

Coventry Venture Capital Limited

Report and Financial Statements

Year Ended

31 March 2012

Company Number 2108107

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Coventry Venture Capital Limited

Report and financial statements for the year ended 31 March 2012

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Directors

I M Booth
P Daffern
G A Duggins

Secretary and registered office

I B Scott, Wellington House, 31/34 Waterloo Street, Birmingham, B2 5TJ

Company number

2108107

Auditors

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

Coventry Venture Capital Limited

Report of the directors for the year ended 31 March 2012

The directors present their report together with the audited financial statements for the year ended 31 March 2012

Principal activities

The company's principal activity during the year was acting as the joint manager, with University of Warwick Science Park Limited, of a property investment

Directors

The directors of the company during the year were

I M Booth
P Daffern
G A Duggins

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 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Coventry Venture Capital Limited

Report of the directors for the year ended 31 March 2012 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption.

By order of the board



I B Scott
Secretary

19 July 2012.

Coventry Venture Capital Limited

Independent auditor's report

To the members of Coventry Venture Capital Limited

We have audited the financial statements of Coventry Venture Capital Limited for the year ended 31 March 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses 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 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 31 March 2012 and of its profit 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.

Coventry Venture Capital Limited

Independent auditor's report (*continued*)

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

BDO LLP

Graham Whittaker (*senior statutory auditor*)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

19 JUL 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Coventry Venture Capital Limited

Profit and loss account for the year ended 31 March 2012

	Note	2012 £	2011 £
Turnover	2	88,785	92,735
Net operating expenses	3	2,575	3,375
		<hr/>	<hr/>
Operating profit		86,210	89,360
Interest payable to group company		(70,808)	(70,808)
Release of provision against investment		-	10,448
Interest payable and similar charges	4	(15,050)	(15,050)
		<hr/>	<hr/>
Profit on ordinary activities before and after taxation for the financial year		352	13,950
		<hr/>	<hr/>

All amounts relate to continuing activities

The notes on pages 9 to 15 form part of these financial statements

Coventry Venture Capital Limited

Statement of total recognised gains and losses for the year ended 31 March 2012

	Note	2012 £	2011 £
Statement of total recognised gains and losses			
Profit for the financial year		352	13,950
(Deficit) / surplus on revaluation of investment property		(19,005)	196,983
		<hr/>	<hr/>
Total recognised gains and losses for the financial year		(18,653)	210,933
		<hr/>	<hr/>

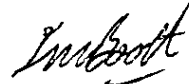
The notes on pages 9 to 15 form part of these financial statements

Coventry Venture Capital Limited

Balance sheet at 31 March 2012

Company number 2108107	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Investment property	6		927,978		946,983
Current assets					
Debtors	7	137,417		131,301	
Creditors: amounts falling due within one year	8	109,959		104,195	
Net current assets			27,458		27,106
Total assets less current liabilities			955,436		974,089
Creditors, amounts falling due after more than one year	9		874,821		874,821
			80,615		99,268
Capital and reserves					
Called up share capital			23,522		23,522
Revaluation reserve	11		177,978		196,983
Equity reserve	11		(148,343)		(148,343)
Profit and loss account	11		27,458		27,106
Shareholders' funds	12		80,615		99,268

The financial statements were approved by the board of directors and authorised for issue on 19 July 2012



I M Booth
Director

The notes on pages 9 to 15 form part of these financial statements

Coventry Venture Capital Limited

Cashflow statement for the year ended 31 March 2012

	Note	2012 £	2012 £	2011 £	2011 £
Net cash inflow from operating activities	15		85,858		70,808
Returns on investments and servicing of finance					
Interest paid		(70,808)		(70,808)	
Dividends paid		(15,050)		-	
		<u></u>		<u></u>	
Net cash outflow from returns on investments and servicing of finance			(85,858)		(70,808)
			<u></u>		<u></u>
Increase in cash			-		-
			<u></u>		<u></u>

The notes on pages 9 to 15 form part of these financial statements

Coventry Venture Capital Limited

Notes forming part of the financial statements for the year ended 31 March 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties

The following principal accounting policies have been applied

Basis of preparation

The accounts have been prepared on a going concern basis

Investment properties

In accordance with SSAP 19 'Accounting for investment properties', investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 2006 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Turnover

Turnover arises from rental income.

Cash flow

The cash flow statement is presented in accordance with Financial Reporting Standard 1 (Revised).

Dividends payable on preferred ordinary shares

The presentation elements of FRS25 Financial instruments disclosure and presentation require that dividends that have characteristics of loan interest for example, fixed percentage payments, be classified as an interest expense.

Coventry Venture Capital Limited

Notes forming part of the financial statements
for the year ended 31 March 2012 (*continued*)

2 Turnover

	2012 £	2011 £
Rents received and receivable	<u>88,785</u>	<u>92,735</u>

3 Net operating expenses - continuing

	2012 £	2011 £
Auditors' fee	1,600	2,000
Other payments to auditors	975	1,375
	<u>2,575</u>	<u>3,375</u>

There were no employees during either year

None of the directors received any emoluments in respect of their services to the company during either year

4 Interest payable and similar charges

	2012 £	2011 £
Dividends on preferred ordinary shares of £3 01 (2011 £3 01) per share	<u>15,050</u>	<u>15,050</u>

Coventry Venture Capital Limited

Notes forming part of the financial statements
for the year ended 31 March 2012 (*continued*)

