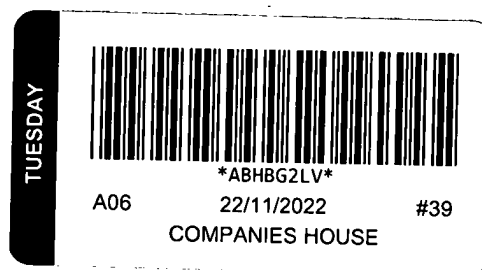


Registered number: 07964699

DIGITAL CATAPULT
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



DIGITAL CATAPULT
(A Company Limited by Guarantee)

COMPANY INFORMATION

Directors

P Guha
R H Ironside
J Maier
W J A Priest
J S Ridley-Smith
N D Sanders
J M Butler (appointed 7 March 2022)
J M Silver
S K Thomas
K R Underwood

Company secretary

C Stait

Registered number

07964699

Registered office

101 Euston Road
London
NW1 2RA

Independent auditor

James Cowper Kreston
Chartered Accountants and Statutory Auditor
2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

DIGITAL CATAPULT
(A Company Limited by Guarantee)

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DIGITAL CATAPULT
(A Company Limited by Guarantee)

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The directors present their Group Strategic Report for the year ended 31 March 2022.

Business Review

Digital Catapult is the UK authority on advanced digital technology. Through collaboration and innovation, we accelerate industry adoption of advanced digital technologies, to drive growth, opportunity and sustainability across the economy. We bring together an expert and enterprising community of researchers, startups, scaleups and industry leaders to discover new ways to solve the big challenges limiting the UK's future potential. Through our specialist programmes and experimental facilities, we make sure that innovation thrives and the right solutions make it to the real world.

Over the past financial year of 21/22 Digital Catapult has moved from a balance of virtual events and activities during the pandemic to being fully hybrid in its delivery. It has brought with it a return to numerous physical events, projects and programmes - while also blending that with the remote and virtual delivery models developed over the course of the previous 2 years. This has meant developing a healthy balance for the workforce as they begin to return to the office more regularly - while allowing flexibility to have an excellent blend of new services offered to our wider ecosystem of stakeholders. We continue to promote the benefits we have in place to support health and wellbeing of staff, including the Employee Assistance Programme

Through the past year we have launched a number of high profile and large scale programmes of work which are covered in the highlights section. Overall, the past year has seen Digital Catapult create real momentum in the marketplace. The company has grown its reputation through a track record of high-level technical competence, leading edge innovation capability and a responsible approach to technology optimism, as well as our distinct ambition to grow innovative companies all across the UK.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Highlights of achievements in FY 21/22

Digital Catapult completed Year 4 of its 2018 to 2023 Delivery Plan. During this fourth year, we launched the SmartRAN Open Network Interoperability Centre (SONIC Labs) programme, building on the facility we built last year and announced as part of DCMS' 5G Diversification Strategy. This is a joint programme between Digital Catapult and Ofcom to foster emergence of new solutions in the telecom supply chain in the UK. It focuses on multi-vendor open, disaggregated and software-centric network products, solutions and services, starting with Open RAN. The programme has been live since June 2021. Digital Catapult also opened its Virtual Production Test Stage allowing a wide range of businesses to access the latest cutting edge forms of media production through state of the art virtual production facilities, boosting training opportunities and developing new tools in the creative media sector.

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

Each year InnovateUK sets Digital Catapult a set of mission critical KPIs and this year the company met all of these targets.

Last year, Digital Catapult set out a set of ambitious plans to grow its offer across the UK and to develop deeper and new partnerships regionally. This year we have begun to deliver on scaling out on regional partnerships. These include projects in Northern Ireland, West Midlands, North East and Tees Valley, Bristol, Nottingham and the South West of England.

Funding

Digital Catapult receives its core funding from Innovate UK in accordance with an annual Grant Funding Agreement to 2023. In addition, the company generates income from Collaborative Research and Development projects, which it wins competitively and commercial business activities for which it charges market rates.

Commercial Income

This is the ninth year of trading for our subsidiary, DCS Ltd and we are pleased to report £4,239,514 of income.

