

**Birmingham Technology (Venture Capital)  
Limited**

**Annual report and financial statements  
for the year ended 30 June 2008**

Registered number: 2188943

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# **Birmingham Technology (Venture Capital) Limited**

## **Annual report and financial statements for the year ended 30 June 2008**

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# **Birmingham Technology (Venture Capital) Limited**

## **Directors' report for the year ended 30 June 2008**

The directors present their report together with the audited financial statements of the company for the year ended 30 June 2008.

### **Principal activities**

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

### **Results and dividends**

The results for the year are set out on page 5 and the profit of £24,551 (2007: profit of £24,457) has been transferred to reserves. The directors do not propose to pay a dividend in respect of the financial year (2007: £nil).

### **Directors**

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

Sir Albert Bore	
RJ Hudson	
Professor JE King CBE	
N Summerfield	(Appointed 19 February 2008)
MJ Whitby	(Appointed 27 June 2008)
K Hardeman	(Resigned 16 July 2007)
KT Byrom	(Resigned 23 October 2008)

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

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

# **Birmingham Technology (Venture Capital) Limited**

## **Directors' report for the year ended 30 June 2008 (continued)**

The directors are responsible for keeping proper accounting records that 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 1985. 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 234ZA (2) of the Companies Act 1985.

### **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  
Secretary

27 FEBRUARY 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 year ended 30 June 2008 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) 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 Section 235 of the Companies Act 1985 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 give a true and fair view and are properly prepared in accordance with the Companies Act 1985. 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 proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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.

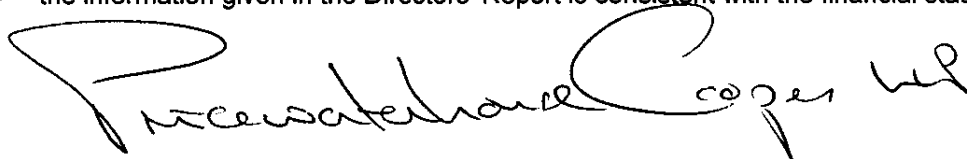
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

A large, stylized handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers LLP', is written across the page.

**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Birmingham

*14 March* 2009

# Birmingham Technology (Venture Capital) Limited

## Profit and loss account for the year ended 30 June 2008

	Notes	2008 £	2007 £
<b>Turnover - Directors' fees</b>		<b>6,000</b>	6,000
<b>Total turnover</b>		<b>6,000</b>	6,000
Administrative expenses		<b>(11,196)</b>	(8,496)
<b>Operating loss</b>		<b>(5,196)</b>	(2,496)
Profit on disposal of fixed asset investments	6	<b>600</b>	-
Interest receivable and similar income	2	<b>36,495</b>	41,941
<b>Profit on ordinary activities before taxation</b>	3	<b>31,899</b>	39,445
Tax charge on profit on ordinary activities	4	<b>(7,348)</b>	(14,988)
<b>Profit for the financial year</b>	11	<b>24,551</b>	24,457

The notes on pages 7 to 15 form part of these accounts.

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

The profit for the year 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

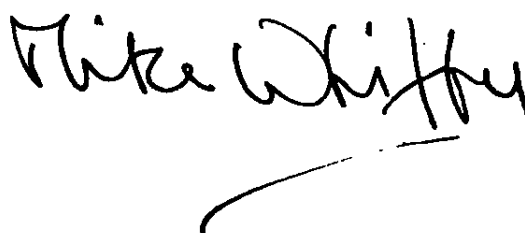
## Balance sheet as at 30 June 2008

	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Investments	6	31,700	31,700
<b>Current assets</b>			
Debtors	7	958,718	1,326,821
Creditors: amounts falling due within one year	8	(7,346)	(400,000)
<b>Net current assets</b>		<b>951,372</b>	<b>926,821</b>
<b>Total assets less current liabilities</b>		<b>983,072</b>	<b>958,521</b>
<b>Net assets</b>		<b>983,072</b>	<b>958,521</b>
<b>Capital and reserves</b>			
Called up share capital	10	1,605,500	1,605,500
Profit and loss account	11	(622,428)	(646,979)
<b>Total shareholders' funds</b>	12	<b>983,072</b>	<b>958,521</b>
<b>Analysed as</b>			
Equity interests		(616,928)	(641,479)
Non-equity interests		1,600,000	1,600,000
<b>Total shareholders' funds</b>	12	<b>983,072</b>	<b>958,521</b>

The notes on pages 7 to 15 form part of these accounts

Approved by the Board on 17 FEBRUARY 2009 and signed on its behalf by:

M J Whitby  
Director



# **Birmingham Technology (Venture Capital) Limited**

## **Notes to the financial statements for the year ended 30 June 2008**

### **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 1985. 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 year 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 and previous years. 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 ultimate parent undertaking, Birmingham Technology Limited, has included a cash flow statement in its financial statements for the year ended 30 June 2008. Under the exemptions conferred by paragraph 5a of Financial Reporting Standard 1 (revised) 'Cash Flow Statements' no cash flow statement is required in the accounts of this company.

