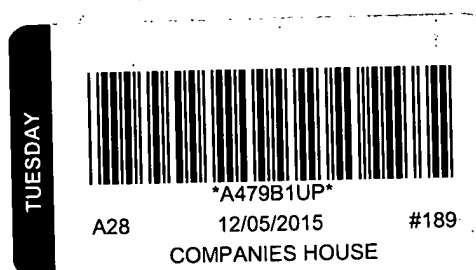


The ERA Foundation Limited
Financial statements
30 September 2014



The ERA Foundation Limited

Financial statements

Year ended 30 September 2014

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President

Sir Alan Rudge CBE, FREng, FRS

Directors

Sir Richard Brook OBE, FREng	Chairman
F J Cahill	
Dr J Kennedy OBE FREng	
Sir John O'Reilly FREng	
Dr T R Rowbotham FREng	
Sir Christopher Snowden FREng, FRS	
B J Taylor	
D A Wilson	

Secretary and registered office

J E Fewtrell, Cleeve Road, Leatherhead, Surrey, KT22 7SA

Company number

170454

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

The ERA Foundation Limited

Chairman's statement

Year ended 30 September 2014

There is no more important task facing the nation than to attract the brightest and the best young people into the engineering profession. Engineers create wealth. Engineering is essential to our health, happiness and safety. Engineers shape the future. Engineers turn ideas into reality. These key messages have been convincingly reinforced by a report commissioned by the Foundation from communications experts Luther Pendragon.

During the year we have consulted widely on the report's key recommendations, and have taken first steps to tackle them - seeking where possible to ensure that our endeavours could match the broad objectives of The Perkins Review. Refining the message and responding to it appropriately have been the key tasks. A new website www.engineeringinsite.com has been set up to signpost and "kite mark" the best information available to young people, their parents, teachers and careers advisors, policy makers and opinion formers on the importance of engineering and the inspiring careers it can provide. Role model videos are being produced under the banner "Were you born to Engineer?" In these various endeavours we value our partnership with the Royal Academy of Engineering, the IET, the IMechE, the Royal Commission for the Exhibition of 1851, the Royal Society, Engineering Explained, Young Engineers, the Arkwright Trust, the Smallpeice Trust, the Royal Institution, and Imagineering.

We have continued to promote the place of productive industry in the future prosperity of the UK; we remain concerned about the cost and security of supply of energy and the resulting impact on industrial competitiveness. We are dependent on the experience and wisdom of our distinguished President Sir Alan Rudge in promoting these particular causes. In recognising excellence in engineering and technology, we are proud to sponsor awards through the IMechE's programme for Manufacturing Excellence, through Manufacturing of the Year, the Royal Society's Mercer Award, the Royal Academy of Engineering's Young Entrepreneur scheme, and the IET Innovation scheme.

We have made no new direct investment in early-stage companies this reporting year, but have continued to make follow-on investments in an existing group as they develop their potential.

I wish to take this opportunity to express thanks to our partners in these various activities, and especially to our President and to Directors of the Board of the Foundation for all their contributions in raising the profile of engineering and in advancing the recognition of its importance.



Sir Richard Brook OBE, FREng
Chairman

12 March 2015

The ERA Foundation Limited

Directors' report *(continued)*

Year ended 30 September 2014

The directors present their report and the financial statements of the company for the year ended 30 September 2014.

Business review

The ERA Foundation maintained its support of research and development in electrotechnology and related fields, both by the funding of research and development and investing in technology-based companies, directly or indirectly, in their start-up phase. £334,000 (2013 - £276,000) was expended for research activities and £570,000 (2013 - £872,000) was invested in technology-based companies. The finance for these activities was derived primarily from income arising from the Foundation's investments and from existing cash balances and investment assets.

Provisions of £274,000 (2013 - £436,000) were booked against investments.

Turnover for the year was £63,000 (2013 - £90,000). The operating loss was £959,000 (2013-£1,086,000). The loss on ordinary activities, which was transferred to reserves, was £196,000 (2013 - £688,000), after interest receivable and similar income of £581,000, (2013 - £583,000) profit from fixed asset investments of £182,000 (2013-£192,000 loss) and a tax credit of £0 (2013 - £7,000).

During the year the company operated solely in the United Kingdom.

Directors

The directors who served the company during the year were as follows:

Sir Richard Brook OBE, FREng

F J Cahill

Dr J Kennedy OBE FREng (Appointed 1 September 2014)

Sir J O'Reilly FREng

Dr T R Rowbotham FREng

Sir Christopher Snowden FREng, FRS

B J Taylor

D A Wilson

President

Sir Alan Rudge CBE, FREng, FRS

Constitution

The company is limited by guarantee and has no share capital. The liability of the members is limited to £5 each.

