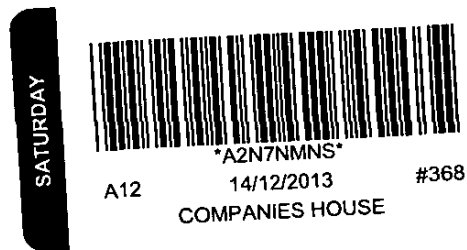


# Financial Statements Birmingham Technology (Property) Limited

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For the year ended 31 March 2013



Registered number: 02188998

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**Birmingham Technology (Property) Limited**

**Company Information**

**Directors**

Councillor T Ali (resigned 27 November 2013)  
Councillor Sir Albert Bore (chairman) (resigned 27 November 2013)  
Dr P Extance  
Professor Dame J King CBE  
Hon Alderman D Roy (resigned 6 December 2012)  
Councillor M Whitby (resigned 27 November 2013)  
Councillor J R McKav (appointed 11 June 2012)  
Councillor T Huxtable (resigned 11 June 2012)

**Company secretary**

R Kumar

**Registered number**

02188998

**Registered office**

Paraday Wharf  
Innovation Birmingham Campus  
Holt Street  
Birmingham Science Park  
Aston  
Birmingham  
B7 4BB

**Auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
Colmore Plaza  
20 Colmore Circus  
Birmingham  
West Midlands  
B4 6AT

**Bankers**

Lloyds TSB plc  
Ariel House  
2138 Coventry Road  
Birmingham  
West Midlands  
B26 3JW

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**Birmingham Technology (Property) Limited**

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## **Directors' Report**

**For the year ended 31 March 2013**

The directors present their report and the financial statements for the year ended 31 March 2013

### **Principal activities and review of business**

The company is an investment property company, with properties located at Birmingham Science Park Aston ("the Science Park") On 30 November 2012, the group reorganised its financial arrangements with Birmingham City Council As a result of this reorganisation the group transferred its interest in certain of its leasehold properties, namely Holt Court, Ashted Lock, Venure Way and Priestly Wharf, to Birmingham City Council in exchange for the settlement of £16.8 million of the debt owed to the Council Following this transaction the group has retained a 125 year long leasehold interest in Faraday Wharf

### **Results and dividends**

The loss for the year, after taxation, amounted to £190,611 (2012 profit £66,250)

The directors do not propose to pay a dividend in respect of the financial year (2012 £nil)

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

The company uses various financial instruments including cash and other items, such as trade creditors, that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below

The main risks arising from the company's financial instruments are market risk, liquidity risk, cash flow interest rate risk and credit risk The directors review and agree policies for managing each of these risks and they are summarised below These policies have remained unchanged from previous years

### **Principal risks and uncertainties**

#### **Impact of the economic recession on occupancy levels**

BTP, as the property company, holds all property and land leases and the company invoices tenants in Faraday Wharf (and in future for the Digital Plaza) for rent and service charges Faraday Wharf and the Digital Plaza together comprise the Innovation Birmingham Campus BTP currently holds the 'Contract for the Provision of Facilities Management' to the Science & Technology Campus, which covers the rest of the science park, and will do so at least until such time as the proposed JV is established BTP will be the company that takes on the loan finance to develop the iCentrum™ Building, the construction of which is aimed to start in March 2014

#### **The company's ability to raise finance for high value future developments**

The restructuring of the Science Park management companies has provided the means to fund the first stage in the future development of the Innovation Birmingham campus Thereafter delivery of the other buildings in Digital Plaza will be dealt with on a development by development basis

## **Directors' Report**

**For the year ended 31 March 2013**

### **Liquidity**

The restructuring was completed in November 2012 and a new business plan supported by a short term loan from Birmingham City Council supports a forecast for viable and sustainable future

### **Interest rate risk**

The company has a facility agreement with Birmingham City Council with a fixed interest rate

### **Credit risk**

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one customer depending upon their credit rating. The amounts presented in the balance sheet are net of any provisions for doubtful debts, estimated by the management of the company based on the financial understanding of the customer, prior experience and their assessment of the current economic environment. Decisions regarding cash and deposits with financial institutions are approved by management.

