

Birmingham Research and Development Limited

Directors' report and financial statements

Registered number 2108517

Fifteen Month Period ended 31 October 2013

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Directors and Advisers

Directors

Mrs G Ball OBE
Dr W J Glover (Chairman)
Dr J H Wilkie

Registered Office

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

Statutory Auditor

Deloitte LLP
1 Woodborough Road
Nottingham
NG1 3FG

Directors' report

The directors present their directors' report and financial statements for the fifteen month period ended 31 October 2013. This directors' report has been prepared in accordance with the provisions applicable to companies subject to the small companies' exemption.

Business Review and Principal Activities

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

The Company is a wholly owned subsidiary of The University of Birmingham which on 31 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 have taken the decision to have the company dissolved by voluntary striking-off under section 1003 of the Companies Act 2006. The directors have taken this decision because the company has been dormant and is not carrying on a business or in operation since 6 March 2008. 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.

During the period the company has reduced its share capital account to £1 and the share premium account to zero and transferred these funds to the profit and loss reserve. The company has then paid dividends to the University so its remaining assets at 31 October 2013 are £1.

Dividends

The company paid dividends during the period of £1,368,952 (2012 nil) to the University of Birmingham, the sole shareholder of the company.

Directors

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

Mrs G Ball OBE

Dr W J Glover

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 period of £1,174 (2012 £3,534) to 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

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Directors' report (*continued*)

Directors' Responsibilities (*continued*)

- 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

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 auditor

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 auditor is 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 auditor is aware of that information.

Auditor

Deloitte LLP have been appointed as auditor of the company under Section 485 of the Companies Act 2006.

Approved by order of the Board of Directors on 8th November 2013 and signed on its behalf by



Mrs G Ball OBE

Director

Date 8th November 2013

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

We have audited the financial statements of Birmingham Research & Development Limited for the fifteen month period ended 31 October 2013 which comprise of the Profit and Loss Account, the Balance Sheet, the Movement in Shareholder's Funds and the related notes 1 to 16. 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs at 31 October 2013 and of its loss for the period 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

Emphasis of matter - Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report

David Hall, FCA

David Hall FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, UK

Date 8 November 2013

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Profit and loss account

for the fifteen month period ended 31 October 2013

	Note	Fifteen months ended 31 October 2013 £	Twelve months ended 31 July 2012 £
Turnover	2	6,269	6,760
Exceptional income	3	7,506	192
Total income		13,775	6,952
Administrative expenses		31,753	22,734
Gift aid payment to parent undertaking		1,174	3,534
Operating loss	4	(19,152)	(19,316)
Interest receivable	7	4,080	5,704
Loss on ordinary activities before taxation		(15,072)	(13,612)
Tax on loss on ordinary activities	8	93	791
Loss for the financial year		(14,979)	(12,821)

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

There is no difference between the the results before taxation and the results for the period 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 8 to 12 form part of these accounts

Balance sheet

at 31 October 2013

	<i>Note</i>	At 31 October 2013 £	At 31 July 2012 £
Fixed assets			
Investment Property	10	-	80,000
Current assets			
Debtors	11	-	21,861
Cash at bank and in hand		1	1,299,355
		<u>1</u>	<u>1,321,216</u>
Creditors : amounts falling due within one year	12	-	17,284
		<u>1</u>	<u>1,383,932</u>
Total assets less current liabilities			
Capital and reserves			
Called up share capital	13	1	299,148
Share premium	14	-	99,900
Profit and loss account	14	-	984,884
		<u>1</u>	<u>1,383,932</u>
Shareholder's funds			
		<u>1</u>	<u>1,383,932</u>

These financial statements were approved by the Board of Directors on 8th November 2013 and were signed on its behalf by



Mrs G Ball OBE
 Director

Reconciliation of Movements in Shareholder's Funds

at 31 October 2013

	<i>Note</i>	At 31 October 2013 £	At 31 July 2012 £
Profit/(Loss) for the financial period		(14,979)	(12,821)
Dividends paid on shares classified in shareholder's funds	14	(1,368,952)	-
Retained Loss		<u>(1,383,931)</u>	<u>(12,821)</u>
Opening shareholder's funds		1,383,932	1,396,753
Closing shareholder's funds		<u><u>1</u></u>	<u><u>1,383,932</u></u>

