

Birmingham Technology (Property) Limited
Annual report and financial statements
for the year ended 31 March 2010

Registered number 2188998

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Birmingham Technology (Property) Limited

Annual report and financial statements for the year ended 31 March 2010

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Birmingham Technology (Property) Limited

Directors' report for the year ended 31 March 2010

The directors present their annual report together with the audited financial statements of the company (registered number 2188998) for the year ended 31 March 2010. The directors have taken the exemption under the special provisions relating to small companies within Part 15 of the Companies Act 2006 from undertaking the detailed business review requirements of section 417 of the Companies Act 2006.

Principal activities and business review

The company is an investment property company, with properties located at Birmingham Science Park Aston ("the Science Park").

Occupancy levels at the Science Park declined during the year as economic conditions hardened. As a result an overall loss after taxation of £29,690 was incurred. A Directors' valuation of the company's properties was prepared as at 31 March 2010, using RICS guidelines based on market values. This resulted in a small reduction in value compared to the value at 31 March 2009. The last full external valuation was undertaken at 30 June 2007, by Phoenix Beard, using RICS guidelines.

Results and dividends

The results for the year are set out on page 6. As a result of the decline in operating activities the company incurred a loss for the year of £29,690 (2009 (9 month period) £1,484,650 loss) which was deducted from reserves. The directors do not propose to pay a dividend in respect of the financial year (2009 (9 month period) £nil).

Principal risks and uncertainties

The company maintains a corporate risk register. The key risks facing the company and the way in which these are being managed are:

- Impact of the economic recession on occupancy levels – a business plan has been prepared by the directors to address the future strategy of the company to improve occupancy at the Science Park, to attract businesses which are appropriate to the Science Park and to ensure it can compete favourably with other Science and Technology Parks,
- The company's ability to raise finance for high value future developments – the directors have prepared a high level strategic plan which addresses future development. Funding for this will be dealt with on a development by development basis,
- In view of the recent losses incurred the company needs to be able to generate cash to meet its loan repayments to Birmingham City Council – the directors are developing a number of key business areas to generate additional cash flow, and
- Interest rate risk on loans – the company has a facility agreement with Birmingham City Council with a fixed interest rate for the year to 2033.

Charitable donations

The company did not make any charitable donations during the year ended 31 March 2010 (2009 (9 month period) £nil).

Birmingham Technology (Property) Limited

Directors' report for the year ended 31 March 2010 (continued)

Going concern

The ability of the company to continue as a going concern is dependent upon the continuing support of Birmingham City Council. The financial statements do not include any adjustments that might be necessary should the company be unable to continue as a going concern. In the opinion of the directors, the going concern basis is appropriate for the preparation of the financial statements as the confirmation of ongoing financial support has been received from Birmingham City Council.

Directors

The directors during the year and up to the date of signing the financial statements were

Councillor M Whitby	
Councillor Sir Albert Bore	
Councillor N Summerfield	(Resigned 16 July 2010)
Councillor T Ali	(Appointed 26 November 2009, Resigned 16 July 2010)
Councillor T Huxtable	(Appointed 16 July 2010)
Councillor S Shah	(Appointed 16 July 2010)
Honourable Alderman D Roy	(Appointed 29 June 2009)
Professor J King	
Professor I Bennion	(Resigned 17 September 2010)
Dr P Extance	(Appointed 17 September 2010)

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' 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 prepared 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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.

Birmingham Technology (Property) Limited

Directors' report for the year ended 31 March 2010 (continued)

Statement on disclosure of information to auditors

Each person who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006

By order of the board



P R Lines
Company secretary

20 December 2010

Independent auditors' 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 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses 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)

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

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 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 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 auditors' report to the members of Birmingham Technology (Property) Limited (continued)

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 Directors' Report in accordance with the small company regime



Stephen Snook (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

23 December 2010

Birmingham Technology (Property) Limited

Profit and loss account for the year ended 31 March 2010

	Note	Year ended 31 March 2010 £	9 month period ended 31 March 2009 £
Turnover - rental income	1	2,616,753	2,092,856
Administrative expenses – ordinary		(1,662,163)	(1,868,730)
– exceptional	4	53,000	(852,000)
Total administrative expenses		(1,609,163)	(2,720,730)
Operating profit/(loss)		1,007,590	(627,874)
Interest receivable and similar income	2	42	671
Interest payable and similar charges	3	(1,037,322)	(753,000)
Loss on ordinary activities before taxation	4	(29,690)	(1,380,203)
Tax on loss on ordinary activities	5	-	(104,447)
Loss for the financial year	13	(29,690)	(1,484,650)

The results of the company arise entirely from the continuing activities of the company

Birmingham Technology (Property) Limited

Statement of total recognised gains and losses for the year ended 31 March 2010

	Year ended 31 March 2010	9 month period ended 31 March 2009
	£	£
Loss for the financial year	(29,690)	(1,484,650)
Decrease in revaluation reserve	(124,856)	(5,224,279)
Total recognised losses recognised since the last annual report	(154,546)	(6,708,929)

Note of historical cost profits and losses for the year ended 31 March 2010

	Year ended 31 March 2010	9 month period ended 31 March 2009
	£	£
Reported loss on ordinary activities before taxation	(29,690)	(1,380,203)
Difference between the impairment of investment properties calculated on the historical cost basis and that calculated on the revalued amount	-	76,297
Historical cost loss on ordinary activities before taxation	(29,690)	(1,303,906)
Historical cost loss for the year retained after taxation	(29,690)	(1,408,353)

