

Birmingham Research and Development Limited

Directors' report and financial statements

Registered number 2108517

Year ended 31 July 2011



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Directors and Advisers

Directors

Councillor T Ali (resigned 24 August 2010)
Mrs G Ball
Dr W J Glover (Chairman)
Mr M Loftus (resigned 5 October 2010)
Dr J H Wilkie

Company Secretary and Registered Office

Mr D Hartshorne
Birmingham Research and Development Limited
Birmingham Research Park
Vincent Drive
Edgbaston
Birmingham
B15 2SQ

Registered Auditors

KPMG LLP
One Snow Hill
Snowhill Queensway
Birmingham
B4 6GH

Directors' report

The directors present their directors' report and financial statements for the year ended 31 July 2011

Business Review and Principal Activities

The principal activity of the Company was transferred to a fellow subsidiary with effect from 1st May 2008

The Company is a wholly owned subsidiary of The University of Birmingham which on 31st May 2010 formally took over the responsibility for seeking to recover monies from former employees, and to pursue activities ancillary to this purpose

The directors ceased trading on 6th March 2008 and decided to wind up the Company as soon as possible. For this reason the accounts have not been prepared on a going concern basis. No adjustments were necessary to the amounts at which the Company's assets would have been included if these financial statements were provided on a going concern basis.

Dividends

The directors do not recommend the payment of a dividend

Directors

The directors who held office during the year were as follows

Councillor T Ali (resigned 24 August 2010)

Mrs G Ball

Dr W J Glover

Mr M Loftus (resigned 5 October 2010)

Dr J H Wilkie

Insurance

The Company's parent undertaking, The University of Birmingham, maintains insurance for the directors in respect of their duties as directors of the Company

Charitable contributions

The Company made a payment under Deed of Covenant during the year of £6,138 (2010 £152,913) to The University of Birmingham. The Company intends to transfer all future taxable profits under the gift aid scheme to its parent undertaking, The University of Birmingham

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

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Directors' report (*continued*)

Directors' Responsibilities (*continued*)

• Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping proper 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 its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each 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.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by order of the board of directors on 13 October 2011 and signed on its behalf by



Mrs G Ball

Director

Date 13 10 2011



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRMINGHAM RESEARCH AND DEVELOPMENT LIMITED

We have audited the financial statements of Birmingham Research and Development Limited for the year ended 31st July 2011 set out on pages 5 to 10

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 set out on page 2, 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 APB's website at 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 31st July 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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

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

M Rowley (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

29th November
13th October 2011

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Profit and loss account
for the year ended 31 July 2011

	<i>Note</i>	2011 £	2010 £
Turnover	2	6,968	6,725
Exceptional income	3	22,250	8,820
Total income		29,218	15,545
Administrative expenses		59,469	268,337
Gift aid payment to parent undertaking		6,138	152,913
Operating loss	4	(36,389)	(405,705)
Interest receivable	7	5,355	4,787
Loss on ordinary activities before taxation		(31,034)	(400,918)
Tax on loss on ordinary activities	8	(884)	-
Loss for the financial year		(31,918)	(400,918)

Due to the decision of the directors in a previous period to cease trading, the results for both years relate to discontinued operations

There is no difference between the the results before taxation and the results for the year stated above, and their historical cost equivalents

There are no recognised gains or losses other than those shown in the profit and loss account

The notes on pages 7 to 10 form part of these accounts

Balance sheet

at 31 July 2011

	<i>Note</i>	2011 £	2010 £
Fixed assets			
Investment Property	9	80,000	-
Current assets			
Assets held for re-sale	10	-	80,000
Debtors	11	14,736	17,824
Cash at bank and in hand		1,311,659	1,338,970
		1,326,395	1,436,794
Creditors : amounts falling due within one year	12	9,642	8,123
Total assets less current liabilities		1,396,753	1,428,671
Capital and reserves			
Called up share capital	13	299,148	299,148
Share premium		99,900	99,900
Profit and loss account		997,705	1,029,623
Shareholders' funds		1,396,753	1,428,671

These financial statements were approved by the board of directors on 13 October 2011 and were signed on its behalf by



Mrs G Ball
 Director

Notes

(forming part of the financial statements)

1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Going concern

On March 6th 2008 the directors took the decision to cease trading. As they intend to liquidate the company following the settlement of the company's assets, the directors have not prepared the financial statements on a going concern basis. Based on financial forecasts prepared by the company, no adjustments were necessary to the amounts at which the net assets are included in these financial statements.