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

Basis of preparation

The accounts have been prepared in accordance with applicable accounting standards

Going concern

On 6 March 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

The value of investment properties is considered annually by the directors and any 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 year

2 Turnover

Turnover was earned entirely within the United Kingdom

3 Exceptional items

	2013	2012
	£	£
Net recovery of assets from former employees	7,506	192
Total exceptional income	<u>7,506</u>	<u>192</u>

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Notes (continued)

4 Operating loss

The operating loss is stated after charging

	2013	2012
	£	£
<i>Auditor's remuneration</i>		
Audit of these financial statements	600	2,500
Other services in respect of taxation	2,625	1,775
All other services	15,922	9,435
	<u> </u>	<u> </u>

and signed on its behalf by

The directors received no remuneration from the company during the period

The Company 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 (2012 Nil)

7 Interest receivable and similar income

	2013	2012
	£	£
Bank interest receivable	4,080	5,704
	<u> </u>	<u> </u>

8 Tax on loss on ordinary activities

Factors affecting Tax Charge for the Current Period

The UK standard rate of corporation tax for the period is 23.6% (2012 25.3%)

The actual tax charge for the current and previous year varies from the standard rate for the reasons set out in the following reconciliation

	2013	2012
	£	£
Loss on ordinary activities before tax	<u>(15,072)</u>	<u>(13,612)</u>
Tax on loss on ordinary activities at standard rate of 23.6% (2012 25.3%)	(3,557)	(3,449)
Effects of		
Expenses not deductible for tax purposes	2,360	823
Gift aid paid in subsequent period	96	(102)
Tax losses carried forward	1,101	2,728
Current tax charge	<u> </u>	<u> </u>

Notes (continued)

8 Tax on loss on ordinary activities (continued)

Deferred tax Note

Movement on deferred taxation balance in the period

	2013	2012
	£	£
Opening balance	93	884
Credit to profit and loss account	(93)	(791)
Closing balance	-	93

Analysis of Deferred Tax Balance

Other timing differences	-	93
	-	93

9 Dividends

	2013	2012
	£	£
Dividends paid in respect of the current period	1,368,952	-

Dividends paid in respect of the current period include a dividend in specie of £80,000 and a cash dividend of £1,288,952

10 Fixed asset investments

	Long Leasehold Buildings £
Valuation	
At 1 August 2012	80,000
Additions	-
Disposals	(80,000)
At 31 July 2013	-

Long leasehold buildings were valued by the Directors in May 2008. The building was transferred to the University of Birmingham on 21st May 2013 by way of a dividend in specie.

11 Debtors

	2013	2012
	£	£
Amounts owed by parent undertaking	-	21,465
Other debtors	-	396
	-	21,861

Notes (continued)

12 Creditors : amounts falling due within one year

	2013	2012
	£	£
Amounts owed to fellow subsidiary undertaking	-	8,612
Deferred tax liability	-	93
Other Creditors	-	54
Accruals and deferred income	-	8,525
	<u>-</u>	<u>17,284</u>

13 Called up share capital

	2013	2012
	£	£
Authorised		
1 ordinary share of £1 each (2012 300,000 ordinary shares of £1 each)	1	300,000
Allotted, called up and fully paid		
1 ordinary share of £1 each (2012 299,148 ordinary shares of £1 each)	<u>1</u>	<u>299,148</u>

During the period 299,147 allotted, called up and fully paid ordinary shares of £1 each were cancelled and extinguished and transferred to the profit and loss reserve. The authorised but unissued share capital comprising 852 ordinary shares of £1 each was also cancelled.

14 Share premium and reserves

	Share premium account	Profit and loss account
	£	£
At beginning of year	99,900	984,884
Loss for the year	-	(14,979)
Capital reduction of 299,147 allotted, called up and full paid ordinary shares of £1 each transferred from share capital account to profit and loss account	-	299,147
Cancellation of share premium account and transfer to profit and loss account	(99,900)	99,900
Dividends on shares classified in shareholder's funds	-	(1,368,952)
At end of year	<u>-</u>	<u>-</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. The University of Birmingham has a 100% interest in the equity capital of Birmingham Research and Development Limited at 31 October 2013. Copies of the University's financial statements may be obtained from Mrs G Ball OBE, The University of Birmingham, Edgbaston, Birmingham B15 2TT.