Equality Inclusion and Diversity

As part of our commitment to responsible working, we see Equality, Inclusion and Diversity as critical components of the way we work. We believe that increasing the diversity of people with different backgrounds, experiences, sexual orientation and ways of thinking positively enriches us as a team. We also believe that our unique position in the innovation landscape means that we can also influence our partners to improve their own diversity and inclusion.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Principle risks and uncertainties

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


The most significant risks for the Group are:

Government policy and spending uncertainty -The leadership change process may cause delays in meeting the timeline for the next 5 year Grant funding agreement for the Catapult Network. However, Innovate UK has provided assurance of funding for the period to 31.3.2024.

The economic impact of the pandemic and recessionary pressures on certain industrial sectors will create a downturn unevenly across different sectors and in supply chains. This will result in company failures and increased unemployment which will have a knock-on effect in terms of likely industry appetite to participate in Digital Catapult activities or to match public investment enabled by Digital Catapult with the aimed-for private investment.

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

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


Jeremy Silver 09 Nov 2022 14:10:00 GMT (UTC +0)

.....
J M Silver
Director
Date: 09 November 2022

DIGITAL CATAPULT
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the surplus or deficit of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Principal activities and review of business

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

With policy responsibility sitting with both the Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Digital Culture Media and Sport (DCMS), as well as being part of the world-renowned Catapult Network, Digital Catapult is the UK authority on advanced digital technology. Through collaboration and innovation, we accelerate industry adoption of advanced digital technologies, to drive growth and opportunity across the economy. With its staff of over 200 technology, innovation, industry and policy experts, Digital Catapult works with the supply and demand sides for advanced digital technologies, from start-ups and scaleups, to established businesses, investors, government and public sector, research and academia. Digital Catapult helps to discover and design new ways of solving industry challenges, increasing competitiveness and opening up new markets.

This year, Digital Catapult began the process of transition from standalone technology programmes to broader technology application areas of:

- Open and Interoperable Digital Infrastructure
- Digital and Resilient Supply Chains
- Virtualisation and Cyber Physical Systems

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

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

The review of the business is presented in the Strategic Report

Sources of Income

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

Financial results

Turnover of £25,426,849 (2021: £21,719,459) was made up of grants totalling £21,187,335 (2021: £18,369,446) received from Innovate UK and Collaborative R&D projects and also £4,239,514 (2021: £3,350,013) of Commercial income from the Trading subsidiary, Digital Catapult Services Limited. Operational costs of the organisation were £25,032,421 (2021: £21,747,418) and Other operating income of £208,528 (2021: £109,157) resulting in an operating profit of £602,956 (2021: profit £81,198).

The surplus for the year, after taxation, amounted to £498,087 (2021: £33,769).

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

Directors

The directors who served during the year were:

R H Ironside
J Maier
J S Ridley-Smith
N D Sanders
J M Butler (appointed 7 March 2022)
J M Silver
S K Thomas
K R Underwood
P Guha
W J A Priest

DIGITAL CATAPULT
(A Company Limited by Guarantee)

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Future developments

The rate of change in global technological development continues to offer exponential opportunities and competitive challenges. The financial period 2022/23 is likely to be a challenging one for the UK economy, with rising inflation and corresponding impacts on cost of living and the cost of doing business, particularly energy costs. Climate change and sustainability challenges will also be significant drivers in both commercial and policy decision making. The role of Digital Catapult is to help ensure that, during such a challenging context, companies will continue to find value in investment in innovation.

In this kind of challenging environment, it is clear that companies which choose to put a focus on sustainability alongside digitalisation, can increase both competitiveness and resilience. Digital Catapult is enabling industrial sustainability in three ways:

- Moving to a circular economy - developing new business models based on data that prevent waste, drive a cradle to cradle approach and build a circular economy infrastructure.
- Enabling an energy transition - supporting the digitalisation of existing energy networks and the development of clean fuels, such as wind, solar and green hydrogen.
- Decarbonising supply chains - developing efficient carbon accounting practices to better understand scope 3 emissions, and incentivise supply chain partners to make sustainable choices and investments.

Digital Catapult will be at the heart of the most critical digital technology developments for business and for national innovation and R&D strategies for the UK over the course of the next 3-5 years. In both the short and longer term, Digital Catapult will ensure that opportunities are grown for UK innovation - leveraging our strengths and the capabilities of advanced digital technology supply and demand to position UK companies for the future.