Cash flow statement

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own publicly available consolidated financial statements.

Taxation

The charge for taxation is based on the profit/(loss) for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Deferred tax assets are recognised to the extent that it is more likely than not they will be recovered.

Turnover

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or services concerned. Income relating to licence agreements is recognised to the extent that is due within the accounting period.

Tangible fixed assets

Investment properties are revalued annually and resultant surpluses/deficits are reflected in the investment revaluation reserve and included in the statement of total recognised gains and losses unless a deficit or its reversal on an individual property is expected to be permanent in which case it is recognised in the profit and loss account of the period.

2 Turnover

Turnover was earned entirely within the United Kingdom.

3 Exceptional items

	2011	2010
	£	£
Net recovery of assets from former employees	22,250	8,820
Total exceptional income	<u>22,250</u>	<u>8,820</u>

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Notes (continued)

4 Operating loss

The operating loss is stated after charging

	2011	2010
	£	£
<i>Auditors' remuneration</i>		
Audit of these financial statements	2,500	2,000

5 Directors' emoluments

The directors received no remuneration from the company during the period

The Company's parent undertaking, The University of Birmingham, maintains insurance for the directors in respect of their duties as directors of the Company

6 Staff numbers and costs

No staff were employed by the company during the financial year (2010 Nil)

7 Interest receivable and similar income

	2011	2010
	£	£
Bank interest receivable	5,355	4,787

8 Tax on loss on ordinary activities

	2011	2010
	£	£
Corporation tax	(884)	-

Factors affecting the tax charge for the year

The tax assessed for the year varies from the standard rate of corporation tax in the UK (27%)

The differences are explained below

	2011	2010
	£	£
Profit (loss) on ordinary activities before tax	(31,034)	(400,918)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27%	(8,379)	(112,257)
Effects of		
Expenses not deductible for tax purposes	1,678	42,816
Gift aid paid in subsequent period	(966)	(1,719)
Capital allowances in excess of depreciation	-	-
Tax losses carried forward	6,783	71,160
Current tax charge for the year	(884)	-

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Notes (continued)

9 Fixed asset investments

	Building
	£
<i>Cost</i>	
At 1 August 2010	-
Transfer from Assets held for resale	80,000
Additions	-
Revaluations	-
At 31 July 2011	<u>80,000</u>
<i>Accumulated Depreciation</i>	
At 1 August 2010	-
Charge for the year	-
Depreciation on Additions	-
At 31 July 2011	<u>-</u>
<i>Net book value</i>	
At 31 July 2011	<u>80,000</u>
At 31 July 2010	<u>-</u>

The company's assets were re-classified from a current asset investment to a fixed asset investment as a result of the property being let out on a 12 month tenancy

10 Assets held for resale

	2011	2010
	£	£
Assets held for resale	<u>-</u>	<u>80,000</u>

11 Debtors

	2011	2010
	£	£
Amounts owed by parent undertaking	13,692	6,725
Other debtors	1,044	11,099
	<u>14,736</u>	<u>17,824</u>

12 Creditors : amounts falling due within one year

	2011	2010
	£	£
Trade creditors	-	66
Amounts owed to fellow subsidiary undertaking	3,958	2,609
Deferred tax liability	884	-
Accruals and deferred income	4,800	5,448
	<u>9,642</u>	<u>8,123</u>

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Notes (continued)

13 Called up share capital

	2011	2010
	£	£
Authorised		
300,000 ordinary shares of £1 each	300,000	300,000
Allotted, called up and fully paid		
299,148 ordinary shares of £1 each	299,148	299,148
	<u>299,148</u>	<u>299,148</u>

14 Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
Opening shareholders' funds	1,428,671	1,829,589
Loss for the financial year	(31,918)	(400,918)
	<u>1,396,753</u>	<u>1,428,671</u>
Closing shareholders' funds	<u>1,396,753</u>	<u>1,428,671</u>

15 Transactions with related parties

As a wholly owned subsidiary of The University of Birmingham, whose results are included in their consolidated accounts, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by The University of Birmingham. The consolidated accounts for The University of Birmingham are publicly available.

16 Ultimate parent undertaking

The directors regard The University of Birmingham to be the ultimate and immediate parent. According to the register kept by the company, The University of Birmingham has a 100% interest in the equity capital of Birmingham Research and Development Limited at 31 July 2010. Copies of the University's financial statements may be obtained from Mrs G Ball, The University of Birmingham, Edgbaston, Birmingham B15 2TT.