

**Technology Innovation Centre (Commercial)  
Limited (limited by guarantee)**

**Annual report and financial  
statements**

Registered number 3812726

Year ended 31 July 2020



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2020.

### Principal activities and business review

The company was incorporated on 23 July 1999 and commenced trading on 1 August 1999. The company is a wholly owned trading subsidiary of Technology Innovation Centre, a subsidiary of Birmingham City University. It trades as a general commercial company in the areas of science, engineering and technology. Revenue has increased from £43,916 in 2018/19 to £110,642 in the year to 31 July 2020. This is due to an increase in commercial projects in 2019/20. The profit before tax for the year is £32,920 compared to a profit of £10,430 in 2018/19.

### Directors and directors' interests

The directors who held office during the year were as follows:

Prof J Beer (Chair)  
Mr R Branson (appointed 5 November 2019)  
Prof H Shah  
Ms J Ladbroke (resigned 31 March 2020)  
Mr D Wilkin (resigned 31 October 2019)

No director had any interest in the Company during the year. Ms K Stephenson served as Company Secretary during the year.

### Going concern assessment

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds, through its ultimate parent Birmingham City University (BCU) and its parent Technology Innovation Centre Limited (TIC), to meet its liabilities as they fall due for that period.

Those forecasts are dependent on TIC providing additional financial support during that period. TIC has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 24 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### Political and charitable contributions

The company made no political contributions or charitable donations during the year but made a £27,526 (2019: £3,805) charitable donation under gift aid to Technology Innovation Centre.

### 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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Directors' report** *(continued)*

**Auditor**

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.

By order of the board



**Ms Karen Stephenson**  
*Secretary*

Technology Innovation Centre (Commercial) Limited  
Birmingham City University  
University House  
15 Bartholomew Row  
Birmingham  
B5 5JU

30 March 2021

## **Statement of directors' responsibilities in respect of the Directors' report and 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including *FRS 102 Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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.



## **Independent auditor's report to the members of Technology Innovation Centre (Commercial)**

### **Opinion**

We have audited the financial statements of Technology Innovation Centre ("the Company") for the year ended 31 July 2020 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

## **Independent auditor's report to the members of Technology Innovation Centre (Commercial) (continued)**

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Mark Dawson (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
20 April 2021

**Profit and loss account**  
*for the year ended 31 July 2020*

	<i>Note</i>	<b>2020</b> £	2019 £
<b>Turnover</b>	<b>1</b>	<b>110,642</b>	43,916
Cost of sales		<b>(72,705)</b>	(30,898)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>37,937</b>	13,018
Administrative expenses		<b>(5,017)</b>	(2,588)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	<b>2</b>	<b>32,920</b>	10,430
<b>Taxation</b>	<b>5</b>	-	-
		<hr/>	<hr/>
<b>Profit for the financial year after taxation</b>		<b>32,920</b>	10,430
		<hr/>	<hr/>

**Other Comprehensive Income**

The company has no recognised gains or losses other than the profit for the year shown above.

All amounts relate to continuing activities.

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

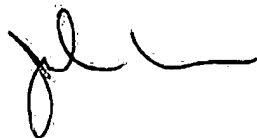


**Balance sheet**  
**at 31 July 2020**

	Note	2020 £	2019 £
<b>Current assets</b>			
Cash at bank and in hand		5,677	9,532
Debtors	6	2,195,881	2,264,100
<b>Creditors: Amounts falling due within one year</b>	7	<b>(2,194,268)</b>	<b>(2,271,736)</b>
<b>Net current assets and net assets</b>		<b>7,290</b>	<b>1,896</b>
<b>Capital and reserves</b>			
Profit and loss account		7,290	1,896

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

These financial statements were approved, by order of the board of directors, on 30 March 2021 and were signed on its behalf by:



**Prof J Beer**  
Director

Registered number 3812726

**Statement of Changes in Equity**  
**at 31 July 2020**

	<b>Profit and loss account £</b>	<b>Total equity £</b>
Balance at 1 August 2018	(4,729)	(4,729)
<b>Total comprehensive income for the period</b>		
Profit or loss	10,430	10,430
Gift Aid payment	(3,805)	(3,805)
	<hr/>	<hr/>
<b>Balance at 31 July 2019</b>	<b>1,896</b>	<b>1,896</b>
	<hr/>	<hr/>
Balance at 1 August 2019	1,896	1,896
<b>Total comprehensive income for the period</b>		
Profit or loss	32,920	32,920
Gift Aid payment	(27,526)	(27,526)
	<hr/>	<hr/>
<b>Balance at 31 July 2020</b>	<b>7,290</b>	<b>7,290</b>
	<hr/>	<hr/>

## Notes

### *(forming part of the financial statements)*

#### 1 Accounting policies

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

Technology Innovation Centre (Commercial) Limited (the "Company") is a company limited by guarantee and incorporated and domiciled in the UK and is wholly owned by the Technology Innovation Centre, whose liability is limited to £1.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in March 2018. The presentation currency of these financial statements is sterling.

