

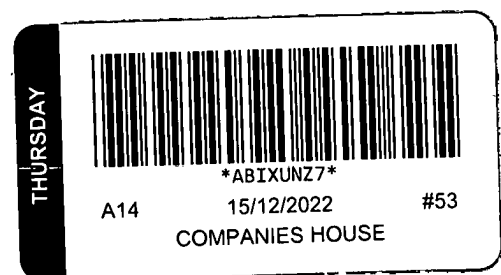


# **Greater Birmingham & Solihull Institute of Technology**

**Company Limited by Guarantee**

**ANNUAL REPORT FOR THE PERIOD FROM  
1 AUGUST 2021 to 31 JULY 2022**

**Company Registration Number 12189062**



# **Greater Birmingham & Solihull Institute of Technology**

## **Company Information**

### **Directors**

Carl William Arntzen  
Professor Julian Beer  
Patricia Ann Carvalho  
Stephen Garrett  
Rebecca Jayne Gater  
Michael Hopkins  
Jonathan Rowe

### **Registered Office**

c/o Squire Patton Boggs (UK) LLP (Ref: Csu)  
Rutland House,  
148 Edmund Street,  
Birmingham,  
England,  
B3 2JR

### **Accountants**

Prime Chartered Accountants  
Corner Oak  
1 Homer Road  
Solihull  
B91 3QG

### **Professional Advisors**

KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

### **Legal Advisers**

Eversheds Sutherland (International) LLP  
114 Colmore Row  
Birmingham  
B3 3AL

Shakespeare Martineau LLP  
1 Colmore Square  
Birmingham  
B4 6AA

### **Company Secretary**

Squire Patton Boggs (UK) LLP (Ref: Csu)  
Rutland House,  
148 Edmund Street  
Birmingham  
B3 2JR

### **Registered Number**

12189062

## **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 JULY 2022**

### **Principal Activities**

The government has established high-quality Institutes of Technology (IoTs).

IoTs are collaborations between further education (FE) providers, universities and employers to address skills gaps that are considered vital for their region. They will specialise in delivering higher technical education (at Levels 3 to 7) with a focus on STEM (science, technology, engineering and mathematics) subjects.

IoTs focus on the specific technical skills needs required in their area. They provide employers with a skilled workforce and students with a clear route to technical employment. The overall objective of the current investment is to provide this training capacity.

The business of the Greater Birmingham & Solihull Institute of Technology (GBS IoT) is the co-ordination of delivery of apprenticeships and technical skills in the Greater Birmingham and Solihull and surrounding areas and supporting the delivery of apprenticeships and technical skills training by certain of the Partners in the field of advanced manufacturing and engineering.

GBS IoT is in receipt of a license from the Department for Education (DfE) awarding the right to use the IoT brand; it is also identified as the accountable body responsible for the Implementation of the proposal submitted to the DfE. The accountable body is also the recipient of, and accountable for, the capital grant issued by DfE.

### **Directors**

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr Carl William Arntzen

Professor Julian Beer

Ms Patricia Ann Carvalho

Mr John Callaghan (resigned as a director on 20 September 2021)

Mr Lee Francis Cattermole (resigned as a director on 30th March 2022)

Mr Stephen Garrett (appointed as a director on 29 September 2022)

Ms Rachel Garwood-Gowers (resigned as a director on 29 September 2022)

Ms Rebecca Jayne Gater (appointed as a director on 20 September 2021)

Mr Michael Hopkins

Mr Jonathan Rowe

Mr Mark Terrance Smith (resigned as a director on 29 September 2022)


### **Auditor**

The auditors, Prime Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

### **Disclosure of information to the auditor**

The directors who held office at the date of approval of its report of the directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

This report was approved by the board on 10th November 2022 and signed on its behalf by Carl Arntzen and Rebecca Gater

A handwritten signature in black ink, appearing to read 'Carl Arntzen', with a long horizontal stroke extending from the end.

**Carl Arntzen**  
**Director**  
**10th November 2022**

A handwritten signature in black ink, appearing to read 'Rebecca Gater', with a long horizontal stroke extending from the end.

**Rebecca Gater**  
**Director**  
**10th November 2022**

## **Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the group and parent company financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 group and the parent company and of the group's profit or loss for that period. In preparing each of the group and parent company 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 group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent 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 group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent 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 group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **REPORT OF THE AUDITORS TO THE MEMBERS OF GREATER BIRMINGHAM & SOLIHULL INSTITUTE OF TECHNOLOGY**

### **Opinion**

We have audited the financial statements of Greater Birmingham & Solihull Institute Of Technology (the 'company') for the year ended 31 July 2022 which comprise the Profit and Loss account, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors and the Statement of Directors' Responsibilities, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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 in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the industry sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:



**Greater Birmingham and Solihull Institute of Technology**  
**Profit and Loss account for the period ended 31st July 2022**

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>1</b>	1,816,276	4,956,858
Cost of Sales		(1,522,547)	(4,685,109)
<b>Gross Profit</b>		293,729	271,749
Administrative expenses		(293,729)	(271,749)
<b>Operating profit/loss</b>	<b>2</b>	-	-
<b>Profit/loss on ordinary activities before taxation</b>		-	-
Tax on profit/loss on ordinary activities	<b>1</b>	-	-
<b>Result for the period</b>		-	-

All the above results derive from continuing operations.

The notes on pages 13 to 15 form an integral part of these financial statements.

