

Registered number: 07964699

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014



CATAPULT
Connected Digital Economy

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED
(A Company Limited by Guarantee)

CONTENTS

	Page
Directors, Company Information and Professional Advisors	3
Strategic Report	4 – 5
Directors' Report	6 - 7
Independent Auditors' Report	8 - 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Financial Statements	14 - 23

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED
(A Company Limited by Guarantee)

DIRECTORS, COMPANY INFORMATION AND PROFESSIONAL ADVISORS

DIRECTORS	S N Crockett D W A East A J Green N J Appleyard D Docherty L Shesgreen I Baverstock C Van Der Kuyl W Hall
COMPANY SECRETARY	R French
REGISTERED NUMBER	07964699
REGISTERED OFFICE	101 Euston Road London NW1 2RA
INDEPENDENT AUDITORS	James Cowper LLP Chartered Accountants and Statutory Auditors 2 Chawley Park Cumnor Hill Oxford Oxfordshire OX2 9GG

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED
(A Company Limited by Guarantee)

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014

BUSINESS REVIEW

The Connected Digital Economy Catapult has been in operation since January 2013, with the period up until July 2013 focused on validating the industry feedback, meeting the wider digital community, building a core team and developing the business plan to successfully secure grant funding in August 2013. In the subsequent seven months, we have established the foundations for the Catapult in terms of building up the technical capabilities, securing permanent space for the Innovator Centre and offices, commencing on development projects and establishing partnerships and collaborations with academic institutions, research establishments, small businesses and UK industry.

The Company forms part of a network of seven UK technology and innovation companies (named 'Catapults') established by the Technology Strategy Board. These will drive economic growth through commercialisation of research between UK industry, SME's and academia.

Achievements during the year:

<i>Building the team</i>	We have appointed an experienced non-executive Board from across the ICT and creative industries, and built a team of 30 staff including our core Executive team.
<i>Engaging and collaborating throughout the UK and beyond</i>	We have held 13 project related workshops around the UK, including for example the engagement and launch of our Open Health Data Platform in Manchester and London and the Integrated Transport and Weather Information Pilot in Sunderland. We are working closely with national innovation organisations, including the Research Councils (EPSRC and AHRC), HEFCE, the ODI, techUK, , KTN, JISC Technologies, and the digital team at the Technology Strategy Board as well as a wide range of digital (both creative and ICT) innovation clusters around the UK. We are starting to build our contacts in Europe, particularly around Horizon 2020 European funding and with the data centric Fraunhofer Institutes. Having built the foundations, these links will now be developed more deeply.
<i>Securing and creating our long-term HQ and supporting systems</i>	After extensive work, including collaboration with the Cabinet Office and BIS, we have secured premises for our HQ at 101 Euston Road in London, providing excellent access to the rest of the country. The Centre launch season is planned for November 2014.

KEY PERFORMANCE INDICATORS

The Company achieved all key performance indicators which included the approval of 5 year funding by Treasury, number of platform and development projects undertaken in the year, number of defined engagements with start-ups and SMEs and securing the premises for the Innovator Centre and offices.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company receives Grant funding from the Technology Strategy Board (TSB) based on ongoing compliance to the terms stated by the Grand Funding agreement. In addition to the TSB grant funding the Catapult business model requires income generation from (1) Collaborative R&D funded projects (funded jointly by the public and private) and (2) Commercial Income (Business funded R&D contracts) won competitively linked to the challenge areas (given below). The principle risk for the Company relates to developing specialisms rapidly and building up differentiated income streams in these areas.

The Company also has a detailed risk register which was presented to the Audit committee and Board. Each risk is followed up and actions taken to mitigate risk where practicable.

