778. The registered office is 20-22 Wenlock Road, London, N1 7GU.

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 (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

Management has reviewed the Company's ability to operate as a going concern by considering the current and future impacts on the Company's operations and its financial health. Scenario modelling has been undertaken where it considered the impact of reduced revenue and any additional costs. This sensitivity analysis shows that the Company would still maintain a sufficient cash balance to remain a going concern. A stress test model was also examined, which considered a worst case scenario, however this required results which the Board considered highly unlikely to arise. It should also be noted that Covid-19 has not had a significant impact on the business to date. As a result the Board determines that Tech Nation has adequate resources to continue in operational existence for the foreseeable future and therefore it is appropriate for the accounts to be prepared on a going concern basis.

TECH NATION GROUP LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the 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'.

2.4 Revenue

Turnover represents grant income and commercial revenue. Both are recognised in line with delivery, where grants are accrued and claimed in arrears.

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees contributing a percentage of salary to a Company sponsored personal pension plan.

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

TECH NATION GROUP LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax.

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; 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 balance sheet date.

2.7 Tangible fixed assets

Tangible fixed assets are those items with a purchase of over £5,000.

Tangible fixed assets 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:

Office equipment	33% on straight line
Computer equipment	25% on straight line

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

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

TECH NATION GROUP LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 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.

2.11 Provisions for liabilities

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

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

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

2.12 Deferred income

Income is recognised once the Company has provided the associated goods or services. Where income is received in advance and the Company does not have entitlement to these resources until the goods or services have been provided, the income is deferred.

3. Judgments 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. It is in the opinion of the Directors that there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial

Last year's provision totalling £250,000, arising from historic claims against the company by a third party, recognised in the 2020 financial statements under administrative expenses, has been settled in the 2021 financial statements. Based on the likelihood and probability of payment, this amount has been confirmed, recognised, and moved to current assets.

TECH NATION GROUP LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

4. Revenue

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

	2021 £	2020 £
Grant income - DCMS	7,102,754	7,058,725
Grant income - MoJ	934,361	116,494
Grant income -DIT	723,754	-
Other revenue	1,521,470	1,293,614
	<u>10,282,339</u>	<u>8,468,833</u>
	2021 £	2020 £
United Kingdom	10,282,339	8,468,833
	<u>10,282,339</u>	<u>8,468,833</u>

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Exchange differences	2,353	(1,636)
Accounting and bookkeeping services	23,240	23,240
Disposal of fixed assets	19,991	-
	<u>19,991</u>	<u>-</u>

Auditors' remuneration is presented separately in note 6.

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

6. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>37,500</u>	<u>29,000</u>
Fees payable to the Company's auditor and its associates in respect of:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<u>37,500</u>	<u>29,000</u>
	<u>37,500</u>	<u>29,000</u>

7. Employees

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

	2021 £	2020 £
Salaries and wages	4,776,662	3,860,114
Social security costs	539,320	421,441
Pension costs - defined contribution scheme	191,919	159,166
	<u>5,507,901</u>	<u>4,440,721</u>

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

	2021 No.	2020 No.
Employees	<u>93</u>	<u>72</u>

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

8. Directors' remuneration

	2021 £	2020 £
Directors' remuneration	257,592	175,913
Company contributions to defined contribution pension schemes	16,009	16,259
	<u>273,601</u>	<u>192,172</u>

The highest paid director received remuneration of £176,545 (2020: £176,404), which includes the company's contribution to a defined contribution pension scheme of £16,009 (2020: £16,259).

9. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	79,436	26,389
Adjustments in respect of previous periods	-	(5,877)
	<u>79,436</u>	<u>20,512</u>
Deferred tax		
Origination and reversal of timing differences	(4,958)	(4,484)
Total deferred tax	<u>(4,958)</u>	<u>(4,484)</u>
Taxation on profit on ordinary activities	<u>74,478</u>	<u>16,028</u>

TECH NATION GROUP LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher 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>370,925</u>	<u>306,178</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	70,475	58,174
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,003	2,681
Capital allowances for year in excess of depreciation	-	(6,683)
Adjustments to tax charge in respect of prior periods	-	(5,877)
Reversal of prior year tax provision	-	(30,220)
Other differences leading to an increase (decrease) in the tax charge	-	(2,047)
Total tax charge for the year	<u><u>74,478</u></u>	<u><u>16,028</u></u>

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

10. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
At 1 April 2020	2,731	59,637	62,368
Disposals	(2,731)	(59,637)	(62,368)
At 31 March 2021	-	-	-
At 1 April 2020	283	42,093	42,376
Disposals	(283)	(42,093)	(42,376)
At 31 March 2021	-	-	-
Net book value			
At 31 March 2021	-	-	-
At 31 March 2020	2,448	17,544	19,992

During the year, Tech Nation Limited disposed of all tangible fixed assets.

