

UK Business Incubation Limited  
Directors' report and accounts  
for the year ended 31 March 2005

Registered number: 03458347



# **UK Business Incubation Limited**

## **Directors' report and accounts for the year ended 31 March 2005**

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# UK Business Incubation Limited

## Directors' report for the year ended 31 March 2005

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2005.

### Principal activities

The company was incorporated to carry on the business of promoting business incubation, including helping, promoting, instructing, nurturing, and encouraging small firms, businesses and companies to develop and grow in the marketplace. The company has received grant support from HSBC Plc, Aston University, and the Department of Trade and Industry.

### Review of business and future developments

The company aims to further develop its key core business activities: membership, events/workshops and project work. The market in which the company operates is still growing and developing and the prospects for company's core business and services is still significantly positive. In the future the company will be looking to review its membership and events/workshop activities to ensure that it maximises impact and business benefit as well as seeking to grow/develop its project management services/contracts. This is entirely consistent with company's objectives and reflects market development and demands. The company has the experience and potential to build on its existing services/activities and take advantage of what is a growing and developing market place.

### Results and dividend

The results for the year are set out on page 4.

The directors do not propose to pay a dividend in respect of the financial year.

### Directors and their share interests

The directors during the year and up to the date of this report are:

	Appointed in the year	Resigned in the year
G Ross Russell	N Smailes(26/11/04)	P Bradstock(26/11/04)
P Fulwell	M Herd(26/11/04)	M C Stoddart(26/11/04)
A Burton	N Morrison(26/11/04)	W J Herriot(26/11/04)
D W Harris	J Latham(26/11/04)	D Auckland(22/07/05)
D N Rowe		C Potter(22/07/05)
M McGuiness		

None of the directors had any interest (beneficial or otherwise) in the capital of the company as at 31 March 2005 or at any time during the year.

# UK Business Incubation Limited

## Directors' report for the year ended 31 March 2005 (continued)

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 those 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 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 assume that the company will continue in business.

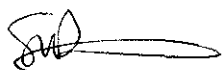
The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

### Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



// January 2006

SUE DAVIS

COMPANY SECRETARY

## **Independent auditors' report to the members of UK Business Incubation Limited**

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

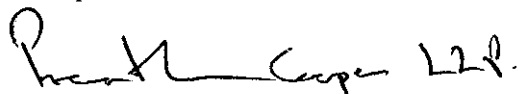
### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors  
Birmingham

11 January 2006

## UK Business Incubation Limited

### Profit and loss account for the year ended 31 March 2005

	Notes	2005 £	2004 Restated (Note 1) £
Turnover	2	656,585	625,270
Sponsorships		56,248	147,108
Administrative expenses		(746,989)	(809,268)
<b>Operating loss</b>		<b>(34,156)</b>	<b>(36,890)</b>
Interest receivable	3	2,970	3,824
<b>Loss on ordinary activities before taxation</b>	4	<b>(31,186)</b>	<b>(33,066)</b>
Taxation on loss on ordinary activities	5	311	8,112
<b>Loss for the financial year</b>	10	<b>(30,875)</b>	<b>(24,954)</b>

The notes on pages 6 to 12 form part of these accounts.

The results above arise entirely from the continuing activities of the company.

The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

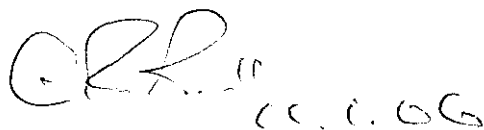
There is no difference between the loss on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

# UK Business Incubation Limited

## Balance sheet as at 31 March 2005

	Notes	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	6	26,552	36,540
<b>Current assets</b>			
Debtors	7	217,466	311,533
Cash at bank		164,414	89,827
		381,880	401,360
<b>Creditors (amounts falling due within one year)</b>	8	(212,514)	(211,107)
<b>Net current assets</b>		169,366	190,253
<b>Net assets</b>		195,918	226,793
<b>Capital and reserves</b>			
Share capital	9	-	-
Profit and loss account	10	195,918	226,793
<b>Total shareholders funds</b>	11	195,918	226,793

The financial statements on pages 4 to 12 were approved by the board of directors on // January 2006 and were signed on its behalf by:



Graham Ross Russell  
Director

# **UK Business Incubation Limited**

## **Notes to the financial statements for the year ended 31 March 2005**

### **1 Accounting policies**

#### **Basis of preparation**

The accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards which have been applied consistently. A summary of the more important accounting policies, which are reviewed annually in accordance with FRS 18 "Accounting Policies," is given below.

#### **Presentation restatement**

In the Profit and loss Account for 2004, £125,270 of previously shown Grants have been reclassified as turnover and £147,108 of Sponsorships have been shown separately to reflect more appropriately the revenues of the company. This has not impacted any other areas of the financial statements.

#### **Turnover**

Turnover, which excludes VAT, represents income from membership subscriptions, project fees and development income and fees and it is recognised on accrual basis.

#### **Sponsorship income**

The company receives income from sponsors and support in kind which are recognised when received and are shown separately in the Profit and loss Account.

#### **Support in kind**

The company benefits from use of office accommodation and facilities free of rent and charges. The benefit and the related cost are recognised in the accounts.

#### **Tangible fixed assets**

Fixed assets are stated at cost and depreciated on a straight line basis to write off the cost or valuation of the assets concerned over their estimated useful lives which are principally as follows:

Fixtures and fittings	25% per annum
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#### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax is provided on all timing differences in accordance with Financial Reporting Standard 19 (FRS 19) "Deferred Tax" and is recognised as a liability or an asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. Deferred tax assets are recognised to the extent they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.