Disclosure of information to auditor

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

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


Post balance sheet events

None to report.

Auditor

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

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


Jeremy Silver 09 Nov 2022 14:10:00 GMT (UTC +0)

.....
J M Silver
Director

Date: 09 November 2022

DIGITAL CATAPULT
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIGITAL CATAPULT

Opinion

We have audited the financial statements of Digital Catapult (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

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

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

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

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

Use of our report

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



Sue Staunton MA FCA CF (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park

Cumnor Hill

Oxford

Oxfordshire

OX2 9GG

Date: 9 November 2022

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

| | Note | 2022 £ | 2021 £ |
|---|------|-----------------------|----------------------|
| Turnover | 4 | 25,426,849 | 21,719,459 |
| Gross profit | | <u>25,426,849</u> | <u>21,719,459</u> |
| Administrative expenses | | (25,032,421) | (21,747,418) |
| Other operating income | 5 | 208,528 | 109,157 |
| Operating profit | 6 | <u>602,956</u> | <u>81,198</u> |
| Interest receivable and similar income | 10 | 32,745 | - |
| Profit before taxation | | <u>635,701</u> | <u>81,198</u> |
| Tax on profit | 11 | (137,614) | (47,429) |
| Profit for the financial year | | <u><u>498,087</u></u> | <u><u>33,769</u></u> |
| Profit for the year attributable to: | | | |
| Owners of the parent Company | | <u>498,087</u> | 33,769 |
| | | <u><u>498,087</u></u> | <u><u>33,769</u></u> |

There was no other comprehensive income for 2022 (2021: £NIL).


The notes on pages 18 to 34 form part of these financial statements.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

| | Note | | 2022 £ | 2021 £ |
|--|------|-------------------|-------------------------|-----------------------|
| Fixed assets | | | | |
| Intangible assets | 12 | | 11,044 | 19,119 |
| Tangible assets | 13 | | 2,815,461 | 3,456,361 |
| Investments | 14 | | 150,000 | 150,000 |
| | | | <u>2,976,505</u> | <u>3,625,480</u> |
| Current assets | | | | |
| Debtors: amounts falling due after more than one year | 15 | 1,908,000 | 1,908,000 | |
| Debtors: amounts falling due within one year | 15 | 8,659,601 | 8,332,589 | |
| Cash at bank and in hand | 16 | 3,175,217 | 1,695,870 | |
| | | <u>13,742,818</u> | <u>11,936,459</u> | |
| Creditors: amounts falling due within one year | 17 | (9,391,637) | (8,397,303) | |
| Net current assets | | | <u>4,351,181</u> | <u>3,539,156</u> |
| Total assets less current liabilities | | | <u>7,327,686</u> | <u>7,164,636</u> |
| Creditors: amounts falling due after more than one year | 18 | | (6,201,375) | (6,536,412) |
| Provisions for liabilities | | | | |
| Net assets excluding pension asset | | | <u>1,126,311</u> | <u>628,224</u> |
| Net assets | | | <u><u>1,126,311</u></u> | <u><u>628,224</u></u> |
| Capital and reserves | | | | |
| Profit and loss account | 21 | | 1,126,311 | 628,224 |
| Equity attributable to owners of the parent Company | | | <u>1,126,311</u> | <u>628,224</u> |
| | | | <u><u>1,126,311</u></u> | <u><u>628,224</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 09 November 2022


 Jeremy Silver 09 Nov 2022 14:10:00 GMT (UTC +0)

.....
J M Silver
 Director


The notes on pages 18 to 34 form part of these financial statements.

