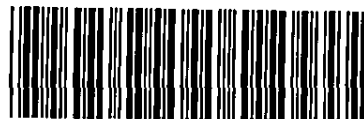


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**THE BRITECH FOUNDATION  
LIMITED (LIMITED BY  
GUARANTEE)**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2007**

Company no 03869615

**THE BRITECH FOUNDATION LIMITED (LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2007

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Company registration number	03869615
Registered office	16 Old Bailey London EC4M 7EG
Directors	H Fernandes Dr F Harradence Dr E Oppen Dr L P Vouden
Secretary	Temple Secretarial Limited
Bankers	Lloyds TSB Bank Plc 39, Threadneedle Street The City London EC2R 8AU
Solicitors	Withers LLP 16 Old Bailey London EC4M 7EG
Auditor	Grant Thornton UK LLP Registered Auditor Chartered Accountants Churchill House Chalvey Road East Slough Berkshire SL1 2LS

**THE BRITECH FOUNDATION LIMITED (LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2007

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# **THE BRITECH FOUNDATION LIMITED (LIMITED BY GUARANTEE)**

## **REPORT OF THE DIRECTORS**

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The directors present their report together with the audited financial statements for the year ended 31 December 2007

### **Principal activity**

The principal activity of the company is that of promoting, administering and managing The Britech Fund

### **Business review**

The company made no surplus or deficit during the year (2006 £nil)

The company operates as a 'virtual' organisation and is managed by Pera, an independent contractor appointed and funded by the UK Department of Innovation, Universities and Skills (DIUS). All contractual commitments to and with grantee companies remain unchanged from the prior year and the company continues to meet its statutory compliance obligations.

### **Directors**

In accordance with article 10 of the company's articles of association, during the year the following individuals served as directors for the company

Robert Douglas Brightwell	(Resigned 31 July 2007)
Dr Eliezer Oppen	
Philip John O'Neil	(Resigned 31 July 2007)
Dr David John Rawlins	(Appointed 31 July 2007, resigned 3 December 2007)
Dr Lee Peter Vousden	(Appointed 31 July 2007)
Haim Fernandes	
Dr Furgus Harredence	(Appointed 3 December 2007)

The directors served on the Board throughout the year unless otherwise stated. None of the directors held any interest in the company during the year.

## **THE BRI TECH FOUNDATION LIMITED (LIMITED BY GUARANTEE)**

### **REPORT OF THE DIRECTORS**

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#### **Directors' responsibilities for the financial statements**

The directors are responsible for preparing the Report of the Directors and 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company for the financial year 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, 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 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 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Financial risk management objectives and policies**

The directors have assessed the financial risk management objectives and policies of the company. The exposure of the company to price risk, credit risk, liquidity risk and cash flow risk is considered not material for the assessment of the assets, liabilities, financial position and profit of the company.

#### **Auditor**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

**THE BRITECH FOUNDATION LIMITED (LIMITED BY GUARANTEE)**

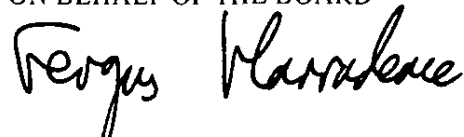
**REPORT OF THE DIRECTORS**

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**Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under part VII of the Companies Act 1985

ON BEHALF OF THE BOARD

  
Director

28/10/2008

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
THE BRITECH FOUNDATION LIMITED (LIMITED BY GUARANTEE)**

We have audited the financial statements of The Britech Foundation Limited (Limited by Guarantee) for the year ended 31 December 2007 which comprise the income and expenditure account, the balance sheet, and notes 1 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the directors and auditor**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if in our opinion 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.

We read the Report of the Directors, and consider the implications for our report if we become aware of any apparent inconsistencies within it.



Grant Thornton

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
THE BRITECH FOUNDATION LIMITED (LIMITED BY GUARANTEE)**

**Basis of opinion**

We conducted our audit in accordance with International Standard on Auditing (UK and Ireland) 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 in accordance with the United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 December 2007 and of its results for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
REGISTERED AUDITOR  
CHARTERED ACCOUNTANTS  
LONDON THAMES VALLEY OFFICE  
SLOUGH

*31 October 2008*



**THE BRITECH FOUNDATION LIMITED (LIMITED BY GUARANTEE)**

**INCOME AND EXPENDITURE ACCOUNT**

For the year ended 31 December 2007

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	<b>Note</b>	<b>2007 £</b>	<b>2006 £</b>
Other operating income	2	<b>47,218</b>	195,661
Administrative expenses		<u><b>(47,218)</b></u>	<u>(194,432)</u>
<b>Surplus on ordinary activities before taxation</b>		-	1,229
<b>Tax on surplus ordinary activities</b>	5	<u>-</u>	<u>(1,229)</u>
<b>Retained surplus carried forward</b>		<u>-</u>	<u>-</u>