### **Going concern**

The group has prepared cash flow forecasts to 31 December 2014, making certain assumptions, to assess the working capital requirement for that period. Birmingham City Council has agreed to provide a working capital facility to meet that requirement. Accordingly, in the directors' opinion it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that might be necessary should the company be unable to continue as a going concern.

### **Directors**

The directors who served during the year were

Councillor T Ali (resigned 27 November 2013)

Councillor Sir Albert Bore (chairman) (resigned 27 November 2013)

Dr P Extance

Professor Dame J King CBE

Hon Alderman D Roy (resigned 6 December 2012)

Councillor M Whitby (resigned 27 November 2013)

Councillor J R McKay (appointed 11 June 2012)

Councillor T Huxtable (resigned 11 June 2012)

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity insurance policy which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the year Directors' and Officers' liability insurance in respect of itself and its Directors.

## **Directors' Report**

**For the year ended 31 March 2013**

### **Directors' responsibilities statement**

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 accounting 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.

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

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 auditor is 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 relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf



**R Kumar**  
Secretary

Date 11 December 2013



## Independent Auditor's Report to the Members of Birmingham Technology (Property) Limited

We have audited the financial statements of Birmingham Technology (Property) Limited for the year ended 31 March 2013, which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Note of historical cost profits and losses, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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 directors and auditor**

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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 2013 and of its loss 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.

### **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.



## Independent Auditor's Report to the Members of Birmingham Technology (Property) Limited

### **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

A handwritten signature in black ink, appearing to read "David White".

David White (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Birmingham

11 December 2013



**Birmingham Technology (Property) Limited**

# **Profit and Loss Account**

**For the year ended 31 March 2013**

	Note	2013 £	2012 £
<b>Turnover - rental income</b>	1,2	<b>1,440,031</b>	2,702,019
Administrative expenses		(1,318,655)	(1,505,799)
Exceptional administrative expenses	7	-	(185,970)
<b>Total administrative expenses</b>		<b>(1,318,655)</b>	<b>(1,691,769)</b>
<b>Other operating income</b>	3	<b>38,013</b>	-
<b>Operating profit</b>	4	<b>159,389</b>	1,010,250
Interest receivable and similar income	5	68,000	23,000
Interest payable and similar charges	6	(418,000)	(967,000)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(190,611)</b>	66,250
Tax on (loss)/profit on ordinary activities	8	-	-
<b>(Loss)/profit for the financial year</b>	17	<b>(190,611)</b>	66,250

All amounts relate to continuing operations

The notes on pages 9 to 17 form part of these financial statements

**Birmingham Technology (Property) Limited**

**Statement of Total Recognised Gains and Losses**

**For the year ended 31 March 2013**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>(Loss)/profit for the financial year</b>	<b>(190,611)</b>	<b>66,250</b>
Surplus/(deficit) on revaluation of investment properties	<u><b>500,000</b></u>	<u><b>(1,109,021)</b></u>
<b>Total recognised gains and losses relating to the year</b>	<u><u><b>309,389</b></u></u>	<u><u><b>(1,042,771)</b></u></u>

**Note of Historical Cost Profits and Losses**

**For the year ended 31 March 2013**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Reported (loss)/profit on ordinary activities before taxation</b>	<b>(190,611)</b>	<b>66,250</b>
Realisation of valuation gains of previous periods	<u><b>(841,967)</b></u>	<u><b>-</b></u>
<b>Historical cost (loss)/profit on ordinary activities before taxation</b>	<u><u><b>(1,032,578)</b></u></u>	<u><u><b>66,250</b></u></u>
<b>Historical (loss)/profit for the year after taxation</b>	<u><u><b>(1,032,578)</b></u></u>	<u><u><b>66,250</b></u></u>

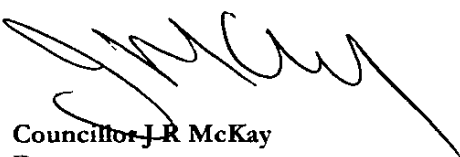
The notes on pages 9 to 17 form part of these financial statements