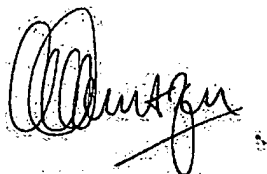
**Greater Birmingham and Solihull Institute of Technology**  
**(Registered Number: 12189062)**

**Balance Sheet as at 31st July 2022**


	Notes	2022 £	2021 £
<b>Fixed Assets</b>			
Asset under construction	4	3,273,661	733,282
Equipment	4	<u>70,568</u>	<u>17,956</u>
		3,344,229	751,238
<b>Current Assets</b>			
Debtors	5	2,338,344	819,739
Cash at bank and in hand		<u>2,487,704</u>	<u>423,485</u>
		4,826,048	1,243,224
Creditors: Amount falling due in one year	6	(3,671,036)	(1,287,735)
<b>Net current Assets</b>		1,155,012	(44,511)
Creditors: Amount falling due after one year	7	(4,499,241)	(706,727)
<b>Net Assets</b>		<u>-</u>	<u>-</u>
<b>Capital and Reserves</b>			
Called up share capital		-	-
Profit and loss account	9	-	-
<b>Shareholder funds</b>		-	-

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages were approved by the Board of Directors and authorised for issue on 10th November 2022 and signed on its behalf by:



**Carl Arntzen**  
**Director**  
**10th November 2022**



**Rebecca Gater**  
**Director**  
**10th November 2022**

The notes on pages 13 to 15 form an integral part of these financial statements.

## **Greater Birmingham and Solihull Institute of Technology**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 JULY 2022**

#### **1. PRINCIPAL ACCOUNTING POLICIES**

Greater Birmingham and Solihull Institute of Technology is a private company, limited by guarantee, registered in England and Wales

##### **Basis of accounting**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements are prepared in accordance with the historical cost convention.

The functional and presentational currency of the Company is Pounds Sterling (£).

A summary of the more important accounting policies, which have been applied consistently, is set out below.

##### **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 12 months from the date of approval of these financial statements which indicate that, taking account of severe but possible downsides, 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.

##### **Turnover**

Turnover represents the value, net of value added tax of the subscriptions paid by members of the GBSIoT and grants received directly from the DfE, Greater Birmingham and Solihull Local Enterprise Partnership and High Value Manufacturing Catapult.

##### **Depreciation**

Buildings are depreciated on a straight-line basis over its useful economic life of fifty years.

Where land and buildings are acquired with the aid of government grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the year of acquisition. Equipment costing more than £1,000 per individual item is capitalised and is depreciated on a straight-line basis over its useful economic life, being:

IT equipment:	3 to 5 years
All other equipment:	5 to 10 years
Vehicles:	3 years

## Government Grants

Government grants are accounted for using the accruals model. Where equipment is acquired with the aid of a specific grant, it is capitalised and depreciated in accordance with the above policy with the related grant being credited to a deferred income account and released to the profit and loss account over the expected useful economic life of the equipment.

## Assets Under Construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31st July. They are not depreciated until they are brought into use.

## Taxation

The company has adopted a Non-Trading Status on the basis that its activities do not constitute a trade. This status means that the company should not be liable to tax on any profits arising or be able to relieve any losses arising for tax purposes.

## 2. OPERATING PROFIT/LOSS

This is stated after charging:

	2022	2021
	£	£
Administrative expenses	(284,729)	(266,749)
Audit Fees	(9,000)	(5,000)
	<u>(293,729)</u>	<u>(271,749)</u>

## 3. STAFF COSTS AND DIRECTORS' REMUNERATION

The average number of persons (excluding directors) employed during the year was nil (2021: nil).

No directors have received any fee or remuneration for their services during the year (2021: £nil).

## 4. TANGIBLE FIXED ASSETS

	Asset under Construction	Equipment	Total
<b>Cost or Valuation</b>			
As at 1st August 2021	733,282	20,238	753,520
Additions	2,540,379	65,312	2,605,691
<b>As at 31st July 2021</b>	<b>3,273,661</b>	<b>85,550</b>	<b>3,359,211</b>
<b>Depreciation</b>			
As at 1st August 2021	-	2,282	2,282
Charge for the year	-	12,700	12,700
<b>As at 31st July 2022</b>	<b>-</b>	<b>14,982</b>	<b>14,982</b>
<b>Net book value at 31st July 2022</b>	<b>3,273,661</b>	<b>70,568</b>	<b>3,344,229</b>

Hub construction within asset under construction is built on land owned by Aston University which will be leased from Aston University for a period of 21 years and charged on a peppercorn rent basis.

## 5. DEBTORS

	2022	2021
	£	£
Trade receivables	0	418,100
Grants receivable	318,316	97,158
Other debtors	547,534	8,063
Prepayments - falling due within one year	1,361,607	104,779
Value added tax	24,028	
	<b>2,251,485</b>	<b>628,100</b>

Amounts falling due after one year

	2022	2021
	£	£
Prepayments - falling due after one year	86,860	191,639
	<b>86,860</b>	<b>191,639</b>

## 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade payables	1,272,021	207,376
Accruals and deferred income	1,994,477	1,004,225
Deferred income - government capital grants	94,212	20,940
Capital retention creditor	310,178	16,406
Other creditors	148	
Value added tax		38,788
	<b>3,671,036</b>	<b>1,287,735</b>

## 7. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2022	2021
	£	£
Deferred income - government capital grants	4,499,241	706,727
	<b>4,499,241</b>	<b>706,727</b>

## 8. CAPITAL COMMITMENTS

As at 31 July 2022 the company had committed to further expenditure in relation to the construction of the Hub of £228,341 (2021: £1,863,328).

## 9. PROFIT AND LOSS ACCOUNT

	2022	2021
	£	£
Opening Balance at 31 July 2021	-	-
Profit/(loss) for the year	-	-
Closing Balance at 31 July 2022	-	-