All amounts relate to continuing operations

There were no recognised gains or losses for 2007 other than those included in the income and expenditure account

The notes on pages 7 to 11 form part of these financial statements

**THE BRITECH FOUNDATION LIMITED (LIMITED BY GUARANTEE)**

**BALANCE SHEET AT 31 DECEMBER 2007**

	<b>Note</b>	<b>2007 £</b>	<b>2006 £</b>
<b>Current assets</b>			
Debtors	6	412,168	405,105
Cash at bank		17,842	17,433
		<u>430,010</u>	<u>422,538</u>
<b>Creditors</b>			
Creditors amounts falling due within one year	7	(7,617)	(565)
Deferred funding support	8	(422,393)	(421,973)
		<u>(430,010)</u>	<u>(422,538)</u>
<b>Net current liabilities</b>		<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Retained surplus for the year		<u>-</u>	<u>-</u>

The financial statements were approved by the Board on 27/10/2008  
and signed on its behalf by



Director

28 October 2008

The notes on pages 7 to 11 form an integral part of these financial statements

**THE BRITECII FOUNDATION LIMITED (LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2007

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**1 ACCOUNTING POLICIES**

**Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

The directors have reviewed the accounting policies of the company and consider they remain the most appropriate for the company.

**Cash flow**

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company

**Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the income and expenditure account as incurred

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the average rate over the month in which the transaction occurred. Exchange differences are taken into account in arriving at the operating result

**Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the scheme in respect of the accounting period

**THE BRITECH FOUNDATION LIMITED (LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2007

**2 OTHER OPERATING INCOME**

	2007 £	2006 £
Funding support	<u>47,218</u>	<u>195,661</u>

**3 OPERATING SURPLUS**

The operating surplus is stated after charging

	2007 £	2006 £
Depreciation of tangible fixed assets		
- owned by the company	-	1,156
Auditors' remuneration	11,000	11,100
Operating lease rentals		
- other operating leases	-	7,130
Difference on foreign exchange	<u>-</u>	<u>20</u>

During the period, no director received any emoluments

**4 STAFF COSTS**

Staff costs during the year were as follows

	2007 £	2006 £
Wages and salaries	-	124,352
Social security costs	61	13,463
Pension costs	-	9,718
Other staff costs	<u>-</u>	<u>7,344</u>
	<u>61</u>	<u>154,877</u>

The average monthly number of employees of the company during the year was

	2007 Number	2006 Number
Executives	-	1
Administration	<u>-</u>	<u>1</u>
	<u>-</u>	<u>2</u>

# THE BRITECH FOUNDATION LIMITED (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

During the prior year, the company terminated the contracts of employment of its staff, including the Chief Executive, and the management of the company was transferred to Pera, an independent contractor appointed and funded by the UK Department of Innovation, Universities and Skills (DIUS). This reorganisation was done to reflect the Israeli and UK Governments' plan for future technology activities between the two countries.

### 5 TAXATION

	2007 £	2006 £
<b>UK corporation tax</b>		
Current tax at 20% (2006: 19%)	-	145
Adjustment to prior years	-	1,084
	<u>-</u>	<u>1,229</u>

### 6 DEBTORS

	2007 £	2006 £
Amounts owed by related undertakings	411,918	405,000
Social Security and other taxes	<u>250</u>	<u>105</u>
	<u>412,168</u>	<u>405,105</u>

### 7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade creditors	2,379	-
Accruals and deferred income	<u>5,238</u>	<u>565</u>
	<u>7,617</u>	<u>565</u>

**THE BRITECH FOUNDATION LIMITED (LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2007

**8 DEFERRED FUNDING SUPPORT ACCOUNT**

	2007 £	2006 £
Opening surplus funds	421,973	585,643
Funding support allocation	47,218	30,000
Funding support drawn	(47,218)	(195,661)
	<u>421,973</u>	<u>419,982</u>
Bank interest received	420	1,991
	<u>422,393</u>	<u>421,973</u>
Closing surplus funds		

**9 PENSION COSTS**

The company previously operated a defined contribution pension scheme for the benefits of the employees. The assets of the scheme were administered in a fund independent from the company.

	2007 £	2006 £
Contributions payable by the company for the year	-	9,718

**10 COMPANY STATUS**

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members are liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

**11 CONTROLLING PARTY**

The company is controlled through its members who are appointed representatives of the British and Israeli governments.