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

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

| Note | 2022 £ | 2021 £ |
|--|-----------------------|-----------------------|
| Fixed assets | | |
| Intangible assets 12 | 11,044 | 19,119 |
| Tangible assets 13 | 2,815,461 | 3,456,361 |
| Investments 14 | 1 | 1 |
| | <u>2,826,506</u> | <u>3,475,481</u> |
| Current assets | | |
| Debtors: amounts falling due after more than one year 15 | 1,908,000 | 1,908,000 |
| Debtors: amounts falling due within one year 15 | 15,759,546 | 11,760,493 |
| Cash at bank and in hand 16 | 1,468,913 | 328,856 |
| | <u>19,136,459</u> | <u>13,997,349</u> |
| Current liabilities | | |
| Creditors: amounts falling due within one year 17 | (15,371,405) | (10,707,866) |
| Net current assets | <u>3,765,054</u> | <u>3,289,483</u> |
| Total assets less current liabilities | <u>6,591,560</u> | <u>6,764,964</u> |
| Creditors: amounts falling due after more than one year 18 | (6,201,375) | (6,536,412) |
| Net assets | <u><u>390,185</u></u> | <u><u>228,552</u></u> |
| Capital and reserves | | |
| Profit and loss account brought forward | 228,552 | 131,139 |
| Profit for the year | 161,633 | 97,413 |
| | <u>390,185</u> | <u>228,552</u> |
| Profit and loss account carried forward | <u><u>390,185</u></u> | <u><u>228,552</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 09 November 2022


 Jeremy Silver 09 Nov 2022 14:10:00 GMT (UTC +0)
J M Silver
 Director

The notes on pages 18 to 34 form part of these financial statements.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

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

| | Profit and loss account | Total equity |
|--|----------------------------|-------------------------|
| | £ | £ |
| At 1 April 2021 | 628,224 | 628,224 |
| Comprehensive income for the year | | |
| Profit for the year | 498,087 | 498,087 |
| At 31 March 2022 | <u><u>1,126,311</u></u> | <u><u>1,126,311</u></u> |

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

| | Profit and loss account | Total equity |
|--|----------------------------|-----------------------|
| | £ | £ |
| At 1 April 2020 | 594,455 | 594,455 |
| Comprehensive income for the year | | |
| Profit for the year | 33,769 | 33,769 |
| At 31 March 2021 | <u><u>628,224</u></u> | <u><u>628,224</u></u> |

The notes on pages 18 to 34 form part of these financial statements.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

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

| | Profit and loss account | Total equity |
|--|----------------------------|-----------------------|
| | £ | £ |
| At 1 April 2021 | 228,552 | 228,552 |
| Comprehensive income for the year | | |
| Profit for the year | 161,633 | 161,633 |
| | <u>390,185</u> | <u>390,185</u> |
| At 31 March 2022 | <u><u>390,185</u></u> | <u><u>390,185</u></u> |

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

| | Profit and loss account | Total equity |
|--|----------------------------|-----------------------|
| | £ | £ |
| At 1 April 2020 | 131,139 | 131,139 |
| Comprehensive income for the year | | |
| Profit for the year | 97,413 | 97,413 |
| | <u>228,552</u> | <u>228,552</u> |
| At 31 March 2021 | <u><u>228,552</u></u> | <u><u>228,552</u></u> |

The notes on pages 18 to 34 form part of these financial statements.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

| | 2022 £ | 2021 £ |
|---|------------------|--------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 498,087 | 33,769 |
| Adjustments for: | | |
| Amortisation of intangible assets | 8,075 | - |
| Depreciation of tangible assets | 1,230,362 | 1,174,718 |
| Loss on disposal of tangible assets | (19,846) | (1,700) |
| Interest received | (32,745) | - |
| Taxation charge | 137,644 | 47,429 |
| (Increase) in debtors | (327,012) | (3,253,125) |
| Increase in creditors | 493,148 | 932,395 |
| Corporation tax received/(paid) | 28,505 | (44,348) |
| Net cash generated from operating activities | 2,016,218 | (1,110,862) |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | - | (24,224) |
| Purchase of tangible fixed assets | (569,616) | (1,053,430) |
| Sale of tangible fixed assets | - | 1,700 |
| Interest received | 32,745 | - |
| Net cash from investing activities | (536,871) | (1,075,954) |
| Net increase/(decrease) in cash and cash equivalents | 1,479,347 | (2,186,816) |
| Cash and cash equivalents at beginning of year | 1,695,870 | 3,882,686 |
| Cash and cash equivalents at the end of year | 3,175,217 | 1,695,870 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 3,175,217 | 1,695,870 |
| | 3,175,217 | 1,695,870 |

The notes on pages 18 to 34 form part of these financial statements.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2022

| | At 1 April 2021 £ | Cash flows £ | At 31 March 2022 £ |
|--------------------------|-------------------------|------------------|--------------------------|
| Cash at bank and in hand | 1,695,870 | 1,479,347 | 3,175,217 |
| | <u>1,695,870</u> | <u>1,479,347</u> | <u>3,175,217</u> |

The notes on pages 18 to 34 form part of these financial statements.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

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

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

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

2.3 Associates and joint ventures

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

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

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Associates and joint ventures (continued)

including any unamortised premium paid on acquisition.

