Company registration number: 01200318

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2019

INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION
(A company limited by guarantee)

INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION

(A company limited by guarantee)

COMPANY INFORMATION

Directors	J Allen Z Bahrololoumi L Bailey V Chavez R Checkley T Crofts Z Cunningham J Davey J David J de Rojas S Flavell C Francis S Gardner S Gill T Goldstaub A Gupta S Hansford R Haworth N Hodson A Johnson M Keegan T McGeehan G O'Toole R Petley K Ranger A Rogoyski N Sawyer M Thompson W Touche J Towers G Wilson W Yao
Company secretary	J Allen
Registered number	01200318
Registered office	10 St Bride Street London EC4A 4AD
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU
Solicitors	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN

INFORMATION TECHNOLOGY
TELECOMMUNICATIONS AND ELECTRONICS
ASSOCIATION
(A company limited by guarantee)

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors are pleased to present their strategic report for the year ended 31 December 2019.

Information technology telecommunications and electronics association trades under the name techUK. Our mission is to champion our members and their technologies and prepare and empower the UK for what comes next, delivering a better future for people, society, the economy and the planet.

Our vision is a world where we harness the power of technology to improve people's lives and create a thriving society, economy and planet.

Our key areas of focus are;

People - techUK works with the government, education providers and employers to expand skills, talent and opportunity in the digital sector to ensure that everyone can participate in the digitising world.

Society - techUK believes technology has the power to strengthen society and we work with the government and stakeholders to build a smarter state that improves the wealth and wellbeing of all citizens.

Economy - techUK works with businesses and stakeholders to develop effective policy and regulatory solutions to promote the digitisation of the economy, and drive productivity and inclusive growth.

Planet - techUK leads the discussion on how technology and digital solutions can deliver sustainability and improve the health of our planet. We articulate the role that technology can play in tackling the climate emergency.

Business review

2019 was once again a very good year for techUK. We welcomed over 22,500 visitors to our offices and hosted almost 2,500 delegates at our events. Our reach and influence continued to grow with almost 3,000 pieces of coverage in the year, LinkedIn followers of almost 10,000 and Twitter followers of over 30,000 at the year end. We received nearly half a million visits to our website and portal in the year and have had daily significant interactions with senior government and public sector stakeholders throughout the year.

techUK aims to run its affairs to generate a small surplus after taxation, sufficient to enable continued investment in assets which assist in delivering value to our members and to preserve the real value of our reserves. The surplus for the year after taxation was £62,297.

Key financial performance indicators

The key financial performance indicators are growth in membership income, growth in other income and result for the year before taxation. The results for the year are as follows:

	2019	**2018**
Membership income growth	7%	4%
Other income growth	8%	7%
Result for the year before taxation	£80,995	(£118,581)

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Future prospects

We have entered very uncertain times. The coronavirus is obviously very damaging to the health of the population and the vitality and strength of the UK economy.

We do not yet know the full impact of the crisis, the severity it will have on people and business or the timing and nature of the recovery. This clearly presents risks to our business however we are well place to confront this challenge.

Subscription fees from members are our key income source and our business model of annual membership and six-month notice periods, provides us with upfront cashflow and a degree of forward visibility of revenues to deal with adverse consequences to membership. We exit 2019 in a strong financial position, with £3.2m in cash and £1.3m in reserves. Our membership has grown over the last year and we have a very strong recognition profile within our industry and with our key stakeholders, especially the Government.

Our value to many of our members and stakeholders has continued to increase as they look to deal with the effects of the current crisis and the challenge of the recovery. We are seeing this through our daily calls with Government departments and ministers, from DCMS through to the Treasury and Number 10. We are also seeing new member interest and renewals specifically as a result of the visible work we are doing on behalf of the industry.

We have moved our member support operations entirely on-line and are able to provide very good support to members in most areas. There has been no interruption in service or in our ability to continue to produce insights, reports and member action plans. Indeed in many programmes there is greater engagement of members because of the ability to offer this online.

It is important that we build on this and we develop those areas where we can, so we have planned for this year a brand refresh, the launch of a member supported initiative to provide a plan for the tech industry moving forward and a way for the UK to achieve a fast recovery in 2020 and 2021. We believe this will be a source of greater member engagement. We are also putting into action a step change in our regional presence though partnerships in key cities with some of our members, which we believe will lead to increased membership numbers.

