Technology Innovation Centre (limited by guarantee)

Annual report and financial statements

Registered number 3196819

Year ended 31 July 2020

Contents

Strategic report

In the year ending 31 July 2020 Technology Innovation Centre ("the Company") comprised 2 Schools which are located at Millennium Point:

- School of Engineering and Built Environment (EBE)
- School of Computing and Digital Technology (CDT)

Financial Review and Highlights

The Company's revenue for the year has increased by 3.2% from £33.53m in 2018-19 to £34.61m in 2019-20. The operating surplus for the year is £7.05m against a corresponding surplus of £8.89m in 2018-19.

The decentralisation of Academic Services is the main reason for the decrease in the operating profit.

Review of progress to date

As is the case for all businesses, the Company has had a year of two parts due to the onset of the Covid pandemic.

Trajectory prior to the Covid Pandemic

The Company's operations are guided by its strategy which is built on two important goals: 1) to establish and maintain financial sustainability, and 2) to achieve top quartile in our academic performance. In the past the Company has taken tough decisions to ensure its financial sustainability. Our focus was on reducing costs; previously largely by reducing the number of staff. Our focus in recent years has shifted towards increasing our income, performing better by developing the academic staff base and consequently attracting more interest from potential students and by developing new business, particularly overseas. The Company's income has been growing steadily and indicates that the size (quantity) of our business is heading in the right direction.

The Company's business strategy is underpinned by pursuing three strategic drivers. These are (i) Improved Efficiency, (ii) Improved Effectiveness and (iii) Diversification of Income. In improving efficiency, the Company has been taking action to streamline our portfolio to focus on those courses where there is, or will be, strong market demand. In improving effectiveness, more students are being successful and continuing to study with us. The Company continues to diversify its income portfolio through transforming its research capacity and knowledge creation capability underpinned by a strong applied and collaborative ethos which will manifest itself not only in the growth of research and enterprise income but also new offerings. The Company continues to develop strong partnerships overseas based on the full validation model of business.

By the end of the 2019/20 financial year, in spite of operating for 5 months during the pandemic and general lockdown, income has grown to £35M – a £1m increase against 2018/19 and the business is financially sustainable (goal 1). In terms of academic performance (goal 2), recruitment of students, student attainment, student outcomes (good honours and progression) and graduate prospects are all showing sustained improvement. In the coming year, the focus continues to be on the student experience project (Project Supercharge) which is designed to achieve sustainable improvements in the quality and the value of our delivery and our support of students.

We are showing an extremely strong performance in research with significant increases in quality and quantity of research outputs, research funding and PhD completions across all of our subjects over the last few years. Some of our subjects have improved their ranking in league tables such as the Guardian League tables. In terms of relative rank, Computer Science & Information Systems and Electrical and Electronic Engineering are the most improved courses in the University.

We also continue to emphasise partnerships with industry focussing on live briefs and learning-by-doing at every opportunity. We have been showcasing this work at various events such as 'Innovation Fest' and 'Hackathons'.

The Company has been granted from BCU funding to support the work of up-skilling the workforce in the UK for the project RAISE (Raising Artificial Intelligence Skills and Employability), through a grant from the Office for Students (OfS). Together with industrial contributions, the project will leverage £1.7 million of

Strategic report *(continued)*

funding. The programme will recruit graduates from a mixture of STEM, STEM-related and non-STEM programmes. Also, the project aims to improve the diversity in the AI and Data Science workforce in the UK and will actively incentivise recruiting female, disabled and BAME students.

The Company's medium to long term strategy focuses on the need to grow the business to 6,000 students based on current market intelligence.

Covid-19 Global Pandemic
In March 2020 the UK Prime Minister imposed far-reaching restrictions on all aspects of public life in order to control the spread of the coronavirus.