# **Birmingham Technology (Venture Capital) Limited**

## **Notes to the financial statements for the year ended 30 June 2008 (continued)**

### **2 Interest receivable**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
On loans to group undertakings	<b>36,495</b>	41,941
On loans to investee companies	-	-
	<b>36,495</b>	41,941

### **3 Profit on ordinary activities before taxation**

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

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Management fee payable to parent undertaking	<b>6,000</b>	6,000
Auditors' remuneration		
- audit fees	<b>3,380</b>	1,650
- other services	<b>1,816</b>	846

None of the directors received any emoluments during the year in respect of their services to the company (2007:£nil).

There were no employees paid by Birmingham Technology (Venture Capital) Limited during either the current or the prior year.

# Birmingham Technology (Venture Capital) Limited

## Notes to the financial statements for the year ended 30 June 2008 (continued)

### 4 Tax charge on profit on ordinary activities

#### Analysis of charge in the year:

	2008	2007
	£	£
<b>Current tax</b>		
UK corporation tax charge on profits of the year	7,345	12,582
Adjustments in respect of prior years	(12,582)	4,041
<b>Total corporation tax</b>	<b>(5,237)</b>	16,623
<b>Deferred tax</b>		
Current year charge	12,585	(1,635)
<b>Tax charge on profit for the year</b>	<b>7,348</b>	14,988

The tax assessed for the year is lower (2007: higher) than the standard rate of corporation tax in the United Kingdom of 29.5% (2007:30%).

#### Factors affecting tax charge for the year:

	2008	2007
	£	£
Profit on ordinary activities before tax	31,899	39,445
Tax charge on profit on ordinary activities at the standard UK rate of corporation tax 29.5% (2007: 30%)	9,411	11,834
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	1,200
Other timing differences	(2,066)	(452)
Adjustments in respect of prior periods	(12,582)	4,041
<b>Current tax (credit)/charge for the year</b>	<b>(5,237)</b>	16,623

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

# Birmingham Technology (Venture Capital) Limited

## Notes to the financial statements for the year ended 30 June 2008 (continued)

### 5 Dividends paid and proposed

Birmingham City Council and Lloyds Bank PLC may jointly, but not otherwise, waive or postpone the payment of any dividend in respect of the Cumulative Redeemable Preference Shares held by them. The following preference dividends have been waived:

	Paid and proposed	Total due	Waived
	£	£	£
At 30 June 2007	90,556	2,715,396	2,624,840
During the year	-	149,400	149,400
<b>At 30 June 2008</b>	<b>90,556</b>	<b>2,864,796</b>	<b>2,774,240</b>

### 6 Fixed asset investments

	Total £
<b>Cost – equity shares</b>	
At 1 July 2007	370,261
Disposal in the year	(11,000)
Investment in company now struck off	(105,561)
<b>At 30 June 2008</b>	<b>253,700</b>
<b>Provisions</b>	
At 1 July 2007	338,561
Disposals in the year	(11,000)
Eliminated in respect of company now struck off	(105,561)
<b>At 30 June 2008</b>	<b>222,000</b>
<b>Net book amount</b>	
<b>At 30 June 2008</b>	<b>31,700</b>
At 30 June 2007	31,700

# Birmingham Technology (Venture Capital) Limited

## Notes to the financial statements for the year ended 30 June 2008 (continued)

### 6 Fixed asset investments (continued)

The profit on disposal of the investment in Investor Champions PLC was £600.

Investments eliminated during the year related to the striking off of AD2 Limited, fully provided at the end of last year.

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 permanent diminution in the value of investments based on their assessment of the value of the investments at 30 June 2008.

The company's entire investment in The Logistics Business Limited was sold in December 2008 for £9,150.

### 7 Debtors

Amounts falling due within one year	2008	2007
	£	£
Amounts owed by the parent undertaking	958,718	1,314,236
Deferred tax asset	-	12,585
	958,718	1,326,821

# Birmingham Technology (Venture Capital) Limited

## Notes to the financial statements for the year ended 30 June 2008 (continued)

### 8 Creditors: amounts falling due within one year

	2008	2007
	£	£
Corporation tax payable	7,346	-
Loans:		
Birmingham City Council	-	200,000
Lloyds Bank plc	-	200,000
	7,346	400,000

Both loans were repaid during the year. Interest was payable at an annual rate of 1% over the Lloyds Bank Plc base rate. However by agreement with both lenders, no interest has been charged during the year.