11. Debtors

	2021 £	2020 £
Trade debtors	220,960	375,945
Other debtors	356,357	514,425
Prepayments and accrued income	1,949,811	403,724
Deferred taxation	9,442	4,484
	<u>2,536,570</u>	<u>1,298,578</u>

TECH NATION GROUP LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	291,816	1,088,883
	<u>291,816</u>	<u>1,088,883</u>

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	189,118	175,640
Amounts owed to group undertakings	117	-
Corporation tax	79,436	57,820
Other taxation and social security	147,686	134,615
Other creditors	79,625	73,589
Accruals and deferred income	638,063	317,895
	<u>1,134,045</u>	<u>759,559</u>

14. Deferred taxation

	2021 £	2020 £
At beginning of year	4,484	-
Charged to profit or loss	4,958	4,484
At end of year	<u>9,442</u>	<u>4,484</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	-	(3,798)
Short term timing differences	9,442	8,282
	<u>9,442</u>	<u>4,484</u>

TECH NATION GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Provisions for liabilities

Last year's provision totalling £250,000, arising from historic claims against the company by a third party, recognised in the 2020 financial statements under administrative expenses, has been settled in the 2021 financial statements. Based on the likelihood and probability of payment, this amount has been confirmed, recognised, and moved to current assets.

16. Company status

The Company is a private company limited by guarantee. Under the terms of the Articles of Association every member is liable to contribute a sum not exceeding one pound in the event of the company being wound up during the time that he or she is a member, or within one year of him or her ceasing to be a member. There is no ultimate controlling party.

17. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £178,545 (2020: £138,164). Contributions totalling £49,695 (2020: £43,590) were payable to the fund at the balance sheet date and are included in creditors.

18. Related party transactions

There are no related party transactions (2020: none).

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**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Revenue	10,282,339	8,468,833
Cost of sales	(7,559,945)	(5,492,647)
Gross profit	2,722,394	2,976,186
Gross profit %	26.5 %	35.1 %
Less:		
Administration and operating expenses	(2,351,469)	(2,670,008)
Operating profit	370,925	306,178
Tax on profit on ordinary activities	(74,478)	(16,028)
Profit for the year	296,447	290,150

TECH NATION GROUP LIMITED
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**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Revenue		
Grant income - DCMS	7,102,754	7,058,725
Grant income - MoJ	934,361	116,494
Grant income - DIT	723,754	-
Other revenue	1,521,470	1,293,614
	<u>10,282,339</u>	<u>8,468,833</u>
	2021 £	2020 £
Cost of sales		
Staff salaries	4,150,600	3,268,542
Staff national insurance	443,243	350,820
Staff pension costs - defined contribution scheme	162,536	121,905
Direct marketing costs	590,498	484,995
Programme costs	693,559	935,131
Third-party program delivery and consultancy	1,519,509	331,254
	<u>7,559,945</u>	<u>5,492,647</u>

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**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Administration and operating expenses		
Directors national insurance	25,888	23,095
Directors salaries	257,592	175,913
Directors pension costs - defined contribution schemes	16,009	16,259
Staff salaries	626,062	415,659
Staff national insurance	70,189	47,526
Staff pension costs - defined contribution schemes	29,383	21,002
Staff training	99,015	130,764
Staff welfare	7,148	-
Entertainment	4,944	14,113
Hotels, travel and subsistence	33,366	275,636
Postage	2,507	243
Telephone and fax	980	625
Computer costs	265,679	191,212
General office expenses	25,349	98,272
Advertising and promotion	220,762	189,901
Trade subscriptions	36,941	21,072
Legal and professional	26,858	24,313
Auditors' remuneration	37,500	29,000
Accountancy fees	41,788	38,691
Bank charges	2,143	2,148
Bad debts	-	17,252
Difference on foreign exchange	2,353	(1,636)
Rent - non-operating leases	279,654	398,025
Insurances	5,299	6,605
Repairs and maintenance	8,742	1,615
Depreciation - computer equipment	-	700
Profit/loss on sale of tangible assets	19,991	-
Temporary staff and recruitment	196,148	282,003
VAT provision	9,179	250,000
	<u>2,351,469</u>	<u>2,670,008</u>