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED
(A Company Limited by Guarantee)

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2014 (continued)

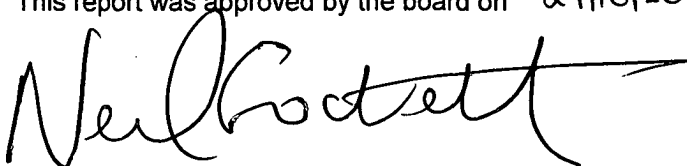
FUTURE DEVELOPMENTS

During FY2015, we plan to:

- 1) Increase our impact to other stakeholders in the UK Digital Economy through the launch of our National Innovator Centre, located on the Euston Road in London.
- 2) Invest in capabilities and platforms to develop our portfolio of Strategic and Quickstart projects, which we collaboratively build within four major challenge areas;
 - Building diverse data and content sets
 - Reducing licensing friction
 - Personal data, trust and privacy
 - Building labs and demonstrators

This report was approved by the board on 29/10/2014

and signed on its behalf.



S N Crockett
Director

29 October 2014

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The Connected Digital Economy Catapult has been in operation since January 2013, with the period up until July 2013 focused on validating the industry feedback, meeting the wider digital community, building a core team and developing the business plan to successfully secure grant funding in August 2013. In the subsequent seven months, we have established the foundations for the Catapult in terms of building up the technical capabilities, securing permanent space for the Innovator Centre and offices, commencing on development projects and establishing partnerships and collaborations with academic institutions, research establishments, small businesses and UK industry.

The Company forms part of a network of seven UK technology and innovation companies (named 'Catapults') established by the Technology Strategy Board. These will drive economic growth through commercialisation of research between UK industry, SME's and academia.

Sources of Income

In the current year, the Company was funded by a government grant. In addition, In future years it will seek to generate income from collaborative projects with industry and other grant funding organisation, and direct contract research.

FINANCIAL RESULTS

Grant income for the year was £3,573,662 (period ended 31 March 2013: £248,516) of which £622,103 was invested in fixed assets, with the remainder incurred in the operational costs of the organisation.

The Company has chosen to adopt FRS 102.

DIRECTORS

The directors who served during the year were:

S N Crockett	(appointed 14 April 2013)
D W A East	(appointed 18 July 2013)
A J Green	(appointed 18 July 2013)
N J Appleyard	(appointed 18 July 2013)
G J R Hutchins	(appointed 21 January 2013 and resigned 18 July 2013)
D Docherty	(appointed 16 October 2013)
L Shesgreen	(appointed 16 October 2013)
I Baverstock	(appointed 16 October 2013)
C Van Der Kuyl	(appointed 16 October 2013)
W Hall	(appointed 16 October 2013)
R K Bryan	(resigned 12 March 2014)

POST BALANCE SHEET EVENTS

The Grant Funding Agreement was signed with the Technology Strategy Board (TSB) in October 2014. This formalises the full grant funding and obligations between the Catapult and the TSB.

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014 (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 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 that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that 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.

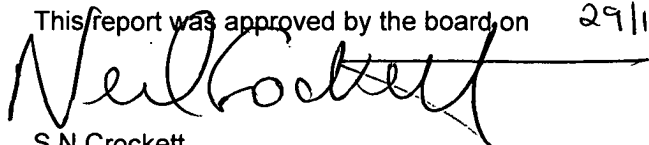
AUDITORS

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

This report was approved by the board on

29/10/2014

and signed on its behalf.



S N Crockett
Director

29 October 2014

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

We have audited the financial statements of The Connected Digital Economy Catapult Limited for the year ended 31 March 2014, set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as revised for Financial Reporting Standard 102.

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 Auditors' 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice as revised for Financial Reporting Standard 102; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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;



Sue Staunton MA FCA CF (Senior Statutory Auditor)

for and on behalf of
James Cowper LLP

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date: *30 October 2014.*

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2014

	Note	YEAR ENDED 31 MARCH 2014 £	PERIOD ENDED 31 MARCH 2013 £
INCOME	4	3,573,662	248,516
Administrative expenses		(3,573,662)	(248,516)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on surplus on ordinary activities	7	(380)	(12)
SURPLUS/DEFICIT FOR THE FINANCIAL PERIOD		(380)	(12)

All amounts relate to continuing operations.

