

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

(A company limited by guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

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

(A company limited by guarantee)

COMPANY INFORMATION

Directors	Michael Sheppard (appointed 1 December 2009) Michael Clarke (resigned 1 December 2009) Keith Barton Michael Ashton David Brown Simon Geraghty Philip Extance Peter Dines Nigel Gaynor Paul Hanna David Hardman Christine Jones Andrew Manning-Cox James Wilkie (appointed 28 July 2009) Norman Price David Taylor Pamela Waddell (resigned 28 July 2009) Roger Hollingworth
Company 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	Wragge and Co LLP 55 Colmore Row Birmingham B3 2AS

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

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010**

The directors present their report and the financial statements for the year ended 31 March 2010

Principal activities

The Central Technology Belt ("CTB") is a company limited by guarantee and is the Technology Corridor identified as a "key delivery mechanism" 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.

Directors

The directors who served during the year were

Michael Sheppard (appointed 1 December 2009)

Peter Dines

Michael Ashton

David Brown

Michael Clarke (resigned 1 December 2009)

Simon Geraghty

Philip Extance

Keith Barton

Nigel Gaynor

Paul Hanna

David Hardman

Christine Jones

Andrew Manning-Cox

James Wilkie (appointed 28 July 2009)

Norman Price

David Taylor

Pamela Waddell (resigned 28 July 2009)

Roger Hollingworth

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010**

Chairman's Statement

Central Technology Belt continues in its role as a strategic leader and project driver, which brings together partners to enable a transformation of the economy through a programme of coordinated projects focussing on those technology areas that add value to the Central Technology Belt

The CTB 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 continues to be crucial to the success of the region

This is particularly illustrated by CTB's contribution to the development of the Quantum Technology Partnership (QTP) with the aim of securing the centre for its activities at Malvern. QTP unites the UK's leading minds in Quantum Technology into a coherent independent entity and aims to provide them with the facilities and creative environment in which to position the UK as world leader in future technological advances. Led from industry with a solid foundation of academic pursuit and benefitting from innovative solution engineering and sound commercial processes, QTP will provide real solutions to real market needs. Planning consent has now been granted and cash flow facility requirements secured. Approval for funding support up to £10m from AWM is anticipated in 2010.

The services the centre will offer will include

- Advanced fabrication of devices,
- Prototyping,
- Measurement and characterisation,
- Formal and informal specialised training,
- Contract facility usage,
- Research collaborative programmes

It is currently estimated that revenue streams to QTP will amount to £62m (gross) once it is operating

Plans are also progressing for a partnership of public and private sector organisations to develop a new 58 hectares Technology Park in Worcestershire on the land located south east of M5 junction 6 to coincide with the proposed relocation of Worcester Bosch. Although the project has been put back three years because of the economic situation, the business at Worcester Bosch continues to grow and work is still on-going to support the development. CTB is also working with InnovationXchange Network to look at ways in which the Worcester Bosch R&D effort can be linked in to local universities and businesses

CTB continues to be actively involved in the development of the Longbridge site on the 140 hectares of land on and surrounding the former MG Rover site, with 25 hectares earmarked as a Regional Investment site. Work has commenced to build the new 23,000m² Bournville College and is scheduled to be completed by July 2011.

CTB also continues to promote other knowledge-led employment sites in the sub-region

The £7m extension to the Worcester University based National Pollen and Aerobiology Research Unit (NPARU) was formally opened on 2nd December 2009 and will be known as the Charles Darwin Building. The two-storey facility includes many innovative features, including a climate-controlled room capable of testing product and the effects of illnesses such as asthma in different environmental conditions.

As reported last year the anticipated development of University Science Park at Pebble Mill into a new Biotechnology Park has proved to be problematic and resulted in the withdrawal of £10m of funding previously approved in outline by AWM. However Calthorpe Estates (CE) have received consent for a change of use for the Pebble Mill site to allow the erection of a medical facility providing up to 15,000m² of accommodation for Research and Development and Hospital/Clinic/Medical School/Dental School on the site. CE continues their negotiations with a private health provider, which would act as an anchor tenant for the Science Park.

However CTB and its partners remain committed to the concept of a state of the art biomedical incubator facility within the Region and are thus re-examining the options for alternative locations for this whilst also supporting a Medical Technologies based facility at Pebble Mill.