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

2.4 Going concern

Management confirm the Company's ability to continue as a going concern. It has assessed the business on financial, operational and other factors as part of this assessment. 2022/23 is the final year of the Company's current 5 year grant funding period and the new grant funding agreement is under negotiation. However, Innovate have confirmed that they will continue to fund the Catapult for the year 31 March 2024. There are no other factors known which could impact on a going concern assessment.

2.5 Revenue

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

Rendering of services

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

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

2.6 Intangible assets

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

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

The estimated useful lives range as follows:

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

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

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

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

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

2.11 Financial instruments

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

2.12 Creditors

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.13 Government grants

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

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

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

2.14 Foreign currency translation

Functional and presentation currency

The Company and Group's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.15 Operating leases: the Group as lessee

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

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

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

2.17 Interest income

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.19 Research and development

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

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

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

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

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

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Turnover

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

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Core grant | 12,064,614 | 12,706,367 |
| Collaborative R&D | 9,122,721 | 5,663,079 |
| Digital Catapult Services fees receivable | 4,239,514 | 3,350,013 |
| | <u>25,426,849</u> | <u>21,719,459</u> |

Analysis of turnover by country of destination:

| | 2022 £ | 2021 £ |
|----------------|-------------------|-------------------|
| United Kingdom | 25,169,236 | 20,978,775 |
| Rest of Europe | 257,613 | 740,684 |
| | <u>25,426,849</u> | <u>21,719,459</u> |

5. Other operating income

| | 2022 £ | 2021 £ |
|------------------------|-----------|-----------|
| Other operating income | 208,528 | 109,157 |

6. Operating profit/(loss)

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

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Research & development charged as an expense | 6,327,740 | 4,543,893 |
| Exchange differences | 24,114 | (45,979) |
| Other operating lease rentals | 999,393 | 978,699 |
| Group audit fees | 22,200 | 19,300 |
| Depreciation | 1,230,362 | 1,169,614 |
| Amortisation | 8,075 | 5,105 |

DIGITAL CATAPULT
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Auditor's remuneration

| | 2022 £ | 2021 £ |
|---|---------------|---------------|
| Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts | 16,700 | 14,000 |
| | <u>16,700</u> | <u>14,000</u> |
| Fees payable to the Group's auditor and its associates in respect of: | | |
| The auditing of accounts of associates of the Group pursuant to legislation | 5,500 | 5,300 |
| Preparation of the annual accounts | 3,050 | 2,900 |
| Other services relating to taxation | 21,000 | 20,924 |
| Services in relation to corporation tax compliance | 2,940 | 2,800 |
| All other services | 15,000 | 10,000 |
| | <u>47,490</u> | <u>41,924</u> |

8. Employees

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

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Wages and salaries | 12,308,794 | 9,869,218 | 12,308,794 | 9,869,218 |
| Social security costs | 1,314,219 | 1,045,828 | 1,314,219 | 1,045,828 |
| Cost of defined contribution scheme | 948,907 | 775,940 | 948,907 | 775,940 |
| | <u>14,571,920</u> | <u>11,690,986</u> | <u>14,571,920</u> | <u>11,690,986</u> |

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

| | 2022 No. | 2021 No. |
|--|-------------|-------------|
| Management and administration | 54 | 34 |
| Development and Technology | 67 | 44 |
| Commercial, CR&D, Delivery and Communities | 84 | 76 |
| Non-Executives | 8 | 10 |
| | <u>213</u> | <u>164</u> |

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Directors' remuneration

| | 2022 £ | 2021 £ |
|---|----------------|----------------|
| Directors' emoluments | 663,166 | 648,450 |
| Group contributions to defined contribution pension schemes | 21,981 | 28,054 |
| | <u>685,147</u> | <u>676,504</u> |

During the year retirement benefits were accruing to 1 director (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £339,758 (2021 - £340,987).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2021 - £NIL).