## Balance Sheet

As at 31 March 2013

	Note	£	2013 £	£	2012 £
<b>Fixed assets</b>					
Tangible assets	9		8,712		15,469
Investment property	10		5,000,000		16,665,008
Investments	11		5,001		5,001
			<u>5,013,713</u>		<u>16,685,478</u>
<b>Current assets</b>					
Debtors	12	11,326,427		921,565	
Cash at bank		9,613		145,898	
		<u>11,336,040</u>		<u>1,067,463</u>	
<b>Creditors: amounts falling due within one year</b>	13	(12,142,873)		(18,397,024)	
<b>Net current liabilities</b>			<u>(806,833)</u>		<u>(17,329,561)</u>
<b>Total assets less current liabilities</b>			<u>4,206,880</u>		<u>(644,083)</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(4,540,647)			-
<b>Provisions for liabilities</b>					
Other provisions	15		<u>(186,398)</u>		<u>(185,471)</u>
<b>Net liabilities</b>			<u><u>(520,165)</u></u>		<u><u>(829,554)</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		10,000		10,000
Revaluation reserve	17		1,789,717		447,750
Profit and loss account	17		<u>(2,319,882)</u>		<u>(1,287,304)</u>
<b>Shareholders' deficit</b>	18		<u><u>(520,165)</u></u>		<u><u>(829,554)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 December 2013



**Councillor J.R. McKay**  
 Director

The notes on pages 9 to 17 form part of these financial statements

# Notes to the Financial Statements

For the year ended 31 March 2013

## **1. Accounting policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards. The accounting policies adopted remain unchanged from the previous year.

### **1.2 Going concern**

The group has prepared cash flow forecasts to 31 December 2014, making certain assumptions, to assess the working capital requirement for that period. Birmingham City Council has agreed to provide a working capital facility to meet that requirement. Accordingly, in the directors' opinion it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that might be necessary should the company be unable to continue as a going concern.

### **1.3 Cash flow**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

### **1.4 Consolidation**

Under section 400 of the Companies Act 2006 the company does not prepare consolidated financial statements as it is a subsidiary of Birmingham Technology Limited, a company which prepares consolidated financial statements drawn up to the same date. These financial statements therefore present information about the company as an individual undertaking and not about its group.

### **1.5 Turnover - rental income**

Rental income includes rent received and receivable in the year. Rental income is recognised when rent becomes due under the company's occupational leases and licences, as and when the economic benefit transfers to the company. All turnover is in the United Kingdom.

### **1.6 Tangible fixed assets and depreciation**

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

Fixtures, fittings and equipment - 20% per annum

### **1.7 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

Investments are stated at cost except where the directors become aware of any impairments that they consider to be permanent, in which case provision is made for such diminution.

# Notes to the Financial Statements

For the year ended 31 March 2013

## **1. Accounting policies (continued)**

### **1.8 Investment properties**

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

### **1.9 Operating leases**

Rent payable under operating leases is charged to the profit and loss account as it becomes due.

### **1.10 Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax on defined benefit pension scheme surpluses or deficits is adjusted against these surpluses. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted at the balance sheet date.

### **1.11 Grants**

Capital grants received for tangible fixed assets (other than investment properties) are recorded as deferred grants, included within provisions. These deferred grants are amortised over the estimated useful lives of the assets for which they were received. Capital grants and contributions received for the development of investment properties are deducted from the gross cost of the property in determining the revaluation surplus or deficit. Grants for investment properties are deducted from the cost of the asset unless conditions for receipt are deemed not to have been met.

### **1.12 Provisions**

The group recognises provisions for liabilities and onerous contracts where there is an obligation to transfer economic benefits arising from a past transaction or event and where the liability can be reasonably estimated. Contracts are considered onerous where there is a continuing obligation.

## Notes to the Financial Statements

For the year ended 31 March 2013

### 1. Accounting policies (continued)

#### 1.13 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### 2. Turnover

The whole of the turnover is attributable to rental income.

All turnover arose within the United Kingdom.