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010**

The CTB sub-Region continues to be recognised as a key area for technological advancement. Thus CTB actively supported the Advanced Sensors Innovation Project three year programme, which has now completed the drawdown of funds from AWM. Whilst several projects are yet to finalise, the phase 2 prototyping activity and eight of the sensor projects are live and well into discussions regarding the commercialisation of the technologies. QinetiQ has made a commitment to continue managing the Intellectual Property for the 10 year life of the project.

Whilst the full financial return on investment for this fund is anticipated over a ten year period, early results indicate the model's potential for economic growth, for example

- Employment and Skills - 169 project staff, 33 Full Time Equivalents, 8 new recruits, 1 potential medical spin-out,
- Business via assistance, collaboration and networks - 206 beneficiaries,
- Financial via investment leverage - £5m declared to date (excludes 3rd party commitments and overheads)

The company also continues to encourage more effective collaboration between the knowledge base in the region's universities and local businesses. The Technology Transfer Fund (TTF2) in the Central Technology Belt which closed in 2008 was the subject of an independent evaluation during 2009. This concluded that the core value for money for the project is most impressive with an expected rate of return of £11.10 in GVA for every £1 invested in the scheme.

During 2009/10 CTB was active in supporting the Regional Advantage Proof of Concept Grant Fund designed to support innovation and product development in the West Midlands by providing grants of up to £30k, representing up to 75% of total project costs to move proof of concept ventures toward commercial viability. The fund was managed by the University of Warwick Science Park on behalf of AWM and backed by funding from AWM and ERDF. CTB funded sub-regional delivery activity at Malvern Hills Science Park and leveraged in-kind support from Birmingham City Council and Birmingham Chamber of Commerce to provide further delivery operating from the CTB offices in Birmingham. As a result 42 companies in CTB received funding and CTB is currently working with Birmingham City Council to provide an extension to the Proof of Concept Fund operating in the Birmingham City area using Working Neighbourhoods Fund money.

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 Birmingham Science City.

In order to further strengthen engagement between partners and businesses along the corridor the Company has recruited a Business Engagement Manager with a strong technology background.

CTB continues to promote the CTB brand. The awareness campaign continued throughout 2009 and the website was further refreshed to update the 'offer' to entrepreneurs, academics and the business community.

The company also ran a four month pay per click pilot project in Europe and North America (Eastern Seaboard, California, and Washington DC) to generate awareness of CTB and help quantify levels, and source, of interest in the key technologies available in the region's research base, which could also act as an aid to inward investment decisions. 345,000 people accessed the webpage over the four months to search for one of the eight technology themes selected for the pilot and of those pursuing their search to the next level, nearly half were interested in sensor technology.

During the current year the company intends to extend the scope of this pilot, launch a new magazine and hold a conference in November to publish an annual report.

I was delighted to accept the invitation to become chairman of CTB in December 2009 and during my short tenure to date I have been most impressed by the achievements of the organisation and its reputation throughout the region. This is in no small measure attributable to the tireless efforts of my predecessor, Michael Clarke, ably supported by the CTB Board and members of the Executive Team, both past and present. I look forward to the opportunity to continue this work in the future.

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

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2010**

Following the recent Government Announcement that RDAs are to be abolished, Advantage West Midlands has notified CTB that grant funding contracted to 31 March 2012 will now cease on 31 March 2011 and that grant funding for 2010/11 will be curtailed by 25%. The Directors are satisfied that the Company has sufficient existing resources together with continuing grants from Worcestershire County Council to continue operations as a going concern for at least a further twelve months and are reviewing options for the Company going forward

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

The report of the directors has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006

This report was approved by the board on

21st July 2010

and signed on its behalf



Clive Boast
Secretary

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

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STATEMENT OF 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 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). 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

- 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 adequate 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 the financial statements comply with the Companies Act 2006. 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.

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

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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 and Worcestershire Investment Vehicle (Operating as "The Central Technology Belt") for the year ended 31 March 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

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 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

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 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

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

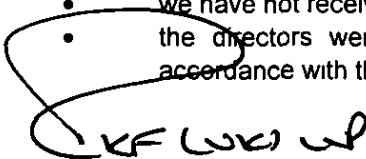
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.