Directors' responsibilities

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 year.

The ERA Foundation Limited

Directors' report *(continued)*

Year ended 30 September 2014

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.

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.

The ERA Foundation Limited

Directors' report *(continued)*

Year ended 30 September 2014

Auditor

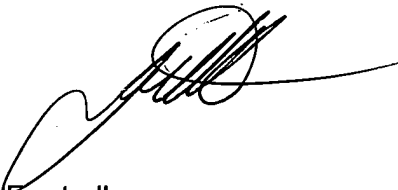
Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Signed by order of the directors



J E Fewtrell
Company Secretary

Approved by the directors on 12 March 2015

The ERA Foundation Limited

Independent auditor's report to the members of The ERA Foundation Limited

Year ended 30 September 2014

We have audited the financial statements of The ERA Foundation Limited for the year ended 30 September 2014 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 set out on pages 2 to 3, the directors are responsible for the preparation of the Annual Report, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 30 September 2014 and of its loss 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.

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.

The ERA Foundation Limited

Independent auditor's report to the members of The ERA Foundation Limited (continued)

Year ended 30 September 2014

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 and the directors report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

ANDREW STICKLAND (Senior
Statutory Auditor)
For and on behalf of
BDO LLP
Chartered Accountants
& Statutory Auditor

2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

16 March 2015
.....

The ERA Foundation Limited

Profit and loss account

Year ended 30 September 2014

	Note	2014 £000	2013 £000
Turnover		63	90
Staff costs	3	166	167
Other operating charges		<u>856</u>	<u>1,009</u>
Operating loss	4	(959)	(1,086)
Profit/(loss) on disposal of fixed assets		<u>182</u>	<u>(192)</u>
		(777)	(1,278)
Interest receivable and similar income	5	581	583
Loss on ordinary activities before taxation		(196)	(695)
Tax on loss on ordinary activities	6	—	(7)
Loss for the financial year		<u>(196)</u>	<u>(688)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 13 form part of these financial statements.

The ERA Foundation Limited

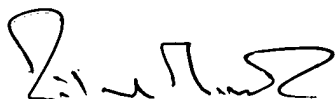
Balance sheet

30 September 2014

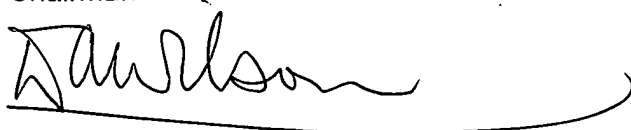
	Note	2014 £000	2013 £000
Fixed assets			
Investments	7	<u>17,391</u>	<u>17,298</u>
Current assets			
Debtors	8	124	291
Cash at bank		<u>329</u>	<u>477</u>
		453	768
Creditors: amounts falling due within one year	10	<u>81</u>	<u>107</u>
Net current assets		<u>372</u>	<u>661</u>
Total assets less current liabilities		<u><u>17,763</u></u>	<u><u>17,959</u></u>
Reserves	13		
Profit and loss account	14	<u>17,763</u>	<u>17,959</u>
Members' funds		<u><u>17,763</u></u>	<u><u>17,959</u></u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These accounts were approved by the directors and authorised for issue on 12 March 2015 and are signed on their behalf by:



Sir Richard Brook
Chairman



D A Wilson
Director

Company Registration Number: 170454

The notes on pages 9 to 13 form part of these financial statements

The ERA Foundation Limited

Notes forming part of the financial statements

Year ended 30 September 2014

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 1 (Revised 1996) not to prepare a cash flow statement on the ground that it is a 'small' company under Companies Act 2006.

Turnover

Turnover consists wholly of management charges and is recognised in the period to which it relates.

Research and development

Research and development funded by the company is charged to the profit and loss account in the year in which the cost is incurred.

Valuation of fixed asset investments

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

2. Turnover

	2014	2013
	£000	£000
Management charges	<u>63</u>	<u>90</u>

The ERA Foundation Limited

Notes forming part of the financial statements

Year ended 30 September 2014

3. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2014	2013
	No	No
Directors	7	7
Other employees	2	1
	<u>9</u>	<u>8</u>

The aggregate payroll costs of the above were:

	2014	2013
	£000	£000
Wages and salaries	151	164
Social security costs	15	3
	<u>166</u>	<u>167</u>

In addition to the above, three staff were on secondment to the company from Cobham CTS Limited, at a cost of £84,000 (2013 - £101,000). This amount is included in other external charges.