Principal risks and uncertainties

The Board has no hesitation in considering techuk a going concern, but we recognise that there is a higher than normal risk to our ongoing business as a result of the pandemic and we are taking action to ensure that this risk does not affect that status.

The principal risk facing the Group is a reduction in subscription and other income resulting in turnover insufficient to cover operational expenses in the long term.

We expect to see downward pressure on our subscription income as a result of the following three factors;

1. Members looking to reduce what they consider to be discretionary spend, in particular decisions to join being deferred as companies look to conserve cash until the economic consequences of the crisis are known.
2. Smaller members who usually rely on physical events and use of our facilities for deriving the most value from their membership taking steps to cut costs due to cashflow pressure.
3. Members suffering extreme financial hardship and having to close.

We have successfully implemented a move to deliver the majority of our value online. We have increased our focus on engagement with our smaller member companies including introducing an SME microsite and an SME panel and have commenced one to one engagement with our larger members. There has been very public visibility of techUK and the value we are adding throughout the pandemic with a focus on the economic recovery challenge. Where that process has been particularly successful, we have seen new members join since the outbreak, for example in the data centre and health care sectors.

We are also taking measures to offer flexibility in payment terms, in particular to our smaller members. This is being closely managed from a cashflow perspective.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

We also expect to see downward pressure on our other income streams. We have postponed key events and taken steps to ensure that we are in a position to restart our event programme as soon as the pandemic allows. We are in the process of securing sponsorship to cover our committed costs and have insurance in place if events are unable to proceed.

Across the business we are taking measures to ensure that any anticipated reduction in income is matched by a reduction in the associated expense, ensuring we make use of any grants or financial assistance being made available where relevant.

As always, there is also a risk that we lack the ability to deliver value in a certain area for our members due to the loss of key staff. Attracting and retaining sufficient skills and experience within the Group is always a risk as our staff members are experts in their fields and filling empty positions can be a time-consuming process. In 2020 we anticipate a reduction in this risk as a result of the pandemic with staff less likely to move roles.

The nature of the pandemic means we may however face loss of staff through illness or the requirement to care for others. We successfully moved to home working early enough to avoid contagion through our activities and premises, however remote working is a challenging environment for operations and the Board and management are working hard to ensure that staff are able to deliver for our members and remain engaged, committed and effective throughout this period.

techUK has a strong mission and a dedicated team and will continue to deliver value for our members throughout this crisis and beyond.

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

J.Allen
Director

Date: 17 April 2020

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

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 profit or loss 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 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 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.

Results and dividends

The profit for the year, after taxation, amounted to £62,297 *(2018 - loss £89,635)*.

Directors

The directors who served during the year were:

J Allen
Z Bahrololoumi
L Bailey
V Chavez
R Checkley (appointed 5 July 2019)
T Crofts
Z Cunningham
J Davey (appointed 14 February 2019)
J David
J de Rojas
S Flavell
C Francis
S Gardner
S Gill
T Goldstaub (appointed 5 July 2019)
A Gupta
S Hansford
R Haworth
N Hodson

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

A Johnson
M Keegan
T McGeehan (appointed 5 July 2019)
G O'Toole (appointed 5 July 2019)
R Petley (appointed 14 February 2019)
K Ranger
A Rogoyski (appointed 5 July 2019)
N Sawyer
M Thompson
W Touche
J Towers
G Wilson
W Yao
S. Timms (resigned 5 July 2019)
A. Pod (resigned 13 February 2019)
A. Lawson (resigned 1 March 2019)
A. Mille (resigned 5 July 2019)
I. Jones (resigned 7 November 2019)
C. Hackett (resigned 21 May 2019)
P. Holmes (resigned 5 July 2019)

Disclosure of information to auditors

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

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

Post balance sheet events

Since the reporting date the Group has had to react to the global outbreak of Coronavirus. The office has been closed to both staff and members with all staff moving to home working, training courses and meetings have been moved on-line and in-person member events have been temporarily put on hold. The economic consequences of the outbreak and the actions taken by the Government to stem the spread of the virus are expected to have financial implications for both the Group and a large number of our members.