5 Taxation on profit on ordinary activities

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax

	2012 £	2011 £
Profit on ordinary activities before tax	352	13,950
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26% (2011 - 28%)	92	3,906
Effect of		
Expenses not deductible for tax purposes	3,913	1,289
Group relief claimed not paid	(4,005)	(5,195)
Current tax charge for the year	-	-

6 Investments included in fixed assets

	Investment property £
<i>Cost or valuation</i>	
At 1 April 2011	946,983
Revaluation	(19,005)
At 31 March 2012	927,978
At 31 March 2011	946,983

The company's investment is in a property managed jointly with University of Warwick Science Park Limited. The property is leased by the company on a 125 year lease of which 18 years have expired. The rental is nominal. The company has sub-let the property to the University of Warwick Science Park Limited for a similar term, the rental payable to the company being a share of the ultimate rental proceeds of the property.

The property was professionally valued by FPD Savill at 30 September 2011. The company's share of the property was valued at £927,978. The basis of valuation used was open market value. The directors consider that this valuation is still appropriate.

No provision for deferred taxation on revaluation gains on the company's investment property has been made, as it is not subject to an agreed contract of sale.

Coventry Venture Capital Limited

Notes forming part of the financial statements
for the year ended 31 March 2012 (continued)

6 Investments included in fixed assets (continued)

The historical cost of the property is

	2012 £	2011 £
Cost	750,000	750,000

7 Debtors

	2012 £	2011 £
Amount due from group company	137,417	131,301

All amounts shown under debtors fall due for payment within one year

8 Creditors: amounts falling due within one year

	2012 £	2011 £
Amounts payable to group company	65,698	55,250
Taxation and social security	4,439	8,324
Dividends payable	15,050	15,050
Deferred income	24,772	25,571
	109,959	104,195

9 Creditors' amounts falling due after more than one year

	2012 £	2011 £
Loan from group company	721,478	721,478
Preferred ordinary shares	153,343	153,343
	874,821	874,821

The loan from the group company bears interest at 9.81% per annum. It is repayable on the disposal of the company's lease to University of Warwick Science Park Limited.

Coventry Venture Capital Limited

Notes forming part of the financial statements
for the year ended 31 March 2012 (continued)

10 Share capital

Allotted, called up and fully paid

	2012 £	2011 £
Ordinary shares of £1 each	23,522	23,522
Preferred ordinary shares of £1 each	5,000	5,000
	<u>28,522</u>	<u>28,522</u>

The Preferred Ordinary Shares are disclosed within creditors due after more than one year

The Preferred Ordinary Shares have preferred rights compared to those of the Ordinary shares. They are entitled to a non-cumulative dividend each year of £3.01 per share payable on 30 June in respect of the year ended on the previous 31 March, which has been classified as akin to interest following the adoption of the presentation aspects of FRS25.

In any further distributions the Preferred Ordinary and Ordinary shares rank *pari passu*.

On a return of assets on liquidation or otherwise any surplus arising which is available for distribution to shareholders shall be applied:

- i) first, in paying to Preferred Ordinary shareholders the amount subscribed,
- ii) second, in paying to the Ordinary shareholders the amount subscribed,
- iii) thereafter the Preferred Ordinary and Ordinary shares shall rank *pari passu* in the distribution of any remaining surplus.

The Preferred Ordinary Shares have the same voting rights as Ordinary Shares.

11 Reserves

	Revaluation reserve £	Equity reserve £	Profit and loss account £
At 1 April 2011	196,983	(148,343)	27,106
Profit for the year	-	-	352
Revaluation	(19,005)	-	-
	<u>177,978</u>	<u>(148,343)</u>	<u>27,458</u>
At 31 March 2012			

Coventry Venture Capital Limited

Notes forming part of the financial statements
for the year ended 31 March 2012 (continued)

12 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the year	352	13,950
Other net recognised gains and losses relating to the year - (Deficit) / surplus on revaluation of investment property	(19,005)	196,983
Net (deductions from)/additions to shareholders' funds	(18,653)	210,933
Opening shareholders' funds/(deficit)	99,268	(111,665)
Closing shareholders' funds	80,615	99,268

13 Related party disclosures

The parent company, West Midlands Enterprise (Investments) Limited, owns 82% of the equity of the company

West Midlands Enterprise (Investments) Limited has made a loan to the company which bears interest at 9.81% per annum

	2012 £	2011 £
Loan balance at 31 March	721,478	721,478
Loan interest charged to the company during the year	70,808	70,808

In addition, there is a current account balance between the company and a fellow group company, West Midlands Enterprise Limited

	2012 £	2011 £
Balance due from group company at 31 March	137,417	131,301

14 Parent and ultimate parent company

The company's immediate parent undertaking is West Midlands Enterprise (Investments) Limited, a company registered in England and Wales

The company's ultimate parent company and ultimate controlling party is WME Group Limited, a company registered in England and Wales. Copies of the ultimate parent's consolidated financial statements may be obtained from Wellington House, 31/34 Waterloo Street, Birmingham, B2 5TJ

Coventry Venture Capital Limited

Notes forming part of the financial statements
for the year ended 31 March 2012 (*continued*)

15 Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 £
Operating profit	86,210	89,360
Increase in debtors	(6,116)	(38,225)
Increase in creditors	5,764	19,673
	<hr/>	<hr/>
Net cash inflow from operating activities	85,858	70,808
	<hr/>	<hr/>