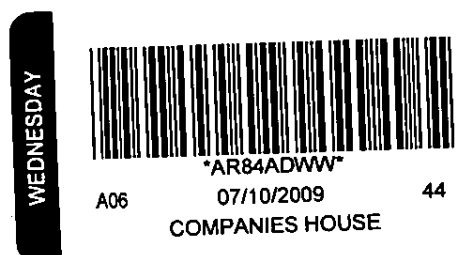


**Birmingham Technology (Venture Capital)
Limited**

**Annual report and financial statements
for the 9 month period ended 31 March 2009**

Registered number: 2188943



Birmingham Technology (Venture Capital) Limited

Annual report and financial statements for the 9 month period ended 31 March 2009

	Page
Directors' report for the 9 month period ended 31 March 2009.....	1
Independent auditors' report to the members of Birmingham Technology (Venture Capital) Limited...	3
Profit and loss account for the 9 month period ended 31 March 2009.....	5
Balance sheet as at 31 March 2009.....	6
Notes to the financial statements for the 9 month period ended 31 March 2009.....	7

Birmingham Technology (Venture Capital) Limited

Directors' report for the 9 month period ended 31 March 2009

The directors present their report together with the audited financial statements of the company for the 9 month period ended 31 March 2009.

Principal activities

The company makes investments in the form of equity and loans to technology companies based on the Birmingham Science Park Aston. On 13 August 2008, as part of a group reorganisation, a capital reduction was approved by the High Court. Of the company's 1,600,000 £1 redeemable preference shares, 1,599,999 were cancelled. The remaining redeemable preference share was converted into a £1 'C' Redeemable Ordinary share. In January 2009, the directors declared a dividend of £957,999 to the holders of the £1 'C' Redeemable Ordinary share, which was then redeemed.

Results and dividends

The results for the period are set out on page 5 and the profit of £21,776 (2008: profit of £24,551) has been transferred to reserves. The directors paid a dividend of £957,999 to the 'C' Redeemable Ordinary shareholder (2008: £nil) in January 2009.

Directors

The directors during the period and up to the date of this report were:

Councillor M Whitby	(Chairman)
Councillor Sir Albert Bore	
Councillor N Summerfield	(Appointed 19 February 2008)
Councillor T Ali	(Appointed 29 June 2009)
Hon Alderman R Hudson	(Resigned 24 November 2008)
Hon Alderman D Roy	(Appointed 29 June 2009)
Professor J King CBE	
K Byrom	(Resigned 25 November 2008)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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 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 company will continue in business.

Birmingham Technology (Venture Capital) Limited

Directors' report for the 9 month period ended 31 March 2009 (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements (continued)

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.

Statement on disclosure of information to auditors

Each person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board



P R Lines
Company secretary
1 October 2009

Independent auditors' report to the members of Birmingham Technology (Venture Capital) Limited

We have audited the financial statements of Birmingham Technology (Venture Capital) Limited for the 9 month period ended 31 March 2009 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Birmingham Technology (Venture Capital) Limited (continued)

Opinion

In our opinion:

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006;
- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2009 and of its profit for the period then ended; and
- the information given in the Directors' Report is consistent with the financial statements.



Stephen Rowe
Senior Statutory Auditor
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham, United Kingdom

1 October 2009

Birmingham Technology (Venture Capital) Limited

Profit and loss account for the 9 month period ended 31 March 2009

	Notes	9 month period ended 31 March 2009	Year ended 30 June 2008
		£	£
Turnover – Directors' fees received		2,250	6,000
Administrative expenses		(4,125)	(11,196)
Operating loss		(1,875)	(5,196)
Profit on disposal of fixed asset investments		-	600
Interest receivable and similar income	2	22,000	36,495
Profit on ordinary activities before taxation	3	20,125	31,899
Tax credit / (charge) on profit on ordinary activities	4	1,651	(7,348)
Profit for the financial period	11	21,776	24,551

The notes on pages 7 to 14 form part of these financial statements.

The results of the company arise entirely from the continuing activities of the company.

The profit for the period includes all recognised gains and losses, consequently no statement of recognised gains and losses has been prepared.