10. Interest receivable

| | 2022 £ | 2021 £ |
|---------------------------|---------------|-----------|
| Other interest receivable | <u>32,745</u> | <u>-</u> |

11. Taxation

| | 2022 £ | 2021 £ |
|--|----------------|---------------|
| Corporation tax | | |
| Current tax on profits for the year | 149,706 | 47,429 |
| Adjustments in respect of previous periods | (12,092) | - |
| Total current tax | <u>137,614</u> | <u>47,429</u> |

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

| | 2022 £ | 2021 £ |
|--|-----------------------|----------------------|
| Profit on ordinary activities before tax | <u>635,701</u> | <u>81,198</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | 120,783 | 15,428 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 16,831 | (12,348) |
| RDEC notional claim | - | 44,349 |
| Total tax charge for the year | <u><u>137,614</u></u> | <u><u>47,429</u></u> |

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the main corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to increase the tax expense for the period and to reduce the deferred tax liability. The impact of these changes is not expected to be material.

DIGITAL CATAPULT
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

12. Intangible assets

Group and Company

| | Software £ |
|-------------------------------------|-----------------------|
| Cost | |
| At 1 April 2021 | 24,224 |
| At 31 March 2022 | <u>24,224</u> |
| Amortisation | |
| At 1 April 2021 | 5,105 |
| Charge for the year on owned assets | 8,075 |
| At 31 March 2022 | <u>13,180</u> |
| Net book value | |
| At 31 March 2022 | <u><u>11,044</u></u> |
| At 31 March 2021 | <u><u>19,119</u></u> |

DIGITAL CATAPULT
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Tangible fixed assets

Group and Company

| | Fixtures & fittings £ | Office equipment £ | Other fixed assets £ | Total £ |
|-------------------------------------|-----------------------------|--------------------------|----------------------------|-------------------|
| Cost or valuation | | | | |
| At 1 April 2021 | 341,286 | 6,233,168 | 5,466,452 | 12,040,906 |
| Additions | 6,070 | 563,546 | - | 569,616 |
| Disposals | - | (73,278) | - | (73,278) |
| At 31 March 2022 | <u>347,356</u> | <u>6,723,436</u> | <u>5,466,452</u> | <u>12,537,244</u> |
| Depreciation | | | | |
| At 1 April 2021 | 280,391 | 4,946,561 | 3,357,593 | 8,584,545 |
| Charge for the year on owned assets | 45,991 | 642,691 | 541,680 | 1,230,362 |
| Disposals | - | (93,124) | - | (93,124) |
| At 31 March 2022 | <u>326,382</u> | <u>5,496,128</u> | <u>3,899,273</u> | <u>9,721,783</u> |
| Net book value | | | | |
| At 31 March 2022 | <u>20,974</u> | <u>1,227,308</u> | <u>1,567,179</u> | <u>2,815,461</u> |
| At 31 March 2021 | <u>60,895</u> | <u>1,286,607</u> | <u>2,108,859</u> | <u>3,456,361</u> |

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

14. Fixed asset investments

Group

| | Other fixed asset investments £ |
|--------------------------|--|
| Cost or valuation | |
| At 1 April 2021 | 150,000 |
| At 31 March 2022 | <u>150,000</u> |
| Net book value | |
| At 31 March 2022 | <u>150,000</u> |
| At 31 March 2021 | <u>150,000</u> |

Company

| | Investments in subsidiary companies £ |
|--------------------------|--|
| Cost or valuation | |
| At 1 April 2021 | <u>1</u> |
| At 31 March 2022 | <u>1</u> |
| Net book value | |
| At 31 March 2022 | <u>1</u> |
| At 31 March 2021 | <u>1</u> |