Auditors

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

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

J.Allen
Director

Date: 17 April 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION

Opinion

We have audited the financial statements of Information Technology Telecommunications and Electronics Association (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, 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 December 2019 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION (CONTINUED)

consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Group strategic report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INFORMATION TECHNOLOGY TELECOMMUNICATIONS AND ELECTRONICS ASSOCIATION (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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.

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

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

Mark Ayres (Senior statutory auditor) for
and on behalf of
BDO LLP
Statutory Auditor
55 Baker Street
London
W1U 7EU
Date: 22 April 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registration number OC305127)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	**6,972,331**	*6,528,500*
Administrative expenses		**(6,912,226)**	*(6,659,467)*
Operating profit/(loss)	5	**60,105**	*(130,967)*
Interest receivable and similar income	9	**21,558**	*12,476*
Interest payable and expenses	10	**(668)**	*(90)*
Profit/(loss) before taxation		**80,995**	*(118,581)*
Taxation	11	**(18,698)**	*28,946*
Profit/(loss) for the financial year		**62,297**	*(89,635)*
Total comprehensive income/(expense) for the year		**62,297**	*(89,635)*

The notes on pages 15 to 29 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note		2019 £		*2018 £*
Fixed assets					
Tangible assets	13		**1,187,490**		*1,290,123*
			1,187,490		*1,290,123*
Current assets					
Debtors	15	**1,039,628**		*855,282*	
Cash at bank and in hand	16	**3,196,759**		*3,036,668*	
		4,236,387		*3,891,950*	
Creditors: amounts falling due within one year	17	**(3,609,943)**		*(3,459,026)*	
Net current assets			**626,444**		*432,924*
Total assets less current liabilities			**1,813,934**		*1,723,047*
Creditors: amounts falling due after more than one year	18		**(7,869)**		-
Provisions for liabilities					
Deferred taxation	20	**(10,721)**		-	
Provisions	21	**(477,095)**		*(467,095)*	
			(487,816)		*(467,095)*
Net assets			**1,318,249**		*1,255,952*
Capital and reserves					
Profit and loss account	22		**1,318,249**		*1,255,952*
			1,318,249		*1,255,952*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 April 2020.

J Allen
Director

W Touche
Director

The notes on pages 15 to 29 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note		2019 £		2018 £
Fixed assets					
Tangible assets	13		**1,187,490**		*1,290,123*
Investments	14		**1,002**		*1,002*
			1,188,492		*1,291,125*
Current assets					
Debtors	15	**1,034,457**		*855,285*	
Cash at bank and in hand	16	**2,988,782**		*2,892,258*	
		4,023,239		*3,747,543*	
Creditors: amounts falling due within one year	17	**(3,608,240)**		*(3,485,057)*	
Net current assets			**414,999**		*262,486*
Total assets less current liabilities			**1,603,491**		*1,553,611*
Creditors: amounts falling due after more than one year	18		**(7,869)**		-
Provisions for liabilities					
Deferred taxation	20	**(10,721)**		-	
Provisions	21	**(477,095)**		*(467,095)*	
			(487,816)		*(467,095)*
Net assets			**1,107,806**		*1,086,516*
Capital and reserves					
Profit and loss account			**1,107,806**		*1,086,516*
			1,107,806		*1,086,516*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 April 2020.

J Allen
Director

W Touche
Director

The notes on pages 15 to 29 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Profit and loss account	Total equity
	£	£
At 1 January 2019	1,255,952	1,255,952
Comprehensive income for the year		
Profit for the year	62,297	62,297
Total comprehensive income for the year	62,297	62,297
At 31 December 2019	1,318,249	1,318,249

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Profit and loss account	Total equity
	£	£
At 1 January 2018	1,345,587	1,345,587
Comprehensive expense for the year		
Loss for the year	(89,635)	(89,635)
Total comprehensive expense for the year	(89,635)	(89,635)
At 31 December 2018	1,255,952	1,255,952

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Profit and loss account	Total equity
	£	£
At 1 January 2019	1,086,516	1,086,516
Comprehensive income for the year		
Profit for the year	21,290	21,290
Total comprehensive income for the year	21,290	21,290
At 31 December 2019	1,107,806	1,107,806

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Profit and loss account	Total equity
	£	£
At 1 January 2018	1,221,416	1,221,416
Comprehensive expense for the year		
Loss for the year	(134,900)	(134,900)
Total comprehensive expense for the year	(134,900)	(134,900)
At 31 December 2018	1,086,516	1,086,516