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

Birmingham Technology (Venture Capital) Limited

Balance sheet as at 31 March 2009

	Notes	31 March 2009	30 June 2008
		£	£
Fixed assets			
Investments	6	31,700	31,700
Current assets			
Debtors	7	21,468	958,718
Creditors: amounts falling due within one year	8	(6,320)	(7,346)
Net current assets		15,148	951,372
Total assets less current liabilities		46,848	983,072
Net assets		46,848	983,072
Capital and reserves			
Called up share capital	10	5,500	1,605,500
Profit and loss account	11	41,348	(622,428)
Total shareholders' funds	12	46,848	983,072

Analysed as

Equity interests		46,848	(616,928)
Non-equity interests		-	1,600,000
Total shareholders' funds	12	46,848	983,072

The notes on pages 7 to 14 form part of these accounts

Approved by the Board on 1 October 2009 and signed on its behalf by:


Sir Albert Bore
Director

Birmingham Technology (Venture Capital) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009

1 Accounting policies

Basis of preparation

The accounts are prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. The accounting policies have been consistently applied.

Investments

Investments in investee companies are stated at cost except where the directors become aware of any diminution in value, in which case provision is made for such diminution.

Turnover

Turnover represents income received and receivable in the period in respect of directors' fees.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatments for accounts and taxation purposes of events and transactions recognised in the financial statements of the current period and previous year. Deferred taxation is calculated at the rates at which it is estimated that taxation will arise. Deferred taxation assets are recognised to the extent that it is regarded as more likely than not that there will be suitable taxable profits against which the deferred tax asset can be recovered in future periods.

Statement of cash flows

The parent undertaking, Birmingham Technology Limited, has included a cash flow statement in its financial statements for the 9 month period ended 31 March 2009. Under the exemptions of Financial Reporting Standard 1 (revised 1996) 'Cash Flow Statements' no cash flow statement is required in the financial statements of this company.

2 Interest receivable and similar income

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
On loans to group undertakings	22,000	36,495
	22,000	36,495

Birmingham Technology (Venture Capital) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

3 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging the following amounts:

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
Management fee payable to parent undertaking	2,250	6,000
Auditors' remuneration		
- audit fees	1,875	3,380
- other services	-	1,816

None of the directors received any emoluments during the period in respect of their services to the company (2008: £nil). There were no employees paid by the company during either the current period or the prior year.

4 Tax (credit)/charge on profit on ordinary activities

Analysis of charge in the period:

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
Current tax		
UK corporation tax charge on profits of the period	5,635	7,345
Adjustments in respect of prior years	(7,286)	(12,582)
Total corporation tax credit	(1,651)	(5,237)
Deferred tax		
Current period charge	-	12,585
Tax (credit)/charge on profit for the period	(1,651)	7,348

Birmingham Technology (Venture Capital) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

4. Tax (credit)/charge on profit on ordinary activities (continued)

Factors affecting tax (credit)/charge for the period:

The tax assessed for the period is lower (2008: lower) than the standard rate of corporation tax in the United Kingdom of 28% (2008: 29.5%).

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
Profit on ordinary activities before tax	20,125	31,899
Tax charge on profit on ordinary activities at the standard UK rate of corporation tax 28% (2008: 29.5%)	5,635	9,411
Effects of:		
Other timing differences	-	(2,066)
Adjustments in respect of prior periods	(7,286)	(12,582)
Current tax credit for the period	(1,651)	(5,237)

Based on current investment plans there are no significant factors that will affect the tax charge in future years.

5 Dividends paid and proposed

The following dividend of 95,799,900 pence per share was paid during the period to the "C" Redeemable Ordinary shareholder:

	9 month period to 31 March 2009
	£
	957,999

The "C" Redeemable Ordinary Share was redeemed on 27 January 2009.

Redeemable preference share dividends which have been waived since inception amounted to £2,774,240 (2008: £2,774,240). The preference shares were cancelled during the period with all associated rights.

There were no dividends paid or proposed during the year ended 30 June 2008.

Birmingham Technology (Venture Capital) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

6 Fixed asset investments

	Total £
Cost – equity shares	
At 31 March 2009 and 30 June 2008	253,700
Provisions	
At 31 March 2009 and 30 June 2008	222,000
Net book amount	
At 31 March 2009	31,700
At 30 June 2008	31,700

Investments in investee companies, all of which are incorporated in the United Kingdom and unlisted, are detailed as follows:

Name of company	Shares at cost £	Details of share holding	Percentage holding
Tech-Ni-Plant Limited	252,000	9,608 Ordinary shares of £1 each 20,000 Cumulative redeemable preference shares of £1 each	41.6%
The Logistics Business Limited	1,700	1,700 Ordinary shares of £1 each	3%
	253,700		

The directors have made provisions for impairment in the value of investments based on their assessment of the value of the investments at 31 March 2009.