### 3. Other operating income

	2013 £	2012 £
Recovery of property costs	25,774	-
Release of deferred income	12,239	-
	<u>38,013</u>	<u>-</u>

# Notes to the Financial Statements

For the year ended 31 March 2013

## 4. Operating profit

The operating profit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	6,757	10,948
Auditor's remuneration	11,350	21,000
Auditor's remuneration - non-audit	3,600	6,750
Management fee payable to undertakings	478,764	459,116
Operating lease charge - other than plant and machinery	136,332	261,356

During the year, no director received any emoluments (2012 £nil)

Non audit fees relate to taxation services

Apart from the directors, the company had no other employees (2012 none)

Each of the company's investment properties is subject to a headlease between the company and Birmingham City Council, as landowner. Rentals payable under these leases during the year ended 31 March 2013 were £136,332 (2012 £261,356)

## 5. Interest receivable

	2013 £	2012 £
Interest receivable from group undertakings	68,000	23,000

## 6. Interest payable

	2013 £	2012 £
On loans from other group undertakings	418,000	967,000

## 7. Exceptional items

	2013 £	2012 £
Permanent diminution of investment properties	-	155,970
Impairment of fixed assets	-	30,000
	-	185,970

# Notes to the Financial Statements

For the year ended 31 March 2013

## 8. Taxation

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 24% (2012 26%) The differences are explained below

	2013 £	2012 £
(Loss)/profit on ordinary activities before tax	<u>(190,611)</u>	<u>66,250</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2012 26%)	(45,747)	24,334
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	588	1,950
Capital allowances for year in excess of depreciation	(2,263)	(6,116)
Addition to/(utilisation of) tax losses	47,422	(20,168)
	<u>-</u>	<u>-</u>
Current tax charge for the year (see note above)	<u>-</u>	<u>-</u>

## 9. Tangible fixed assets

	Fixtures & fittings £
Cost	
At 1 April 2012 and 31 March 2013	<u>156,484</u>
Depreciation	
At 1 April 2012	141,015
Charge for the year	6,757
At 31 March 2013	<u>147,772</u>
Net book value	
At 31 March 2013	<u>8,712</u>
At 31 March 2012	<u>15,469</u>



# Notes to the Financial Statements

For the year ended 31 March 2013

## 10. Investment property

	Freehold investment property £
<b>Valuation</b>	
At 1 April 2012	16,665,008
Disposals	(12,165,008)
Surplus on revaluation	500,000
At 31 March 2013	5,000,000
The company's Faraday Wharf property was valued by Drivers Jonas Deloitte at £5m, as at 31 March 2013, using RICS guidelines based on market values	

## 11. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2012 and 31 March 2013	5,001
<b>Net book value</b>	
At 31 March 2013	5,001
At 31 March 2012	5,001

### Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
Birmingham Technology (Venture Capital) Limited	5,000 A Ordinary Shares of £1	90.9%
Birmingham Technology (Property One) Limited	23,000 A Ordinary and 27,000 B Ordinary Shares of £1	100%

Name	Business	Registered office
Birmingham Technology (Venture Capital) Limited	Venture Capital Investments	England & Wales
Birmingham Technology (Property One) Limited	Dormant	England & Wales

# Notes to the Financial Statements

For the year ended 31 March 2013

## 12. Debtors

	2013	2012
	£	£
Trade debtors	155,947	320,385
Amounts owed by group undertakings	11,009,661	540,595
Prepayments and accrued income	160,819	60,034
Tax recoverable	-	551
	<u>11,326,427</u>	<u>921,565</u>

Amounts owed by other group companies are repayable on demand Interest on these balances was receivable at 4% per annum (2012 5 5%) Intercompany balances are unsecured

## 13. Creditors: Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	543,889	138,418
Amounts owed to group undertakings	10,887,959	17,604,728
Other taxation and social security	1,436	-
Accruals and deferred income	709,589	653,878
	<u>12,142,873</u>	<u>18,397,024</u>

The amounts owed to group undertakings are repayable on demand Interest on these balances was payable and receivable at 4% per annum (2012 5 5%) Intercompany balances are unsecured

Birmingham City Council holds a debenture, with a fixed charge over the company's fixed assets and a floating charge over the company's current assets