The notes on pages 15 to 29 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from operating activities		
Operating profit/(loss) for the financial year	**60,105**	*(130,967)*
Adjustments for:		
Depreciation of tangible assets	**239,471**	*252,291*
(Increase)/decrease in debtors	**(188,559)**	*85,405*
Increase in creditors	**133,701**	*11,892*
Increase in dilapidation provision	**10,000**	*-*
Cash from operations	**254,718**	*232,970*
Corporation tax received	**11,421**	*-*
Net cash generated from operating activities	**266,139**	*232,970*
Cash flows from investing activities		
Purchase of tangible fixed assets	**(125,519)**	*(91,984)*
Interest received	**21,558**	*12,476*
Return of money market investment	**-**	*2,000,000*
Net cash from investing activities	**(103,961)**	*1,920,492*
Cash flows from financing activities		
Repayment of capital lease obligations	**(1,419)**	*-*
Finance lease interest paid	**(668)**	*-*
Bank interest paid	**-**	*(90)*
Net cash flow from financing activities	**(2,087)**	*(90)*
Net increase in cash and cash equivalents	**160,091**	*2,153,372*
Cash and cash equivalents at beginning of year	**3,036,668**	*883,296*
Cash and cash equivalents at the end of year	**3,196,759**	*3,036,668*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**3,196,759**	*3,036,668*
	3,196,759	*3,036,668*

The notes on pages 15 to 29 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Information Technology Telecommunications and Electronics Association is a company limited by guarantee and is incorporated in England and Wales. The address of the registered office is 10 St Bride Street, London, EC4A 4AD.

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 subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full. The subsidiary entities included within the consolidation are detailed in note 14.

2.3 Going concern

The financial statements have been prepared using the going concern basis of accounting.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Subscriptions are recognised as turnover over the period to which they relate.

Conference fees and event sponsorships are recognised on the date of the event to which they relate.

Turnover from project work represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the reporting date turnover represents the value of the services provided to date based on proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. Turnover not billed to customers is recorded within debtors as accrued income.

2. Accounting policies (continued)

2.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	- from completion of works to end of lease
Fixtures and fittings	- 20% straight line
Computer equipment	- 20-33% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Debtors

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

2.8 Cash and cash equivalents

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

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.

2.9 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in the case of an out-right short-term loan that is not at market rate,

2. Accounting policies (continued)

2.9 Financial instruments (continued)

the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs) unless the arrangement constitutes a financing transaction.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

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

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rate at the date of the transactions.

At each reporting date 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.

2. Accounting policies (continued)

2.12 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Operating leases

Rentals paid under operating leases are charged to the Consolidated 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, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.14 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 the Consolidated Statement of Comprehensive Income 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.

2.15 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.16 Provision for liabilities

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the result for the financial year in the Consolidated Statement of Comprehensive Income, 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.18 Dilapidation costs

The Group provide for contractual dilapidation costs where the liability is probable and can be reliably estimated.

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

Dilapidation provisions are made on the basis of estimates of building costs made by the Group's commercial property advisors. These are reviewed annually and updated for changes in the index of building costs for central London.

With the exception of doubtful debts and dilapidation provisions there are no material judgements or estimates applied in the preparation of these accounts.

4. Turnover

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

	2019	*2018*
	£	*£*
Membership subscriptions	**5,260,228**	*4,936,383*
Training, conferences and events	**757,620**	*629,268*
Project work	**954,483**	*962,849*
	6,972,331	*6,528,500*

All turnover arose within the United Kingdom. Included within turnover received from project work is £265,293 (2018: £175,000) of funds received from government bodies.

