

# Financial Statements Birmingham Technology (Venture Capital) Limited

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**For the year ended 31 March 2014**



**Registered number: 2188943**

## Company Information

<b>Directors</b>	Professor Dame J King CBE Councillor L S Trickett (appointed 16 June 2014) Dr D J Hardman MBE
<b>Company secretary</b>	R Kumar
<b>Registered number</b>	2188943
<b>Registered office</b>	Faraday Wharf Innovation Birmingham Campus Holt Street Birmingham Science Park Aston Birmingham B7 4BB
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Colmore Plaza 20 Colmore Circus Birmingham West Midlands B4 6AT
<b>Bankers</b>	Lloyds TSB Plc The Priory Queensway Birmingham B4 6BP

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## **Directors' Report**

**For the year ended 31 March 2014**

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

### **Principal activities**

The company holds investments in the form of equity and loans to technology companies based on the Birmingham Science Park Aston.

### **Directors**

The directors who served during the year were:

Councillor M Whitby (resigned 27 November 2013)  
Councillor Sir Albert Bore (resigned 27 November 2013)  
Councillor T Ali (resigned 27 November 2013)  
Councillor J R Mckay (resigned 16 June 2014)  
Professor Dame J King CBE  
Dr D J Hardman MBE (appointed 11 December 2013)

### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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

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

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

### **Directors' indemnities**

As permitted by the Articles of Association, the directors have the benefit of an indemnity insurance policy which is qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the year directors' and officers' liability insurance in respect of itself and its directors.

## **Directors' Report**

**For the year ended 31 March 2014**

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

### **Auditor**

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

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

19/9/14

and signed on its behalf.



**R Kumar**  
Secretary

## Independent Auditor's Report to the Members of Birmingham Technology (Venture Capital) Limited

We have audited the financial statements of Birmingham Technology (Venture Capital) Limited for the year ended 31 March 2014, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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



## Independent Auditor's Report to the Members of Birmingham Technology (Venture Capital) Limited

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report..

A handwritten signature in black ink, appearing to read "David White".

David White (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Birmingham  
Date: 23/9/14

**Birmingham Technology (Venture Capital) Limited**

## Profit and Loss Account

For the year ended 31 March 2014

	Note	2014 £	2013 £
Exceptional costs		<u>(2,983)</u>	<u>-</u>
<b>Loss on ordinary activities before taxation</b>		<b>(2,983)</b>	<b>-</b>
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
<b>Loss for the financial year</b>	<b>8</b>	<b><u>(2,983)</u></b>	<b><u>-</u></b>

The notes on pages 7 to 10 form part of these financial statements.



## Balance Sheet

As at 31 March 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Investments	3		-		10,000
<b>Current assets</b>					
Debtors	4	-		24,468	
<b>Creditors: amounts falling due within one year</b>	5	(1,743)		(33,228)	
<b>Net current liabilities</b>			(1,743)		(8,760)
<b>Net (liabilities)/assets</b>			(1,743)		1,240
<b>Capital and reserves</b>					
Called up share capital	7		5,500		5,500
Profit and loss account	8		(7,243)		(4,260)
<b>Shareholders' (deficit)/funds</b>			(1,743)		1,240

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19/9/14



**Dr D J Hardman MBE**  
 Director

The notes on pages 7 to 10 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 March 2014

## **1. Accounting policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

### **1.2 Going concern**

The group has prepared cash flow forecasts to 30 September 2015 making certain assumptions, to assess the working capital requirement for that period. Birmingham City Council has formally indicated its intention to support the group to ensure the company is in a position to meet its obligations as they fall due for at least twelve months from the date these financial statements are approved. Accordingly, in the directors' opinion it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that might be necessary should the company be unable to continue as a going concern.

### **1.3 Cash flow**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

### **1.4 Investments**

Investments held as fixed assets are shown at cost less any provision for impairment.

### **1.5 Deferred taxation**

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

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

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

Deferred tax assets and liabilities are not discounted.

# Notes to the Financial Statements

For the year ended 31 March 2014

## 1. Accounting policies (continued)

### 1.6 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## 2. Exceptional costs

	2014 £	2013 £
Loss on disposal of investments	2,983	-

During the year, the company sold its 42% shareholding in Tech-Ni Plant Limited for a cash consideration of £7,017, realising a loss on disposal of £2,983.

## 3. Fixed asset investments

	Investments in associates £
<b>Cost</b>	
At 1 April 2013	252,000
Disposals	(252,000)
At 31 March 2014	-
<b>Impairment</b>	
At 1 April 2013	242,000
Eliminated on disposals	(242,000)
At 31 March 2014	-
<b>Net book value</b>	
At 31 March 2014	-
At 31 March 2013	10,000

# Notes to the Financial Statements

For the year ended 31 March 2014

## 4. Debtors

	2014	2013
	£	£
Amounts owed by group undertakings	-	24,468

## 5. Creditors: Amounts falling due within one year

	2014	2013
	£	£
Amounts owed to group undertakings	1,743	33,228

## 6. Deferred taxation

	2014	2013
	£	£
At beginning and end of year	-	-

No deferred tax assets has been recognised in 2014 (2013: £nil). The unprovided tax asset at 31 March 2014 is £253,051 (2013: £244,865). The asset would be recovered by reducing future tax liabilities generated by future taxable profits. As this relies on the generation of future profits which is uncertain, the related asset has not been recognised.

## 7. Share capital

	2014	2013
	£	£
<b>Allotted, called up and fully paid</b>		
5,000 'A' Ordinary shares of £1 each	5,000	5,000
500 'B' Ordinary shares of £1 each	500	500
	<b>5,500</b>	<b>5,500</b>

An 'A' Ordinary shareholder is entitled to receive a notice of and to attend at any general meeting and has one vote on a show of hands and on a poll one vote for each 'A' Ordinary Share of which he is the holder. The 'B' Ordinary Shares have the same rights as the 'A' Ordinary Shares and rank pari passu with the 'A' Ordinary Shares.

## Notes to the Financial Statements

For the year ended 31 March 2014

### 8. Reserves

	Profit and loss account £
At 1 April 2013	(4,260)
Loss for the year	(2,983)
	<hr/>
At 31 March 2014	<u>(7,243)</u>

### 9. Related party transactions

The company did received management, accounting and administrative services from its parent undertaking and other group companies, and was charged £nil (2013: £nil) during the year for these services.

The amounts owed to/from group undertakings are repayable on demand.

### 10. Ultimate parent undertaking and controlling party

The company is part of the Innovation Birmingham Limited group, which is the smallest group to consolidate these financial statements. The ultimate parent undertaking and controlling party is Birmingham City Council, which is the parent undertaking of the largest group to consolidate these financial statements. Copies of Innovation Birmingham Limited's, and Birmingham City Council's consolidated financial statements can be obtained from the Company Secretary at Faraday Wharf, Innovation Birmingham Campus, Holt Street, Birmingham Science Park Aston, Birmingham B7 4BB.