# UK Business Incubation Limited

## Notes to the financial statements for the year ended 31 March 2005 (continued)

### 1 Accounting policies (continued)

#### Statement of cash flows

As the company qualifies as a small company, as defined in Section 247 Companies Act 1985, the company has exercised its right in accordance with Financial Reporting Standard 1(Revised) not to produce a statement of cash flows.

### 2 Turnover

Turnover consists entirely of fees and subscriptions generated in the United Kingdom. In the opinion of the directors all turnover is generated from one class of business.

Turnover is analysed below:

	2005	2004
	£	£
Project fees	440,179	397,738
Membership subscriptions	85,820	88,537
Development and other fees	130,586	138,995
	656,585	625,270

### 3 Interest receivable

	2005	2004
	£	£
Bank interest	2,970	3,824

# UK Business Incubation Limited

## Notes to the financial statements for the year ended 31 March 2005 (continued)

### 4 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging the following amounts:

	2005	2004
	£	£
Staff costs:		
Wages and salaries	250,927	278,974
Social security costs	27,215	29,499
	278,142	308,473
Depreciation- owned assets	16,728	15,358
Loss on sale of tangible fixed assets	100	-
Auditors' remuneration:		
Audit services	4,300	4,000
Non-audit services	1,700	1,600

None of the directors received any emoluments during the year in respect of their services to the company. The average number of employees during the year was 10 (2004: 9).

### 5 Taxation

Analysis of charge in the year:	2005	2004
	£	£
UK corporation tax on loss of the period at 19% (2004: 19%)	-	(8,114)
Adjustments in respect of previous periods	(311)	2
<b>Total current tax and tax on profit on ordinary activities</b>	<b>(311)</b>	<b>(8,112)</b>

# UK Business Incubation Limited

## Notes to the financial statements for the year ended 31 March 2005 (continued)

### 5 Taxation (continued)

The tax assessed for the period is lower (2004: higher) than the UK tax rate of (19%). The differences are explained below:

	£	£
Loss on ordinary activities before taxation	(31,186)	(33,066)
Loss on ordinary activities multiplied by the applicable tax rate in the UK 19% (2004:19%)	(5,925)	(6,283)
<b>Effects of :</b>		
Expenses not deductible for tax purposes	285	711
Accelerated capital allowances/other timing differences	5,640	(338)
Adjustments in respect of previous periods	(311)	2
Tax at marginal rates	-	(2,204)
<b>Current tax credit for the period</b>	<b>(311)</b>	<b>(8,112)</b>

Based on current capital investment plans, there are no significant factors that will affect the tax charge in future years.

*There are no deferred tax balances provided in these financial statements.*

An analysis of unprovided deferred tax assets in accordance with FRS 19 is as follows:

	2005 £	2004 £
<b>Tax effect of:</b>		
Losses	(4,590)	-
Accelerated capital allowances	(1,096)	-
Other timing differences	45	-
	<b>(5,641)</b>	<b>-</b>

# UK Business Incubation Limited

## Notes to the financial statements for the year ended 31 March 2005 (continued)

### 6 Tangible assets

	Fixtures and fittings
	£
<b>Cost</b>	
At 1 April 2004	86,576
Additions	7,413
Disposals	(1,152)
<b>At 31 March 2005</b>	<b>92,837</b>
<b>Depreciation</b>	
At 1 April 2004	(50,036)
Charge for the year	(16,728)
Eliminated on disposals	479
<b>At 31 March 2005</b>	<b>(66,285)</b>
<b>Net book value</b>	
<b>At 31 March 2005</b>	<b>26,552</b>
At 31 March 2004	36,540

### 7 Debtors

	2005	2004
	£	£
Trade debtors	95,103	278,730
Prepayments and accrued income	113,940	24,691
Corporation tax recoverable	8,423	8,112
	<b>217,466</b>	<b>311,533</b>

# UK Business Incubation Limited

## Notes to the financial statements for the year ended 31 March 2005 (continued)

### 8 Creditors: amounts falling due within one year

	2005	2004
	£	£
Trade creditors	40,539	76,003
Other creditors	8,912	3,376
Taxation and social security	50,755	23,616
Accruals and deferred income	112,308	108,112
	212,514	211,107

### 9 Share capital

The company is limited by guarantee and does not have a share capital. The liability of the members is not to exceed £1 per member.

The members of the company are Birmingham Technology Limited, University of Warwick Science Park and St John's Innovation Centre.

### 10 Profit and loss account

	£
At 1 April 2004	226,793
Loss for the year	(30,875)
At 31 March 2005	195,918

### 11 Reconciliation of shareholders' funds

	2005	2004
	£	£
At 1 April	226,793	251,747
Loss for the year	(30,875)	(24,954)
At 31 March	195,918	226,793

# **UK Business Incubation Limited**

## **Notes to the financial statements for the year ended 31 March 2005 (continued)**

### **12 Support in kind**

*Prudential plc allowed the company the use of an office in London and provided secretarial services. During the year the arms length value of the services provided amounted to £ 8,880 (2004: £15,008) for which no actual charge was made. The value of this support is derived from a management estimate based on the cost of equivalent facilities.*

The company also used office space, car parking and administrative services from Birmingham Technology Limited. The arms length value for the services provided amounted to £ 30,020 (2004:£36,702) for which no actual charge was made. This value of this support is based upon the invoice value.

Wragge & Co LLP allowed the company the use of offices in Birmingham. During the year the arms length value of the service provided amounted to £ 2,100 (2004:£2,480) for which no actual charge was made. The value of this support is derived from a management estimate based on the cost of equivalent facilities.

### **13 Ultimate controlling party**

As explained on note 9, UK Business Incubation Limited is a company limited by guarantee. The number of members with which the company is registered is three. None of these members is separately and individually considered to control the company.