5. Operating profit/(loss)

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

	2019	*2018*
	£	*£*
Depreciation of tangible fixed assets - owned	**246,065**	*252,291*
Depreciation of tangible fixed assets - leased	**1,698**	-
Exchange differences	**1,556**	*1,016*
Property lease rentals	**401,727**	*373,071*
Restructuring and loss of office	**-**	*126,452*

6. Auditors' remuneration

	2019	*2018*
	£	*£*
Audit-related assurance services	**24,500**	*22,000*
Taxation compliance services	**-**	*7,000*

7. Employees

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

	2019 £	2018 £
Wages and salaries	**3,004,757**	*2,971,904*
Social security costs	**336,547**	*307,803*
Costs of defined contribution scheme	**210,483**	*200,987*
	3,551,787	*3,480,694*

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

	2019 No.	2018 No.
Administrative staff	**60**	*63*

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	**320,155**	*391,482*
Company contributions to defined contributions pension scheme	**13,520**	*28,087*
	333,675	*419,569*

During the year retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £260,326 (2018 - £210,885).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,000 (2018 - £19,000).

Included within directors' emoluments is £Nil (2018: £78,579) in relation to loss of office.

9. Interest receivable

	2019 £	2018 £
Interest receivable	**21,558**	*12,476*

10. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	**-**	*90*
Finance lease interest payable	**668**	*-*
	668	*90*

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	**15,182**	*(14,349)*
Adjustments in respect of previous periods	**(11,418)**	*-*
Total current tax	**3,764**	*(14,349)*
Deferred tax		
Origination and reversal of timing differences	**14,934**	*(6,259)*
Adjustment in respect of prior periods	**-**	*(8,338)*
Total deferred tax	**14,934**	*(14,597)*
Taxation on profit/(loss) on ordinary activities	**18,698**	*(28,946)*

11. Taxation (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% *(2018 - 19%)*. The differences are explained below:

	2019 £	*2018 £*
Profit/(loss) on ordinary activities before tax	**80,995**	*(118,581)*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**15,389**	*(22,530)*
Effects of:		
Expenses not deductible for tax purposes	**15,163**	*4,437*
Difference in current and deferred tax rates	**(436)**	*-*
Adjustments to tax charge in respect of prior periods	**(11,418)**	*(19,456))*
Group relief	**-**	*8,603*
Total tax charge for the year	**18,698**	*(28,946)*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Association profit for the year

The association has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements. The profit after tax of the parent association for the year was £21,290 *(2018 - loss £134,900)*.

13. Tangible fixed assets

Group and Company

	Short-term property £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2019	1,201,235	335,305	1,041,623	2,578,163
Additions	-	122,419	14,419	136,838
Disposals	-	(15,281)	(17,653)	(32,934)
Transfers between classes	-	(41,317)	41,317	-
At 31 December 2019	1,201,235	401,126	1,079,706	2,682,067
Depreciation				
At 1 January 2019	418,166	306,561	563,313	1,288,040
Charge for the year	82,136	17,591	139,744	239,471
Disposals	-	(15,281)	(17,653)	(32,934)
Transfers between classes	-	(25,499)	25,499	-
At 31 December 2019	500,302	283,372	710,903	1,494,577
Net book value				
At 31 December 2019	700,933	117,754	368,803	1,187,490
At 31 December 2018	*783,069*	*28,744*	*478,310*	*1,290,123*

Included in tangible fixed assets are assets held under finance lease with a net book value of £9,621 (2018: nil).

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019 and at 31 December 2019	**1,002**
Net book value	
At 31 December 2019	**1,002**
At 31 December 2018	*1,002*

Subsidiary undertakings

The following are the subsidiary undertakings of the company:

Name	Principal Activity	Holding
Intellect Enterprises Limited	Provision of software escrow services	100%
Electronics Technology Network Ltd	Dormant	100%
techUK	Dormant	100%

The registered office of each subsidiary is at 10 St Bride Street, London, EC4A 4AD.

15. Debtors

	Group 2019 £	*Group 2018 £*	Company 2019 £	*Company 2018 £*
Trade debtors	**774,984**	*375,185*	**770,071**	*375,185*
Other debtors	**11,271**	*54,729*	**11,269**	*54,732*
Prepayments and accrued income	**253,373**	*421,155*	**253,117**	*421,155*
Deferred taxation	**-**	*4,213*	**-**	*4,213*
	1,039,628	*855,282*	**1,034,457**	*855,285*

All amounts shown under debtors fall due for payment within one year.

