

**THE BIRMINGHAM TO WORCESTERSHIRE INVESTMENT VEHICLE  
(OPERATING AS "THE CENTRAL TECHNOLOGY BELT")**

**(Limited by Guarantee)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2007**



**THE BIRMINGHAM TO WORCESTERSHIRE INVESTMENT VEHICLE (OPERATING AS "THE CENTRAL  
TECHNOLOGY BELT")  
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**COMPANY INFORMATION**

**Directors**

Michael Clarke (Chairman)  
Keith Barton  
David Brown  
John Bailey  
Alwyn Davies  
Peter Dines  
Nigel Gaynor  
Adrian Gill  
Derek Harris  
Christine Jones  
David Malpass  
Andrew Manning-Cox  
Paul Middlebrough  
Norman Price  
David Taylor  
Pamela Waddell

**Secretary**

Clive Boast

**Company number**

4649812

**Registered office**

Birmingham Research Park  
Vincent Drive  
Birmingham  
West Midlands  
B15 2SQ

**Auditors**

PKF (UK) LLP  
45 Great Charles Street  
Queensway  
Birmingham  
B3 2LX

**Bankers**

Barclays Bank PLC  
15 Colmore Row  
Birmingham  
B3 2EP

**Solicitors**

State Aid Rules Lawyers  
Wragge and Co LLP  
55 Colmore Row  
Birmingham  
B3 2AS

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2007**

The directors present their report and the financial statements for the year ended 31 March 2007

**Principal activities**

The Central Technology Belt ("CTB") is a company limited by guarantee and is one of three Technology Corridors identified as "key delivery mechanisms" in the West Midlands Economic Strategy. The CTB covers a sub-region stretching from Birmingham through Worcestershire to Malvern. The CTB has the objective of improving the long term economic performance of the sub-region by ensuring that the knowledge base of the sub-region is harnessed in support of economic objectives. Given the long term nature of the objective it is intended that the CTB will acquire an asset base which will, in due course, deliver an income stream providing sustainable support for the CTB after the initial phase of funding has been exhausted in 2007/2008.

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2007**

**Directors**

The directors who served during the year were

Michael Clarke (Chairman)  
Keith Barton  
Susan Battle (resigned 7 August 2006)  
David Brown (appointed 16 May 2006)  
John Bailey (appointed 23 January 2006)  
Jeremy Blackett (appointed 19 September 2006 & resigned 21 November 2006)  
Alwyn Davies  
Peter Dines  
Nigel Gaynor (appointed 16 May 2007)  
Sharon Gray (appointed 19 September 2006 & resigned 16 May 2007)  
Adrian Gill  
Derek Harris  
Christine Jones  
David Malpass (appointed 23 January 2007)  
Andrew Manning-Cox  
Paul Middlebrough  
Norman Price  
David Taylor  
Pamela Waddell

**Chairman's Statement**

CTB has had another successful year delivering benefit for the sub-region as part of the knowledge based economic improvement programme

The strength of the partnership between the Regional Development Agency, Local Authorities for Birmingham and Worcestershire, Chambers of Commerce, Learning and Skills Councils, Higher Education, Science Parks, Hospitals and the private sector has been key to this success

The partnership has been able to provide vital input to the development of the Regional Economic Strategy and Regional Spatial Strategy as well as contributing to the strategic redevelopment plans for the Longbridge site and an update of the Worcester City Economic Strategy

The company continues to promote knowledge-led employment sites in the sub-region. The first buildings are now in place at the Longbridge and Bromsgrove Technology Parks, and site developments are well underway at University Science Park Pebble Mill and the third phase of Malvern Hills Science Park nears completion

In October the company and its partners launched the second phase of the Technology Transfer Fund (TTF2) to further encourage the commercialisation of new opportunities in the fields of Medical Technologies and Advanced Materials. This fund has already delivered support to 72 small businesses to add to the 62 businesses supported under TTF1. The success of this programme has encouraged the Regional Development Agency to consider extending the concept across the whole region embracing all the priority themes