## 14. Creditors: Amounts falling due after more than one year

	2013	2012
	£	£
Accruals and deferred income	<u>4,540,647</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2013	2012
	£	£
Repayable other than by instalments	<u>4,540,647</u>	<u>-</u>

The loan from Birmingham City Council was settled during the year, in exchange for the ownership of the investment properties held The Faraday Wharf property has since been retained by Birmingham Technology Limited, on a long term lease of 125 years

# Notes to the Financial Statements

For the year ended 31 March 2013

## 15. Provisions for liabilities and charges

	Deferred capital grant £
At 1 April 2012	185,471
Amounts reversed	927
At 31 March 2013	<u>186,398</u>

### Deferred taxation

No deferred tax assets has been recognised in 2013 (2012 £nil). The unprovided tax asset at 31 March 2013 is £XXX (2012 £296,641). The asset would be recovered by reducing future tax liabilities generated by future taxable profits. As this relies on the generation of future profits which is uncertain, the related asset has not been recognised.

## 16. Share capital

	2013 £	2012 £
<b>Allotted, called up and fully paid</b>		
8,750 Ordinary 'A' shares shares of £1 each	8,750	8,750
1,250 Ordinary 'B' shares shares of £1 each	1,250	1,250
	<u>10,000</u>	<u>10,000</u>

The 'A' Ordinary and 'B' Ordinary shares are separate classes of shares but carry the same rights and privileges and rank pari passu in all respects. This includes equality in voting rights and the rights to any remaining assets in the event of the company being wound up.

## 17. Reserves

	Revaluation reserve £	Profit and loss account £
At 1 April 2012	447,750	(1,287,304)
Loss for the financial year	-	(190,611)
Revaluation of investment property	500,000	-
Transfer to profit and loss account	841,967	(841,967)
At 31 March 2013	<u>1,789,717</u>	<u>(2,319,882)</u>

# Notes to the Financial Statements

For the year ended 31 March 2013

## 18. Reconciliation of movement in shareholders' deficit

	2013	2012
	£	£
Opening shareholders' (deficit)/funds	(829,554)	213,217
(Loss)/profit for the financial year	(190,611)	66,250
Surplus/(deficit) on revaluation of investment properties	500,000	(1,109,021)
Closing shareholders' deficit	<u>(520,165)</u>	<u>(829,554)</u>

## 19. Related party transactions

The company received management, marketing, accounting and administrative services from its parent undertaking and other group undertakings, and was charged £478,764 (2012 £472,611) during the year for these services

The company has a number of long-term leases with Birmingham City Council on its property portfolio. In the year to 31 March 2013 the company paid £136,332 (2012 £265,315) as rentals in respect of these leased properties. These amounts were calculated and paid on an arm's-length basis and at market rates. The company paid business rates to Birmingham City Council, on an arm's length basis, amounting to £256,428 (2012 £268,195).

The company receives rent and service charges in respect of an underlease occupied by Birmingham City Council. The amount received for the year ended 31 March 2013 was £26,890 (2012 £71,454) in respect of rents, and £13,016 (2012 £35,388) in respect of service charges.

The company receives rent and service charges in respect of an underlease occupied by Tech N1 Plant Limited. The amount received for the year ended 31 March 2013 was £13,480 (2012 £20,220) in respect of rents, and £7,374 (2012 £11,055) in respect of service charges. Tech N1 Plant Limited owed the company £3,104 (2012 £3,128) at 31 March 2013.

The amounts owed to / by group undertakings, including subsidiary undertakings, are repayable on demand. Interest on these balances was payable and receivable at 4% per annum (2012 5.5%).

## 20. Ultimate parent undertaking and controlling party

The company is part of the Innovation Birmingham Limited group, which is the smallest group to consolidate these financial statements. The ultimate parent undertaking and controlling party is Birmingham City Council, which is the parent undertaking of the largest group to consolidate these financial statements. Copies of Innovation Birmingham Limited's, and Birmingham City Council's consolidated financial statements can be obtained from the Company Secretary at Faraday Wharf, Holt Street, Aston Science Park, Birmingham B7 4BB.