16. Cash and cash equivalents

	Group 2019 £	*Group 2018 £*	Company 2019 £	*Company 2018 £*
Cash at bank and in hand	**3,196,759**	*3,036,668*	**2,988,782**	*2,892,258*
	3,196,759	*3,036,668*	**2,988,782**	*2,892,258*

17. Creditors: Amounts falling due within one year

	Group 2019 £	*Group 2018 £*	Company 2019 £	*Company 2018 £*
Trade creditors	**147,446**	*374,300*	**147,446**	*374,300*
Amounts owed to group undertakings	**-**	*-*	**94,483**	*95,326*
Corporation tax	**15,185**	*-*	**4,096**	*-*
Other taxation and social security	**221,430**	*153,644*	**163,894**	*111,755*
Finance leases	**2,031**	*-*	**2,031**	*-*
Other creditors	**90,088**	*91,990*	**89,836**	*91,670*
Accruals and deferred income	**3,133,763**	*2,839,092*	**3,106,454**	*2,812,006*
	3,609,943	*3,459,026*	**3,608,240**	*3,485,057*

18. Finance leases

Minimum lease payments under finance leases fall due as follows:

	Group 2019 £	*Group 2018 £*	**Company 2019 £**	*Company 2018 £*
Within one year	**2,784**	-	**2,784**	-
Between 1-5 years	**9,048**	-	**9,048**	-
	11,832	-	**11,832**	-
Less: future finance charges	**(1,932)**	-	**(1,932)**	-
Present value of lease obligations	**9,900**		**9,900**	
Current	**2,031**	-	**2,031**	-
Non-current	**7,869**	-	**7,869**	-
	9,900	-	**9,900**	-

19. Financial instruments

	Group 2019 £	*Group 2018 £*	**Company 2019 £**	*Company 2018 £*
Financial assets				
Financial assets measured at fair value through profit or loss	**3,196,759**	*3,036,668*	**2,988,782**	*2,892,258*

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

20. Deferred taxation

Group and company

	2019 £
At beginning of year (note 15)	**4,213**
Movement in year	**(14,934)**
At end of year	**(10,721)**

20. Deferred taxation (continued)

	Group 2019 £	*Group 2018 £*	**Company 2019 £**	*Company 2018 £*
Accelerated capital allowances	**(100,272)**	*(99,584)*	**(100,272)**	*(99,584)*
Tax losses carried forward	**89,551**	*103,797*	**89,551**	*103,797*
	(10,721)	*4,213*	**(10,721)**	*4,213*

21. Provisions

	Dilapidation costs £
Group and company	
At 1 January 2019	**467,095**
Charge to profit or loss	**10,000**
At 31 December 2019	**477,095**

The provision has been calculated based on an estimate of the dilapidations costs.

22. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

23. Members' liability

The members of the company are subscribing members of the Association at any one time, and their liability, in the event of the winding-up of the Association, is limited to £1 per member.

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.

24. 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 cost charge represents contributions payable by the Group to the fund and amounted to £210,483 (2018 - £200,987). Contributions totalling £27,803 (2018 - £30,010) were payable to the fund at the reporting date.

25. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	*Group 2018 £*	**Company 2019 £**	*Company 2018 £*
Not later than 1 year	**486,772**	*486,772*	**486,772**	*486,772*
Later than 1 year and not later than 5 years	**1,257,494**	*1,460,316*	**1,257,494**	*1,460,316*
Later than 5 years	**-**	*283,950*	**-**	*283,950*
	1,744,266	*2,231,038*	**1,744,266**	*2,231,038*

26. Related party transactions

In the ordinary course of the business, the Association enters into transactions with parties who are members or members who may have a director serving on the Board of the Association. Transactions with executive directors are disclosed below.

The key management personnel of the Association comprise the Chief Executive Officer, the Deputy Chief Executive Officer, the Finance Director, the Director of Marketing, the Director of Markets and the Director of People and Talent Management. The total employee benefits for these personnel were £754,185 (2018: £849,741).

Included within Director's emoluments note 8 is a payment of £46,096 (2018: £7,700) to Crescendo Consultancy Limited of which Joanne Allen is a director.

Julian David, techUK's Chief Executive Officer was a board member of Digital Europe throughout the year. The value of services procured by the association to the organisation was £43,765 (2018: £43,884) and at 31 December 2019, a balance of £nil (2018: £43,765) was included in creditors in relation to amounts owed to Digital Europe.

During the financial year, a total sum of £3,821 was paid in respect of services to WITSA, of which Julian David is a board member. There was no balance outstanding at the year end.