The Company had no income or expenses during the period that are not disclosed in the above statement. Consequently, this statement represents total comprehensive income.

The notes on pages 14 to 23 form part of these financial statements.

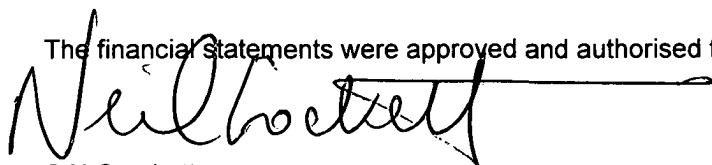
THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

**(A Company Limited by Guarantee)
REGISTERED NUMBER: 07964699**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

	Note	31 MARCH 2014 £	31 MARCH 2014 £	31 MARCH 2013 £	31 MARCH 2013 £
FIXED ASSETS					
Tangible assets	8		623,531		9,719
CURRENT ASSETS					
Debtors	9	3,951,453		59,442	
Cash at bank		3,460,537		419,389	
		<u>7,411,990</u>		<u>478,831</u>	
CREDITORS: amounts falling due within one year	10	(8,035,913)		(488,562)	
		<u></u>		<u></u>	
NET CURRENT ASSETS/(LIABILITIES)			(623,923)		(9,731)
			<u></u>		<u></u>
NET ASSETS/(LIABILITIES)			(392)		(12)
			<u></u>		<u></u>
CAPITAL AND RESERVES					
Income and expenditure account	12		(392)		(12)
	12		<u>(392)</u>		<u>(12)</u>

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



S N Crockett
Director

Date: 29 October 2014

The notes on pages 14 to 23 form part of these financial statements.

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	YEAR ENDED 31 MARCH 2014 £	PERIOD ENDED 31 MARCH 2013 £
OPENING MEMBERS FUNDS		(12)	-
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR/PERIOD		(380)	(12)
AT 31 MARCH		(392)	(12)

The notes on pages 14 to 23 form part of these financial statements.

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 28 MARCH 2013

	Note	YEAR ENDED 31 MARCH 2014 £	PERIOD ENDED 31 MARCH 2013 £
Cash flow from operating activities	13	3,665,136	429,573
Investing activities			
Purchase of fixed assets	14	(622,103)	(10,184)
Cash flow from investing activities		(622,103)	(10,184)
Tax paid		(1,885)	-
INCREASE IN CASH IN THE YEAR/PERIOD		3,041,148	419,389
NET CHANGE IN CASH AND CASH EQUIVALENTS		3,041,148	419,389
Cash and cash equivalents at start of year/period		419,389	-
Cash and cash equivalents at end of year/period		3,460,537	419,389

The notes on pages 14 to 23 form part of these financial statements.

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

1. ACCOUNTING POLICIES

1.1 Principal accounting policies

The company was incorporated on 24 February 2012 as a not for profit research organisation and the initial financial period was from this date to 31 March 2013. Annual accounting periods commenced from 1 April 2013.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of Financial Reporting Standard (FRS) 102. The directors confirm that the financial statements comply with the requirements of FRS 102. The directors also believe that the company meets the definition of a Public Benefit Entity.

The preparation of financial statements, in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 3.

1.3 Early adoption of FRS 102

In accordance with paragraph 1.14 of the standard, the directors have elected to early adopt the FRS 102 in the preparation of the financial statements for the year ended 31 March 2014.

1.4 Going concern

The Company is operating under an interim funding agreement with the Technology Strategy Board (TSB). This agreement provides grant funding for the Company, initially for the set-up period but with the intention that a further five year period of funding will be available. Funding has been provided to enable the Company to build and maintain capability.

In the short to medium term, the directors are confident that the grant income receivable will be sufficient to meet the operational needs of the business.