4. Operating loss

Operating loss is stated after charging:

	2014	2013
	£000	£000
Directors' remuneration	166	167
Research expenditure	334	276
Auditor's fees	8	8
	<u></u>	<u></u>

5. Interest receivable and similar income

	2014	2013
	£000	£000
Bank interest receivable	2	10
Dividend income	465	410
Other similar income receivable	114	163
	<u>581</u>	<u>583</u>

The ERA Foundation Limited

Notes forming part of the financial statements

Year ended 30 September 2014

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2014 £000	2013 £000
Current tax:		
Corporation tax	-	-
Over/under provision in prior year	-	(7)
Total current tax	<u>-</u>	<u>(7)</u>

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 22% (2013 - 23.50%).

	2014 £000	2013 £000
Loss on ordinary activities before taxation	<u>(196)</u>	<u>(695)</u>
Loss on ordinary activities by rate of tax	(43)	(163)
Expenses not deductible for tax purposes	99	144
Income not taxable	(102)	(48)
Unrelieved tax losses	46	67
Adjustments to tax charge in respect of previous periods	-	(7)
Total current tax (note 6(a))	<u>-</u>	<u>(7)</u>

7. Investments

	Loans £000	Other Investments £000	Total £000
Cost			
At 1 October 2013	1,059	17,062	18,121
Additions	142	3,180	3,322
Disposals	-	(2,955)	(2,955)
At 30 September 2014	<u>1,201</u>	<u>17,287</u>	<u>18,488</u>
Provisions			
At 1 October 2013	388	435	823
Provisions	88	186	274
At 30 September 2014	<u>476</u>	<u>621</u>	<u>1,097</u>
Net book value			
At 30 September 2014	<u>725</u>	<u>16,666</u>	<u>17,391</u>
At 30 September 2013	<u>671</u>	<u>16,627</u>	<u>17,298</u>

The ERA Foundation Limited

Notes forming part of the financial statements

Year ended 30 September 2014

7. Investments *(continued)*

Loans comprise a £950,000 investment as a Limited Partner in The UMIP Premier Fund Limited Partnership ("The UMIP Premier Fund"), comprising 0.001% equity shares and 99.999% as an interest-free loan in unlisted trade investments; a £199,000 investment in Mesuro Ltd through convertible loans and a £52,000 investment in Concurrent Thinking Ltd through convertible loans.

Other Investments comprise:

Equity shares	4,896	4,221
Unit trust	7,957	8,090
Property shares	1,502	1,691
Corporate bonds	2,311	2,625
Total	<u>16,666</u>	<u>16,627</u>

Investments are stated at cost less any applicable provisions.

During the year provisions of £274,000 (2013 - £436,000) were booked against investments.

8. Debtors

	2014 £000	2013 £000
Trade debtors	87	93
Corporation tax repayable	4	7
Other debtors	—	112
Prepayments and accrued income	33	79
	<u>124</u>	<u>291</u>

9. Cash at bank and in hand

Included within Cash at bank and in hand are instant access and 7-day notice deposits of £328,000 (2013 - £291,000).

10. Creditors: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	31	72
Other creditors including taxation:		
VAT	2	—
Accruals and deferred income	48	35
	<u>81</u>	<u>107</u>

The ERA Foundation Limited

Notes forming part of the financial statements

Year ended 30 September 2014

11. Other commitments

The company is committed to investing up to a maximum of a further £50,000 in The UMIP Premier Fund by way of shares and interest-free loans in the same proportions as already invested (note 7). These funds may be drawn down by The UMIP Premier Fund as and when it identifies suitable investment opportunities. It is expected that this will happen within one to two years. The future repayment of this investment will depend upon the realisation of the investments held by The UMIP Premier Fund. The company is also committed to investing up to a maximum of a further £825,000 as a Limited Partner in Longwall Ventures ECF LP.

12. Related party disclosures

CJ3 Consulting Limited, a company controlled by Mr FJ Cahill, a director of the company, invoiced £24,625 to The ERA Foundation Limited, for the services of Mr FJ Cahill during the year.

13. Reconciliation of members' funds and movement on reserves

	2014	2013
	£000	£000
Balance brought forward	17,959	18,647
Loss for the year	(196)	(688)
	<u>17,763</u>	<u>17,959</u>

14. Post balance sheet event

Mesuro was sold in January 2015.