For students the biggest concern was around assessments and we gave assurances that we understood that many of them were not able to study under ideal circumstances, and we ensured that this was taken into account in the assessment process. We have focussed on helping students to complete their studies with us or to progress to the next stage as much as possible. For those who needed to access specialist facilities in order to complete modules, or to undertake assessments, we provided these as soon as it was safe to do so. For those who were due to graduate, we worked to ensure that they were able to graduate in a timely way the occasion being marked by virtual graduation events. During lockdown we have also run virtual open days, virtual applicant days and our showcase annual event Innovation Fest also went not just online but went global this year.

This is an unprecedented situation, and our priority has been to focus on health and safety. As we moved back to campus to offer this (limited) teaching and support on-site for Semester 3, the safety of staff and students remained the number one priority. Risk assessments have been implemented for staff and students. The University has limited the number of people on campus at any time to maintain distancing and hygiene, and a number of other changes have been made to our buildings to ensure the safety of everyone there. Face covering and social distancing rules have been standard in buildings. Specialist and non-standard spaces are subject to individual assessments of how these spaces are used. The Company currently has a number of e-learning modules that must be completed during induction or before returning onto campus (and re-taken on a regular basis to remain up-to-date). These are vital to ensure everyone is working in line with the law, and to keep staff and students safe.

The future outlook
Covid-19
As we are still in the midst of the global Covid-19 pandemic the future for all businesses is very uncertain. The steps that we are taking for the coming year will help to ensure that we operate in a way that minimises the risk from Covid-19, while helping our students to progress with their studies. However it should be noted that the Company remains important to the post-Covid-19 recovery as it educates the computer scientists, engineers and built environment professionals that will play a vital role in the changed and resilient world of the future.

Principal Risks and Uncertainties
The principal risks identified by the Board and the corresponding controls are set out below in no order of priority.

Covid-19: The Company has a dedicated section within its Risk Register in order to identify and mitigate specific Covid-19 risks that could jeopardise its operations and strategy implementation. The planning and preparatory work since March 2020 have enabled the Company to be in a position to address teaching and learning challenges while ensuring that staff and students' safety remain top priority.

Market and Regulatory Factors: changes to the framework of UK public funding for higher education and the freeze on fee increases means that the unit of resource per student is reducing in real terms. The company mitigates these risks by: driving efficiency and effectiveness, continued investment in marketing and open days for applicants, the development of additional partnerships which will deliver a stable supply of international students, enhancing the current and prospective student experience and building a profile of academic excellence.

Strategic report *(continued)*

Financial Strategy: The Company will remain alert to changes in demand for its products and services and respond promptly to decreases in income from any source by reducing costs accordingly.

Fraud Risk: The Company is subject to the same strong control framework in respect of potential fraud or other dishonest behaviour as the other business units of Birmingham City University and is subject to routine internal audit under the oversight of the University's Audit Committee.

By order of the board

K M Stephenson

Ms Karen Stephenson
Secretary

Technology Innovation Centre
Birmingham City University
University House
15 Bartholomew Row
Birmingham
B5 5JU

30 March 2021

Directors' report

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

Principal activities

The Company is a wholly-controlled subsidiary of Birmingham City University, and as an exempt charity is regulated, as is the University, by the Office for Students. The company aims to further the advancement of education in particular, but not exclusively, by providing and promoting or assisting in the provision of further and higher education in the fields of technological innovation, engineering and science. The company was incorporated on 10 May 1996 and commenced trading on 1 August 1999. The assets of the University's Faculty of Engineering and Computer Technology were transferred under a formal transfer agreement to the Company on 31 July 2000.

On 23 July 1999, Technology Innovation Centre (Commercial) Limited, a company limited by guarantee, was incorporated and is a wholly owned subsidiary of Technology Innovation Centre. Technology Innovation Centre (Commercial) Limited trades as a general commercial company in the areas of science, engineering and technology.

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 a medium term financial plan, including 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, including changes arising from the Covid-19 pandemic, the company will have sufficient funds, to meet its liabilities as they fall due for that period.

The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

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)
Ms J Ladbrooke (resigned 31 March 2020)
Prof H Shah
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.