The sale of the company's entire investment in The Logistics Business Limited was completed in July 2009 for £9,150 realising a gain on disposal of £7,450.

Birmingham Technology (Venture Capital) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

7 Debtors

	31 March 2009	30 June 2008
	£	£
Amounts falling due within one year		
Amounts owed by the parent undertaking	21,468	958,718
	21,468	958,718

Amounts due from/to group companies are repayable on demand. Interest is payable on non trading balances at 6% per annum (2008:6%). Trading balances are repayable on demand without interest charges.

8 Creditors: amounts falling due within one year

	31 March 2009	30 June 2008
	£	£
Corporation tax payable	60	7,346
Amounts owed to group companies	6,260	-
	6,320	7,346

9 Deferred taxation

	31 March 2009	30 June 2008
Deferred taxation: debtor	£	£
Deferred tax asset at 1 July	-	12,585
Deferred taxation charge for the period	-	(12,585)
Deferred tax asset at the end of the period	-	-

The full provision for deferred taxation, calculated on the liability method at 28% (2008: 28%), was £Nil (2008: £nil).

Birmingham Technology (Venture Capital) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

10 Share capital

Authorised	31 March 2009	30 June 2008
	£	£
Equity		
5,000 'A' Ordinary shares of £1 each	5,000	5,000
5,000 'B' Ordinary shares of £1 each	5,000	5,000
Non-equity		
1 'C' Redeemable Ordinary share of £1	-	1
1,599,999, 12.45% (9.3375% net) Cumulative Redeemable Preference shares of £1 each	-	1,599,999
	10,000	1,610,000
Allotted and fully paid	31 March 2009	30 June 2008
	£	£
Equity		
5,000 'A' Ordinary shares of £1 each	5,000	5,000
500 'B' Ordinary shares of £1 each	500	500
	5,500	5,500
Non-equity		
1 'C' Redeemable Ordinary share of £1	-	1
1,599,999 12.45% (9.3375% net) Cumulative Redeemable Preference shares of £1 each	-	1,599,999
	5,500	1,605,500

Birmingham Technology (Venture Capital) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

10 Share capital (continued)

The company's shares carry the following rights:

'A' Ordinary, 'B' Ordinary shares

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.

C Redeemable Ordinary Share

Following the cancellation of the £1,599,999 Cumulative Redeemable Preference Shares on 19 August 2008, the C Redeemable Ordinary Share was entitled to receive a dividend of the maximum distributable reserves available to the company, less £1. A dividend of £957,999 was paid on 27 January 2009 and the 'C' Redeemable Ordinary Share was redeemed on the same date.

Cumulative Redeemable Preference shares of £1 each

1,599,999 Cumulative Redeemable Preference shares of £1 each were subject to a share capital reduction agreed by the High Court on 13 August 2008, subject to the required publication of the arrangement. On 19 August 2008 the shares were cancelled.

11 Profit and loss account

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
At 1 July 2008	(622,428)	(646,979)
Profit for the period	21,776	24,551
Dividends paid to 'C' Redeemable Ordinary Shareholders	(957,999)	-
Cancellation of cumulative redeemable preference Shares	1,599,999	-
At 31 March 2009	41,348	(622,428)

Birmingham Technology (Venture Capital) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

12 Reconciliation of movements in total shareholders' funds

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
Opening total shareholders' funds	983,072	958,521
Profit for the financial period	21,776	24,551
Dividend paid to 'C' Redeemable Ordinary Share	(957,999)	-
Redemption of 'C' Redeemable Ordinary Share	(1)	-
Closing total shareholders' funds	46,848	983,072

13 Ultimate parent undertaking and controlling party

The company is part of the Birmingham Technology 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 Birmingham Technology Limited, and Birmingham City Council's consolidated financial statements can be obtained from the Company Secretary at Faraday Wharf, Holt Street, Aston Science Park, Birmingham B7 4BB.

14 Related party disclosures

The amounts owed to / from group companies, including subsidiary undertakings, are repayable on demand. Interest on these balances was payable and receivable at 6% (2008: 6%). The amounts of these transactions are shown in note 2. The company pays certain administration charges to Birmingham Technology Limited and other group companies, which amounted to £2,250 in the 9 months ended 31 March 2009 (2008: £6,000).

15 Post balance sheet events

The sale of the company's entire remaining investment in The Logistics Business Limited was completed on 28 July 2009 for £9,150 realising a gain on disposal of £7,450.