It is the strategy of the directors that, in time, grant funding will be supplemented by collaborative research and development projects and directly purchased contract research such that grant funding would, in the long term, represent approximately one third of the total income generated.

1.5 Government grants

Income recorded in the financial statements is represented entirely by government grants received or receivable. The Company has elected to apply the accruals model when accounting for government grants:

- a Grants relating to revenue are recognised in income on a systematic basis over the periods in which the related costs are incurred;
- b Grants that imposes specified future performance-related conditions are recognised in income only when the performance-related conditions are met;
- c Grants received before the revenue recognition criteria are satisfied are recognised as liabilities in the financial statements.

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	Over 3 years
Computer equipment	-	Over 3 years
Improvements to property	-	Over 10 years or the lease term, if shorter

1.7 Operating leases

Leases are classified as being finance leases where the Company considers that substantially all the risks and rewards incidental to ownership are transferred. Leases are classified as being operating leases where the risks and rewards incidental to ownership are not substantially transferred.

Where a lease is identified as being finance in nature, a lease asset at an amount equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, determined at the inception of the lease is recognised alongside a corresponding liability.

Rentals under operating leases are charged to the Statement of Comprehensive Income 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.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be a suitable taxable surplus from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

A deferred tax liability is not recognised in respect of capital grants included within income in the current period as it is considered any timing differences are permanent and will not reverse over time.

1.9 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the period.

1.10 Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument.

1.11 Provisions

Provisions are recognised in the statement of financial position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (continued)

benefits will be required to settle the obligation.

2. COMPANY INFORMATION

The Connected Digital Economy Catapult Limited is company limited by guarantee and was incorporated in England and Wales on 24 February 2012.

A detailed description of the nature of the Company's operations and of its principal activities is disclosed within the business review section of the Strategic Report.

The registered and trading address of the Company is detailed below:

101 Euston Road
London
NW1 2RA

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments 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 a 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.

4. INCOME

The whole of the income is attributable to government grants received or receivable under the Company's interim funding agreement with the TSB. This is further detailed in note 17 to the financial statements.

	YEAR ENDED 31 MARCH 2014 £	PERIOD ENDED 31 MARCH 2013 £
TSB funding	3,573,662	248,516

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (continued)

5. SURPLUS

The surplus is stated after charging:

	YEAR ENDED 31 MARCH 2014 £	PERIOD ENDED 31 MARCH 2013 £
Depreciation of tangible fixed assets:		
- owned by the Company	8,291	465
Auditors remuneration	5,000	3,500
Auditors remuneration – non-audit services	3,500	2,000
Operating lease rentals: Other operating leases	347,808	29,547
	<hr/>	<hr/>

6. STAFF COSTS

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

	YEAR ENDED 31 MARCH 2014 £	PERIOD ENDED 31 MARCH 2013 £
Wages and salaries	1,169,825	51,253
Social security costs	138,133	6,728
Other pension costs	90,410	9,237
	<hr/>	<hr/>
	1,398,368	67,218
	<hr/>	<hr/>

Directors emoluments included in the above were as follows:

	£	£
Remuneration for qualifying services	302,525	48,292
Company pension contributions to defined contribution schemes	36,000	3,600
	<hr/>	<hr/>
	338,525	51,892
	<hr/>	<hr/>

Retirement benefits in a defined contribution scheme were accruing to one director.