Technology Innovation Centre (Commercial) Limited's ultimate parent undertaking, Birmingham City University, includes the Company in its consolidated financial statements. The consolidated financial statements of Birmingham City University are prepared in accordance with Financial Reporting Standard 102 and are available to the public and may be obtained from <http://www.bcu.ac.uk/about-us/corporate-information/corporate-publications>. In these financial statements, Technology Innovation Centre (Commercial) Limited is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the disclosures for:

- the Cash Flow Statement and related notes; and
- Related Party Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 10.

#### **Measurement convention**

The financial statements are prepared on the historical cost basis.

#### **Going concern**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds, through Birmingham City University (BCU) and Technology Innovation Centre Limited (TIC), to meet its liabilities as they fall due for that period.

Those forecasts are dependent on TIC providing additional financial support during that period. TIC has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 24 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **Foreign currencies**

The presentation currency of these financial statements is Sterling.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### **Revenue recognition**

Revenue, including government revenue grants, is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured as the fair value of the consideration received, excluding any discounts and VAT.

#### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of that obligation can be made.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

#### **Basic financial instruments**

##### **Trade and other debtors / creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs.

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

#### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes (continued)

### 2 Profit / (loss) on ordinary activities before taxation

	2020 £	2019 £
<b>Profit / (loss) on ordinary activities before taxation is stated after charging</b>		
Auditor's remuneration:		
Audit work	1,550	1,500
Non-audit work	2,675	1,133
	<u>          </u>	<u>          </u>

### 3 Remuneration of directors

The directors have not received any remuneration in respect of services performed on behalf of the company during the year (2019: £nil).

### 4 Staff numbers and costs

The company carries out its operations using staff employed by Birmingham City University.

### 5 Taxation

The tax charge is made up as follows:

	2020 £	2019 £
<b>Current tax</b>		
UK corporation taxation at 19%	-	-
	<u>          </u>	<u>          </u>
Total current tax	-	-
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
	<u>          </u>	<u>          </u>
Total deferred tax	-	-
	<u>          </u>	<u>          </u>
Total tax charge	-	-
	<u>          </u>	<u>          </u>

As at 31 July 2020 there was a deferred tax asset of £4,670 (2019: £5,096). This has not been provided as the directors do not consider that the balance will be recoverable.

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

The current tax charge for the year is lower (2019: lower) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
<b>Reconciliation of tax charge</b>		
Profit on ordinary activities before tax	32,920	10,430
	<u>          </u>	<u>          </u>
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 19% (2019: 19%)	6,255	1,973
	<u>          </u>	<u>          </u>
<b>Effect of:</b>		
Deferred tax not recognised	(426)	(1,118)
Tax impact on gift aid payment	(5,230)	(723)
Impact of change in tax rate	(599)	(132)
	<u>          </u>	<u>          </u>
Tax charge for the year	-	-
	<u>          </u>	<u>          </u>

## Notes (continued)

### 6 Debtors

	2020 £	2019 £
Amounts owed by ultimate parent undertaking	2,195,881	2,264,100
	<u>2,195,881</u>	<u>2,264,100</u>

Amounts owed by Birmingham City University are repayable on demand and are non-interest bearing. However the full amount of the balance owing by Birmingham City University is unlikely to be repaid before 31 July 2021.

### 7 Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to parent undertaking	2,152,465	2,269,103
Accruals and Deferred Income	41,803	2,633
	<u>2,194,268</u>	<u>2,271,736</u>

Amounts owed to the parent undertaking are trading balances repayable on demand and are non-interest bearing.

### 8 Related party transactions

The company has taken advantage of the exemption in respect of transactions between group members available under paragraph 33.1a of FRS 102 on the grounds that it is a wholly owned subsidiary of a group headed by Birmingham City University whose financial statements are publicly available.

### 9 Parent undertaking

The company is a subsidiary undertaking of Technology Innovation Centre, which itself is a wholly owned subsidiary of Birmingham City University. The consolidated financial statements of the University are available to the public and may be obtained from:

Birmingham City University  
University House  
15 Bartholomew Row  
Birmingham  
B5 5JU

## Notes (continued)

### 10 Accounting estimates and judgements

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

In preparing these financial statements, management have made the following judgements:

#### *Provision for clawback of project funding*

Provision is made for potential clawback of project income where outputs fall short of contracted activity.

#### *Impairment of debtors*

The Company makes an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

#### *Critical accounting judgements in applying the Company's accounting policies*

There are no such judgements in either the current or prior year.