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Debtors

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|-------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Due after more than one year | | | | |
| Other debtors | 1,908,000 | 1,908,000 | 1,908,000 | 1,908,000 |
| | <u>1,908,000</u> | <u>1,908,000</u> | <u>1,908,000</u> | <u>1,908,000</u> |
| | | | | |
| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
| Due within one year | | | | |
| Trade debtors | 1,526,629 | 1,493,829 | 330,471 | 238,646 |
| Amounts owed by group undertakings | - | - | 9,232,621 | 6,400,213 |
| Other debtors | 823,839 | 525,099 | 668,839 | 370,099 |
| Prepayments and accrued income | 6,285,136 | 6,289,664 | 5,503,618 | 4,727,538 |
| Deferred taxation | 23,997 | 23,997 | 23,997 | 23,997 |
| | <u>8,659,601</u> | <u>8,332,589</u> | <u>15,759,546</u> | <u>11,760,493</u> |

Other debtors include £1,908,000 (2021: £1,908,000) that is receivable after one year. The amount relates to a lease deposit due back at the end of the lease period.

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

16. Cash and cash equivalents

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|--------------------------|--------------------|--------------------|----------------------|----------------------|
| Cash at bank and in hand | <u>3,175,217</u> | <u>1,695,870</u> | <u>1,468,913</u> | <u>328,856</u> |

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. Creditors: Amounts falling due within one year

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors | 278,290 | 456,591 | 278,290 | 456,591 |
| Amounts owed to group undertakings | - | - | 6,619,445 | 4,077,408 |
| Corporation tax | 63,613 | 113,704 | - | 79,659 |
| Other taxation and social security | 413,804 | 505,676 | 413,804 | 329,124 |
| Other creditors | 355,092 | 494,190 | 355,092 | 415,382 |
| Accruals and deferred income | 8,280,838 | 6,827,142 | 7,704,774 | 5,349,702 |
| | <u>9,391,637</u> | <u>8,397,303</u> | <u>15,371,405</u> | <u>10,707,866</u> |

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

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

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Accruals and deferred income | <u>6,201,375</u> | <u>6,536,412</u> | <u>6,201,375</u> | <u>6,536,412</u> |

19. Financial instruments

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | 3,175,217 | 1,695,870 | 1,468,913 | 328,856 |
| Financial assets that are debt instruments measured at amortised cost | 9,924,626 | 9,395,145 | 14,411,395 | 12,999,601 |
| | <u>13,099,843</u> | <u>11,091,015</u> | <u>15,880,308</u> | <u>13,328,457</u> |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | <u>(3,023,213)</u> | <u>(3,076,755)</u> | <u>(9,642,658)</u> | <u>(7,075,355)</u> |

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

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

DIGITAL CATAPULT
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Financial instruments (continued)

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

20. Deferred taxation

Group

| | 2022 £ | 2021 £ |
|----------------------|---------------|---------------|
| At beginning of year | <u>23,997</u> | <u>23,997</u> |

The deferred tax asset is made up as follows:

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|-----------------|--------------------|--------------------|----------------------|----------------------|
| Pension surplus | <u>23,997</u> | <u>23,997</u> | <u>23,997</u> | <u>23,997</u> |

21. Reserves

Profit & loss account

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

22. Company status

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

23. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge represents contributions payable by the Group to the fund and amounted to £948,907 (2021: £775,940).

DIGITAL CATAPULT
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24. Commitments under operating leases

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | Group 2022 £ | Group 2021 £ | Company 2022 £ | Company 2021 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Not later than 1 year | 1,076,312 | 1,076,312 | 1,076,312 | 1,076,312 |
| Later than 1 year and not later than 5 years | 897,135 | 1,950,823 | 897,135 | 1,950,823 |
| | <u>1,973,447</u> | <u>3,027,135</u> | <u>1,973,447</u> | <u>3,027,135</u> |

25. Related party transactions

During the year ended 31 March 2022 the Company reimbursed directors' travel and subsistence expenses for a total of £2,677 (2021: £74). A total of £nil (2021: £nil) was outstanding at the year end.

Entities over which the Company has control

The Company controls Digital Catapult Services Limited by way of its 100% shareholding. During the year ended 31 March 2022 the Company recharged costs of £3,838,271 (2021: £2,996,748). At 31 March 2022, Digital Catapult Services Limited owed the Company £2,613,176 (2021: £6,400,213) and £nil (2021: £4,077,408) was owed to Digital Catapult Services Limited from the Company.

26. Controlling party

There is no single controlling party.