Political and charitable contributions

The Company made no political or charitable contributions during the year (*2019: £nil).*

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.

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

K M Stephenson

Ms Karen Stephenson
Secretary

Technology Innovation Centre
Birmingham City University
University House
15 Bartholomew Row
Birmingham
B5 5JU

30 March 2021

Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, 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 charitable 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;
- assess the charitable 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 either intend to liquidate the charitable 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 charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

KPMG

Independent auditor's report to the members of Technology Innovation Centre

Opinion

We have audited the financial statements of Technology Innovation Centre ("the charitable 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 charitable 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 charitable 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 charitable company or to cease its operations, and as they have concluded that the charitable 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 charitable company's business model and analysed how those risks might affect the charitable 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 charitable company will continue in operation.

Strategic report and directors' report

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

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

- in our opinion those reports has been prepared in accordance with the Companies Act 2006.

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:

- the charitable company has not kept adequate accounting records 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 charitable 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 charitable 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.

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

This report is made solely to the charitable 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 charitable 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 charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

M. J. Dawson

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

	Note	**2020**	2019
		£	£
Turnover	3	**34,615,340**	33,538,086
Cost of sales		**(26,166,827)**	(23,831,438)
Gross profit		**8,448,513**	9,706,648
Administrative expenses		**(1,395,969)**	(811,761)
Profit on ordinary activities before and after taxation	2	**7,052,544**	8,894,887

Other Comprehensive Income
for the year ended 31 July 2020

There were no recognised gains or losses other than the result for the year.

The notes on pages 12 to 17 form an integral part of these financial statements.

All turnover in the year relates to continuing operations.

Balance sheet
at 31 July 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible fixed assets	6	**3,116,037**	3,194,494
Investments	7	**-**	-
		3,116,037	3,194,494
Current assets			
Cash at bank and in hand		**38,137**	38,175
Debtors	8	**41,530,160**	32,437,377
		41,568,297	32,475,552
Creditors: Amounts falling due within one year	9	**(3,115,888)**	(1,016,965)
Net current assets		**38,452,409**	31,458,587
Total assets less current liabilities		**41,568,446**	34,653,081
Creditors : Amounts falling due after more than one year	10	**(353,060)**	(368,446)
Provisions	11	**(19,977)**	(141,770)
Net assets		**41,195,409**	34,142,865
Capital and reserves			
Profit and loss account	12	**41,195,409**	34,142,865

The notes on pages 12 to 17 form an integral 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
Chair

Registered number 3196819

Statement of Changes in Equity
at 31 July 2020

	Profit and loss account £	Total equity £
Balance at 1 August 2018	25,247,978	25,247,978
Total comprehensive income for the period		
Profit or loss	8,894,887	8,894,887
Balance at 31 July 2019	34,142,865	34,142,865
Balance at 1 August 2019	34,142,865	34,142,865
Total comprehensive income for the period		
Profit or loss	7,052,544	7,052,544
Balance at 31 July 2020	**41,195,409**	**41,195,409**

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.

The Technology Innovation Centre (the "Company") is a company limited by guarantee and is also an exempt charity. It is incorporated and domiciled in the UK and is wholly owned by the Birmingham City University, 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.

The Company'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 the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS) 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, the Company 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 following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The company is exempt from the obligation to prepare consolidated financial statements on the grounds that it is a wholly-owned subsidiary undertaking of Birmingham City University within whose consolidated financial statements the Company's activities are included.

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 15.

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 a medium term financial plan, including 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, including changes arising from the Covid-19 pandemic, the company will have sufficient funds, to meet its liabilities as they fall due for that period.

The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

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 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 Value Added Tax (VAT).

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	-	period of lease or useful economic life, if shorter
Newly completed buildings:		
Minor works	-	up to 60 years
Services	-	30 years
Finishes	-	20 years
Fixtures and fittings	-	30 years
Equipment	-	between 3 and 10 years

No depreciation is provided on freehold land or on assets in the course of construction.

Government grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the Company is entitled to the funds subject to any performance related conditions being met.