During the year the reputation of the CTB sub-region as a key area for technological advancement has been greatly enhanced as these developments begin to come on stream. Public awareness of the role of CTB as a catalyst in delivering key high technology projects in the sub-region has also been increased and this is will to be further enhanced by CTB's new awareness campaign. These activities will be complimented by the recent launch of an Academic Ambassadors programme seeking to promote the benefits of the sub-region and attract more technology businesses. The new company website will also provide key information as to the infrastructure and support the sub-region has to offer to technology businesses of varying sizes and differing aspirations

The Company also undertook other activities aimed at encouraging more effective collaboration between the knowledge base in the region's universities and local businesses and continues to contribute to the success of

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2007**

Birmingham Science City

There are several challenges and tasks for the next period including the securing of funding to enable continuation of technology transfer projects, identifying mechanisms to support mid-sized companies, delivering the sites and infrastructure projects that are currently in the pipeline, working with the LSC on the skills agenda, and having discussions with Advantage West Midlands and other partners in order to secure an extension of funding for CTB beyond March 2008

During the year our Chief Executive Alan Folwell retired. Alan has been involved almost from the start of CTB and on behalf of the Board and partners I would like to record our sincere thanks for all that has been achieved and wish him well for the future. We are pleased to welcome Alan White as our new Chief Executive with effect from 1 October 2006. He had been working for us for some months before this. It is good to see him having an impact on the CTB's activity and in the work of our partners.

**Provision of information to auditors**

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information

**Auditors**

The auditors, PKF (UK) LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the board on

*24<sup>th</sup> July 2007*

and signed on its behalf



**Clive Boast**  
Secretary

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 MARCH 2007**

The directors are responsible for preparing the annual 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the surplus or deficit 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,
- 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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BIRMINGHAM TO WORCESTERSHIRE INVESTMENT VEHICLE (OPERATING AS "THE CENTRAL TECHNOLOGY BELT")**

We have audited the financial statements of The Birmingham to Worcestershire Investment Vehicle (Operating as "The Central Technology Belt") for the year ended 31 March 2007 which comprise the profit and loss account, the balance sheet and the related notes. The financial statements have been prepared under 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 auditors' 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**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom 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 have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards 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 judgments 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.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BIRMINGHAM TO WORCESTERSHIRE INVESTMENT VEHICLE (OPERATING AS "THE CENTRAL TECHNOLOGY BELT")**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 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 directors' report is consistent with the financial statements

  
**PKF (UK) LLP**

Registered auditors

Birmingham, UK

6 August 2007

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**INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2007**

	Note	2007 £	2006 £
<b>INCOME</b>	1	<b>313,024</b>	193,819
Administrative expenses		<b>(313,678)</b>	(193,819)
		<hr/>	<hr/>
<b>OPERATING DEFICIT</b>	2	<b>(654)</b>	-
Interest receivable		<b>654</b>	-
		<hr/>	<hr/>
<b>SURPLUS ON ORDINARY ACTIVITIES FOR THE YEAR</b>		-	-
Tax on surplus on ordinary activities		-	-
		<hr/>	<hr/>
<b>SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>-</b>	-
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 9 to 11 form part of these financial statements

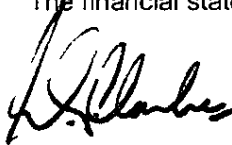
**THE BIRMINGHAM TO WORCESTERSHIRE INVESTMENT VEHICLE (OPERATING AS "THE CENTRAL  
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**BALANCE SHEET  
AS AT 31 MARCH 2007**

	Note	£	2007 £	£	2006 £
<b>FIXED ASSETS</b>					
Tangible fixed assets	3		5,933		946
<b>CURRENT ASSETS</b>					
Cash at bank		116,336		70,674	
<b>CREDITORS</b> amounts falling due within one year	4	(122,269)		(71,620)	
<b>NET CURRENT LIABILITIES</b>			(5,933)		(946)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			-		-
<b>CAPITAL AND RESERVES</b>			-		-