Robert Hudson BSc FCA (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditors

Birmingham
4 August 2010

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

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**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2010**

	Note	2010 £	2009 £
TURNOVER	1	441,546	282,090
Administrative expenses		(441,548)	(282,097)
OPERATING LOSS	2	(2)	(7)
Interest receivable		110	2,916
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		108	2,909
Tax on profit on ordinary activities	3	(25)	(612)
PROFIT FOR THE FINANCIAL YEAR	8	83	2,297

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

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

**(A company limited by guarantee)
REGISTERED NUMBER 4649812**

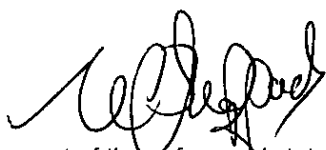
**BALANCE SHEET
AS AT 31 MARCH 2010**

	Note	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible fixed assets	4		2,255		5,153
CURRENT ASSETS					
Debtors	5	23,450		-	
Cash at bank		368,463		268,448	
		<u>391,913</u>		<u>268,448</u>	
CREDITORS amounts falling due within one year	6	(389,777)		(269,293)	
NET CURRENT ASSETS/(LIABILITIES)			<u>2,136</u>		<u>(845)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,391</u>		<u>4,308</u>
CAPITAL AND RESERVES					
Profit and loss account	8		<u>4,391</u>		<u>4,308</u>
			<u>4,391</u>		<u>4,308</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
21st July 2010

Michael Sheppard
Director



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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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 April 2008)

1.2 Income

Income comprises grant income receivable for the period, with grant income received in advance being included in deferred income (note 6)

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

Fixtures, fittings and equipment - 33% straight line

2 OPERATING LOSS

The operating loss is stated after charging

	2010 £	2009 £
Depreciation of tangible fixed assets		
- owned by the company	2,898	2,960
Auditors' remuneration	3,785	3,675

During the year, no director received any emoluments (2009 - £NIL)

3 TAXATION

	2010 £	2009 £
UK corporation tax charge on profit for the year	25	612

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

4 TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment £
Cost	
At 1 April 2009 and 31 March 2010	14,776
Depreciation	
At 1 April 2009	9,623
Charge for the year	2,898
At 31 March 2010	12,521
Net book value	
At 31 March 2010	2,255
At 31 March 2009	5,153

5 DEBTORS

	2010 £	2009 £
Grant receivable	23,450	-

6 CREDITORS Amounts falling due within one year

	2010 £	2009 £
Trade creditors	25,470	24,226
Corporation tax	25	611
Deferred income	354,606	216,391
Other creditors	9,676	28,065
	389,777	269,293

7 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.

THE BIRMINGHAM TO WORCESTERSHIRE INVESTMENT VEHICLE (OPERATING AS "THE CENTRAL TECHNOLOGY BELT")
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

8 RESERVES

	Profit and loss account £
At 1 April 2009	4,308
Profit for the year	83
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At 31 March 2010	4,391
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9 RELATED PARTY TRANSACTIONS

David Brown, a director, is a board member of Advantage West Midlands Grant income receivable for the year totalled £350,000 (2009 - £215,000)

Simon Geraghty, a director, is a Councillor and an elected member of Worcestershire County Council, who paid grants totalling £229,762 (2009 - £178,591) during the year

Directors, Christine Jones, Michael Clarke, Michael Ashton, Simon Geraghty and Andrew Manning-Cox, are also directors of Malvern Hills Science Park Malvern Hills Science Park recharged expenses incurred to Central Technology Belt £57,147(2009 - £293) during the year

Alan White is Chief Executive of Central Technology Belt (although not a director) who received a salary of £83,420 (2009 - £70,695)

Andrew Manning-Cox, a director, is a partner of Wragge and Co LLP, who provide legal services to Central Technology Belt with fees paid this year of £32,588 (2009 - £7,712)

Christine Jones, a director, is also a director of Concordia Services Ltd, who provide consultancy services, which totalled £19,435 (2009 - NIL) during the year

Michael Ashton, a director, is also a director of Herefordshire and Worcestershire Chamber who charged the Central Technology Belt £15,125 (2009 - NIL) during the year for sponsorship of Chamber Awards

Dr James Wilkie, a director, is the CEO of Birmingham Research Park Ltd, who provided office accommodation to Central Technology Belt at a cost of £11,027 (2009 - £10,823)

Dr David Hardman is the managing director of Birmingham Science Park, Aston, which provided web site development and hosting at a cost of £1,565 (2009 - NIL)