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.

Notes *(continued)*

1 Accounting policies *(continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Taxation status

The Company is an exempt charity within the meaning of the Taxes Acts and, accordingly, is not liable to corporation tax or capital gains tax in respect of its charitable activities. Education and related services are deemed to be exempt business activities for Value Added Tax (VAT) purposes, although the Company is obliged to charge the appropriate rate of VAT on those activities not closely related to the provision of education. As a partially exempt organisation, therefore, the Company is unable to reclaim all the VAT charged on its purchases and the expenditure amounts shown in the financial statements are inclusive of VAT in relation to its exempt activities.

2 Profit on ordinary activities before taxation

	2020	2019
	£	£
Profit on ordinary activities before taxation is stated after charging		
Auditor's remuneration:		
Audit work	**4,650**	4,500
Non-audit work	**2,850**	2,750

3 Turnover

	2020	2019
	£	£
Teaching Grant	**3,846,842**	3,646,361
Research Grant	**150,147**	139,326
Tuition Fees	**29,501,907**	28,418,239
Project income	**811,790**	1,134,656
Release of deferred capital grants	**11,969**	8,553
Gift Aid from subsidiary	**27,526**	3,805
Miscellaneous income	**87,132**	50,840
Grant from Birmingham City University	**178,027**	136,306
	34,615,340	33,538,086

4 Directors' remuneration

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

5 Staff costs

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

Notes *(continued)*

6 Tangible fixed assets

	Leasehold Improvements	Computer Equipment	Assets under Construction	Total
	£	£	£	£
Cost				
At 1 August 2019	3,604,237	425,893	54,635	4,084,765
Additions	-	-	30,000	30,000
At 31 July 2020	**3,604,237**	**425,893**	**84,635**	**4,114,765**
Depreciation				
At 1 August 2019	506,188	384,083	-	890,271
Charge for the year	96,512	11,945	-	108,457
At 31 July 2020	**602,700**	**396,028**	**-**	**998,728**
Net Book Value				
At 31 July 2020	**3,001,537**	**29,865**	**84,635**	**3,116,037**
At 31 July 2019	3,098,049	41,810	54,635	3,194,494

7 Investments

The Company has a wholly owned subsidiary undertaking, Technology Innovation Centre (Commercial) Limited. Due to the subsidiary being limited by guarantee, the cost and hence the net book value of this investment is £nil *(2019: £nil).*

8 Debtors

	2020	2019
	£	£
Trade debtors	**556,502**	204,051
Prepayments and accrued income	**1,333,428**	990,082
Amounts owed by parent undertaking	**37,487,764**	28,974,140
Amounts owed by subsidiary undertaking	**2,152,466**	2,269,104
	41,530,160	32,437,377

Amounts owed by Birmingham City University and Technology Innovation Centre (Commercial) Limited are repayable on demand. However the full amount of the balances owing by Birmingham City University and Technology Innovation Centre (Commercial) Limited are unlikely to be repaid before 31 July 2021.

9 Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	**505,608**	565,554
Deferred capital grant	**11,969**	8,553
Accruals and deferred Income	**2,598,311**	442,858
	3,115,888	1,016,965

Notes *(continued*

10 Creditors: Amounts falling due after more than one year

	2020	2019
	£	£
Deferred capital grant	**353,060**	368,446

11 Provisions

	2020	2019
	£	£
Provisions for claw back of project funding	**19,977**	141,770

The provisions in 2020 relate to an estimate of claw back in respect of a Higher Education Academy Grant in respect of the Cyber Security project.

12 Profit and loss account

	£
At beginning of year	34,142,865
Profit for the financial year	7,052,544
At end of year	41,195,409

13 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.

14 Parent undertaking

Technology Innovation Centre is a Company registered in England and Wales and is a wholly owned subsidiary of Birmingham City University. The University's financial statements may be obtained from:

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

15 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:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives of the assets so these are re-assessed annually and amended when necessary to reflect current estimates.

Notes *(continued)*

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.