### 9 Deferred taxation

	2008	2007
	£	£
<b>Deferred taxation: debtor</b>		
Deferred tax asset at 1 July	12,585	10,950
Deferred taxation charge for the year	(12,585)	1,635
<b>Deferred tax asset at 30 June</b>	-	<b>12,585</b>

The full provision for deferred taxation, calculated on the liability method at 28% (2007: 30%), is as follows:

	2008	2007
	£	£
Tax losses carried forward	-	12,585

These amounts are included in debtors, as shown in Note 7 above. Unrecognised deferred tax assets amount to £194,160 (2007: £206,744) and arise mainly from capital losses.

# Birmingham Technology (Venture Capital) Limited

## Notes to the financial statements for the year ended 30 June 2008 (continued)

### 10 Share capital

Authorised	2008	2007
	£	£
<b>Equity</b>		
5,000 'A' Ordinary shares of £1 each	5,000	5,000
5,000 'B' Ordinary shares of £1 each	5,000	5,000
<b>Non-equity</b>		
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	1,600,000
	<b>1,610,000</b>	<b>1,610,000</b>

Allotted and fully paid	2008	2007
	£	£
<b>Equity</b>		
5,000 'A' Ordinary shares of £1 each	5,000	5,000
500 'B' Ordinary shares of £1 each	500	500
<b>Non-equity</b>		
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	1,600,000
	<b>1,605,500</b>	<b>1,605,500</b>

The company's shares carry the following rights:

#### 'A' Ordinary, 'B' Ordinary and 'C' Redeemable Ordinary share £1 each

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.

# Birmingham Technology (Venture Capital) Limited

## Notes to the financial statements for the year ended 30 June 2008 (continued)

### 10 Share capital (continued)

Without the prior consent in writing of the holders of all the Preference Shares and the 'C' Ordinary Share or until all the Preference Shares and the 'C' Ordinary Share have been redeemed, the 'A' Ordinary Shares are not entitled to any distribution or dividend other than the right in a winding up to full participation in assets after repayment of the capital paid up or credited as paid up on the Preference Shares and payment of all arrears and accumulations of preferential dividend.

The 'B' Ordinary Shares have the same rights as the 'A' Ordinary Shares save for a 'B' Ordinary shareholder has no right to receive notice or attend any general meeting or vote thereat, until such time as there are no preference shares or 'C' Ordinary Shares in issue, after which the 'B' Ordinary Shares rank pari passu with the 'A' Ordinary Shares.

The 'C' Ordinary Share of £1 has the right to receive a dividend equal to the maximum amount of distributable reserves of the company immediately following the cancellation of the Preference Shares less a sum equal to the nominal value of the 'C' Ordinary Share. The company has the right to redeem the 'C' Ordinary Share after the above dividend distribution. The 'C' Ordinary Share has no voting rights until such time as there are no Preference Shares.

#### Cumulative Redeemable Preference shares of £1 each

Holders of the Cumulative Redeemable Preference Shares ("The Preference Shares") are entitled to a payment of dividend 12.45% (gross) on the amount paid up, or credited as paid up, on the Preference Shares payable half yearly in arrears on 30 June and 31 December in each year. The shares are redeemable only at the option of the company and hence continue to be treated as share capital under FRS 25, 'Financial Instruments: Presentation'.

The Preference Shares do not entitle the holders to any further or other participation in the profits of the company.

The holders of the Preference Shares are entitled to the repayment of the capital and all arrears and accumulations of preferential dividend in the case of the company being wound up. The Preference Shares do not entitle the holders to participate in any of the company's remaining assets.

The Preference Shares do not carry any voting rights.

### 11 Profit and loss account

	2008	2007
	£	£
At 1 July 2007	(646,979)	(671,436)
Profit for the year	24,551	24,457
At 30 June 2008	(622,428)	(646,979)

# **Birmingham Technology (Venture Capital) Limited**

## **Notes to the financial statements for the year ended 30 June 2008 (continued)**

### **12 Reconciliation of movements in total shareholders' funds**

	2008	2007
	£	£
Opening total shareholders' funds	958,521	934,064
Profit for the financial year	24,551	24,457
Closing total shareholders' funds	983,072	958,521

### **13 Ultimate parent undertaking and controlling party**

The ultimate parent undertaking and controlling party is Birmingham Technology Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Birmingham Technology Limited'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 company has taken advantage of the exemption under Financial Reporting Standard 8 'Related Party Disclosures' relating to 90% subsidiary undertakings and has not disclosed details of transactions with other undertakings within the Birmingham Technology Limited group.

### **15 Post Balance Sheet Events**

On 8 July 2008 an application was made to the High Court to cancel the 1,599,999 Cumulative Redeemable Preference Shares of £1 each. On 13 August 2008, the High Court approved the cancellation and ordered the company to deliver the order to the Registrar of Companies and publish the notice in The Times newspaper of such registration. The publication of the notice has now been completed and the Certificate of Registration was also filed with the Registrar of Companies on 20 August 2008.

The directors declared a dividend of £958,000 on 21 January 2009.

The company's entire investment in The Logistics Business Limited was sold in December 2008 for £9,150.