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



**Michael Clarke**  
Director

The notes on pages 9 to 11 form part of these financial statements

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**1 ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

**1.2 Income**

Income comprises grant income receivable for the period, with grant income received in advance being included in deferred income (note 4)

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Computer equipment	-	33%	straight line
Furniture, fittings and equipment	-	33%	straight line

**2. OPERATING DEFICIT**

The operating deficit is stated after charging

	2007 £	2006 £
Depreciation of tangible fixed assets		
- owned by the company	1,815	1,036
Auditors' remuneration	2,000	1,600
	<u>          </u>	<u>          </u>

During the year, no director received any emoluments (2006 - £NIL)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2007**

**3 TANGIBLE FIXED ASSETS**

	Computer equipment £	Furniture, fittings and equipment £	Total £
<b>Cost</b>			
At 1 April 2006	2,557	552	3,109
Additions	3,888	2,914	6,802
At 31 March 2007	<u>6,445</u>	<u>3,466</u>	<u>9,911</u>
<b>Depreciation</b>			
At 1 April 2006	1,917	246	2,163
Charge for the year	1,164	651	1,815
At 31 March 2007	<u>3,081</u>	<u>897</u>	<u>3,978</u>
<b>Net book value</b>			
At 31 March 2007	<u>3,364</u>	<u>2,569</u>	<u>5,933</u>
At 31 March 2006	<u>640</u>	<u>306</u>	<u>946</u>

**4 CREDITORS Amounts falling due within one year**

	2007 £	2006 £
Trade creditors	12,064	19,383
Deferred income	105,290	41,252
Other creditors	4,915	10,985
	<u>122,269</u>	<u>71,620</u>

**5 COMPANY STATUS**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6 RELATED PARTY TRANSACTIONS**

Norman Price was a director of The Central Technology Belt and also the Deputy Chairman of Advantage West Midlands during the year, the principal provider of grant income for the company. David Brown, a director, is also a board member of Advantage West Midlands. Grant income receivable from Advantage West Midlands for the year totalled £272,649 (2006 - £193,819).

Andrew Manning - Cox is a director of The Central Technology Belt and also a partner at Wragge & Co, the legal advisors to the company. During the year, Wragge & Co received fees totalling £1,880 (2006 - £5,875) from the company.

Dr Alan Folwell was the Chief Executive of the Central Technology Belt and received fees of £50,002 (2006 - £75,780) and expenses of £1,553 (2006 - 3,310) during the year.

Alwyn Davies, a director, is also an elected member of Worcestershire County Council who paid grants totalling £40,375 (2006 - £nil).

Christine Jones, a director, was also the Chief Executive Officer of the Hereford and Worcester Chamber of Commerce during the year. The company sponsored the Hereford and Worcestershire Chamber of Commerce for £7,050 (2006 - £7,050) and purchased services for a sum of £11,547 (2006 - £nil).

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**DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2007**

	£	2007 £	£	2006 £
<b>TURNOVER</b>				
Grants		313,024		193,819
<b>LESS EXPENSES</b>				
Staff salaries	67,341		-	
Training	88		30	
Travelling and entertainment	7,274		4,556	
Consultancy fees	66,520		3,290	
Telephone, printing and stationery	6,850		3,912	
Marketing	55,078		46,744	
Legal fees	8,639		6,165	
Auditors' remuneration	2,000		1,600	
Sundry expenses	978		-	
Rent, rates and insurance	8,586		10,085	
Depreciation	1,815		1,036	
Recruitment	2,204		-	
Management costs	50,002		75,780	
Accountancy fees	36,229		38,379	
Development projects	-		2,213	
Bank charges	74		29	
Bank interest receivable	(654)		-	
	-		-	
	-		-	
		<u>313,024</u>		<u>193,819</u>
<b>NET SURPLUS</b>		<u>-</u>		<u>-</u>