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	237,929	48,292
	<hr/>	<hr/>

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

	YEAR ENDED 31 MARCH 2014 £	PERIOD ENDED 31 MARCH 2013 £
Management and administration	17	1
Development and technology	4	-
	<hr/>	<hr/>
	21	1
	<hr/>	<hr/>

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (continued)

7. TAXATION

	YEAR ENDED 31 MARCH 2014 £	PERIOD ENDED 31 MARCH 2013 £
Analysis of tax charge in the year/period		
Current tax (see note below)		
UK corporation tax charge on surplus for the year/period	2,428	1,859
Adjustments in respect of prior periods	26	-
Deferred tax		
Origination and reversal of timing differences	(2,074)	(1,847)
	<hr/>	<hr/>
Tax on surplus on ordinary activities	380	12
	<hr/>	<hr/>

Factors affecting tax charge for the year/period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	YEAR ENDED 31 MARCH 2014 £	PERIOD ENDED 31 MARCH 2013 £
Surplus on ordinary activities before taxation	-	-
	<hr/>	<hr/>
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013: 24%)	-	-
Effects of:		
Capital grants not taxable	-	-
Expenses not deductible for tax purposes	-	-
Short term timing differences leading to an increase in taxation	2,428	1,859
Adjustments in respect of prior periods	26	-
	<hr/>	<hr/>
Current tax charge for the year/period (see note above)	2,454	1,859
	<hr/>	<hr/>

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (continued)

8. TANGIBLE FIXED ASSETS

	Computer Equipment and Software £	Improvements to Property £	Total £
COST			
Balance as at 1 April 2013	10,184	-	10,184
Additions	113,350	508,753	622,103
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Balance as at 31 March 2014	123,534	508,753	632,287
	<hr/>	<hr/>	<hr/>
DEPRECIATION			
Balance as at 1 April 2013	(465)	-	(465)
Charge for the year	(8,291)	-	(8,291)
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Balance as at 31 March 2014	(8,756)	-	(8,756)
	<hr/>	<hr/>	<hr/>
Net book value at 31 March 2014	114,778	508,753	623,531
	<hr/>	<hr/>	<hr/>
Net book value at 31 March 2013	9,719	-	9,719
	<hr/>	<hr/>	<hr/>

9. DEBTORS

	31 MARCH 2014 £	31 MARCH 2013 £
Other debtors	1,798,091	51,570
Prepayments and accrued income	1,972,976	6,025
Deferred tax asset (see note 11)	3,921	1,847
VAT recoverable	176,465	-
	<hr/>	<hr/>
	3,951,453	59,442
	<hr/>	<hr/>

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (continued)

10. CREDITORS: Amounts falling due within one year

	31 MARCH 2014	31 MARCH 2013
	£	£
Trade creditors	130,223	82,339
Corporation tax	2,428	1,859
Other taxation and social security	90,149	9,836
Other creditors	-	12,932
Accruals and deferred income	7,813,113	381,596
	<hr/>	<hr/>
	8,035,913	488,562
	<hr/>	<hr/>

11. DEFERRED TAX

	31 MARCH 2014	31 MARCH 2013
	£	£
Charge/credit for the year/period	2,074	1,847
	<hr/>	<hr/>
	2,074	1,847
	<hr/>	<hr/>

The deferred taxation balance is made up as follows:

Short term timing differences	(2,074)	(1,847)
	<hr/>	<hr/>

12. RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	31 MARCH 2014	31 MARCH 2013
	£	£
Opening balance	(12)	-
Surplus/(deficit) for the year/period	(380)	(12)
	<hr/>	<hr/>
31 March	(392)	(12)
	<hr/>	<hr/>

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (continued)

13. NET CASH FLOW FROM OPERATING ACTIVITIES

	YEAR ENDED 31 MARCH 2014 £	PERIOD ENDED 31 MARCH 2013 £
Operating activities		
Surplus on ordinary activities before taxation	-	-
Depreciation of tangible fixed assets	8,291	465
Increase in debtors	(3,889,937)	(57,595)
Increase in creditors	7,546,782	486,703
	<hr/>	<hr/>
Net cash inflow from operating activities	3,665,136	429,573
	<hr/>	<hr/>

14. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	YEAR ENDED 31 MARCH 2014 £	PERIOD ENDED 31 MARCH 2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	622,103	10,184
	<hr/>	<hr/>
	622,103	10,184
	<hr/>	<hr/>

15. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2013 £	Cash flow £	Other Non-cash changes £	31 March 2014 £
Cash at bank and in hand	419,389	3,041,148	-	3,460,537
	<hr/>	<hr/>	<hr/>	<hr/>
Net funds	419,389	3,041,148	-	3,460,537
	<hr/>	<hr/>	<hr/>	<hr/>

16. CONTINGENT LIABILITIES

The Technology Strategy Board has funded The Connected Digital Economy Catapult via grants during the year. An amount of £4,200,000 was granted as grant in advance of need. Upon expiry or, in the event that the agreement is terminated, this element of the grant is to be immediately repaid as specified under the terms of the agreement. This is within the Deferred Income accrual as in Note 10.

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (continued)

17. FINANCIAL INSTRUMENTS

	YEAR ENDED 31 MARCH 2014 £	PERIOD ENDED 31 MARCH 2013 £
Financial assets		
Floating rate interest bearing – cash	3,460,537	419,389
Other debtors	1,798,091	51,570
Accrued income	1,870,923	6,025
	<hr/>	<hr/>
	£	£
Financial liabilities		
Trade creditors	130,223	82,339
	<hr/>	<hr/>

There is no material difference between the book value of financial assets and liabilities noted above, and their fair value.

The Company's financial assets and liabilities comprise cash and liquid resources, and various items, such as trade receivables and trade payables that arise directly from its operations. The Company has no undrawn borrowing facilities. The Company is not exposed to significant foreign exchange risk.

The Company does not enter into instruments for speculative purposes. The Company is exposed to credit risk predominantly from trade receivables and cash and cash equivalents held with banks.

The Company currently has little or no exposure to bad debts due to its current stage of development.

Sensitivity analysis has not been performed as any impact is considered immaterial.

18. FINANCIAL COMMITMENTS

At 31 March 2014 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings £
Within 1 year	672,317
Between 1 and 2 years	976,190
Between 2 and 5 years	2,928,569
Over 5 years	4,718,249
	<hr/>
	9,295,325
	<hr/>

Capital Commitments at 31 March 2014 were £54,500 (2013: £nil).

19. 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.

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014 (continued)

20. RELATED PARTY TRANSACTIONS

During the year, the company received legal and company secretarial services from a company which one of the Directors was also a Director of.

Charges for services provided during the year amounted to £3,868 (2013: £nil). The balance at 31 March 2014 was £1,866 (2013: £nil). The Company is satisfied that these services were provided at market rates.

21. POST BALANCE SHEET EVENTS

There were no post balance sheet events.

22. CONTROLLING PARTY

The Company has no one controlling party.

23. INVESTMENT IN SUBSIDIARY

The Company owns a subsidiary and holds 100% of the Share Capital. The subsidiary however, is dormant and therefore it is not consolidated in the Financial Statements.

THE CONNECTED DIGITAL ECONOMY CATAPULT LIMITED

(A Company Limited by Guarantee)

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2014

	31 MARCH 2014 £	31 MARCH 2013 £
TURNOVER		
Grant income	3,573,662	248,516
	<hr/>	<hr/>
ADMINISTRATIVE EXPENSES		
Staff salaries	1,169,825	51,253
Staff national insurance	138,133	6,728
Staff pension costs	90,410	9,237
Hotels, travel and subsistence	65,430	6,413
Consultancy	715,537	17,154
Telephone and fax	30,190	843
Computer costs	60,159	3,273
Advertising and promotion	132,407	3,191
Legal and professional	66,248	10,046
Auditors' remuneration	5,000	3,500
Auditors remuneration non-audit	3,500	2,000
Bank charges	1,149	157
Insurances	30,258	1,607
Repairs and maintenance	19,907	853
Depreciation	8,291	465
Agency expenditure	216,741	18,527
Operational costs	539,653	31,324
Recruitment	280,824	81,945
	<hr/>	<hr/>
	(3,573,662)	(248,516)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>