Birmingham Technology (Property) Limited

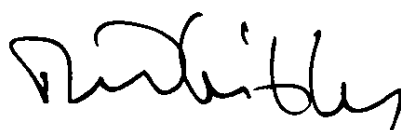
Balance sheet as at 31 March 2010

		31 March 2010	31 March 2009
	Note	£	£
Fixed assets			
Tangible assets	6	19,589	49,865
Investment properties	7	19,162,040	19,193,032
Investments	8	5,001	5,001
		19,186,630	19,247,898
Current assets			
Debtors	9	685,182	639,853
Cash at bank and in hand		390,961	20,460
		1,076,143	660,313
Creditors: amounts falling due within one year	10	(18,548,170)	(17,995,211)
Net current liabilities		(17,472,027)	(17,334,898)
Total assets less current liabilities		1,714,603	1,913,000
Provisions for liabilities	11	(330,631)	(374,482)
Net assets		1,383,972	1,538,518
Capital and reserves			
Called up share capital	12	10,000	10,000
Revaluation reserve	13	1,650,225	1,775,081
Profit and loss account	13	(276,253)	(246,563)
Total shareholders' funds	14	1,383,972	1,538,518

The notes on pages 9 to 22 form part of these financial statements

Approved by the board on 20 December 2010 and signed on its behalf by

Director


COUNCILLOR M. WHITLEY

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010

1 Principal accounting policies

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of investment properties, and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. Compliance with SSAP 19 "Accounting for Investment properties" requires departure from the requirements of the Companies Act 2006 relating to depreciation and amortisation and an explanation of the departure is set out below. The accounting policies have been consistently applied.

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. Details are included in note 16 of the financial statements.

Going concern

The ability of the company to continue as a going concern is dependent upon the continuing support of Birmingham City Council. The financial statements do not include any adjustments that might be necessary should the company be unable to continue as a going concern. The directors have received confirmation from Birmingham City Council that ongoing support will be provided. Therefore, in the opinion of the directors' the going concern basis is appropriate for the preparation of the financial statements.

Investment properties

Investment properties are stated at cost during the course of construction and market value when complete and available for letting. Cost includes interest capitalised during development and other professional fees.

In accordance with an amendment to SSAP 19, movements in the valuation of investment properties are shown in the statement of total recognised gains and losses, with the sole exception that deficits, or impairments of value below original cost, on individual investment properties that are expected to be permanent are charged to the profit and loss account.

A directors' valuation of the company's properties is prepared annually using RICS guidelines based on market values. At three yearly intervals a full external valuation is undertaken.

No provision is made for amortisation of leasehold properties held on leases having more than 20 years unexpired. This departure from the requirements of the Companies Act 2006, which required all properties to be depreciated, is, in the opinion of the directors, necessary for the financial statements to show a true and fair view in accordance with applicable accounting standards. The amortisation (which would, had the provision of the Act been followed, have resulted in an additional charge to the profit and loss account) is only one of the factors reflected in the annual valuation and the amount attributable to this factor cannot reasonably be separately identified or quantified.

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.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

1 Principal accounting policies (continued)

Investments

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

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided on a straight-line basis to write off the cost of the assets, less their residual values, over their estimated useful lives. Rates of depreciation are

Fixtures, fittings and equipment	20% per annum
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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.

Taxation (including deferred taxation)

The charge for taxation is based on the profits for the year and takes into account taxation deferred in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

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.

Statement of cash flows

The immediate parent undertaking, Birmingham Technology Limited, has included a cash flow statement in its consolidated financial statements for the year ended 31 March 2010. Under the exemptions conferred by Financial Reporting Standard 1 (revised 1996) 'Cash Flow Statements' no cash flow statement is required in the financial statements of this company.

Operating leases

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

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

2 Interest receivable and similar income

	Year ended 31 March 2010	9 month period ended 31 March 2009
	£	£
Bank interest receivable	42	671

3 Interest payable and similar charges

	Year ended 31 March 2010	9 month period ended 31 March 2009
	£	£
On loans from other group companies	1,027,000	753,000
Other interest charges	10,322	-
Interest payable	1,037,322	753,000

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

4 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging/(crediting) the following amounts

	Year ended 31 March 2010	9 month period ended 31 March 2009
	£	£
Management fee payable to parent undertaking / other group companies	562,492	532,722
Depreciation on tangible fixed assets	16,251	29,569
Loss on disposal of fixed assets	6,525	-
Auditors' remuneration		
Audit fees	15,250	16,300
Non audit fees	5,800	6,200
Exceptional administrative expenses		
Permanent diminution in value of investment properties (note 7)	-	652,000
Provision for onerous contract for head lease (note 11)	(53,000)	200,000

Non audit fees related to taxation services

None of the directors received any emoluments during the year in respect of their services to the company (2009 £nil)

Apart from the directors, the company had no other employees (2009 none)

Operating leases

	Year ended 31 March 2010	9 month period ended 31 March 2009
	£	£
Operating lease charges - other than plant and machinery	322,002	319,032

Each of the Company's investment properties is subject to a headlease between the Company and Birmingham City Council, as landowner. These headleases expire in June 2110. Rentals payable under these leases during the year ended 31 March 2010 were £322,002 (2009 (9 month period) £319,032) and are payable based on rents receivable.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

5 Tax on loss on ordinary activities

Analysis of tax charge in the year:

	Year ended 31 March 2010	9 month period ended 31 March 2009
	£	£
Corporation tax		
UK corporation tax on loss for the year	-	(17,915)
Adjustments to tax in respect of prior years	-	(3,305)
Total current tax	-	(21,220)
Deferred tax.		
Current year	-	161,564
Adjustments to tax in respect of prior periods	-	(35,897)
Total deferred tax (note 11)	-	125,667
Tax on loss on ordinary activities	-	104,447

The tax assessed for the year is higher (2009 higher) than the standard rate of corporation tax in the United Kingdom of 28% (2009 28%)

Factors affecting tax credit for the year

	Year ended 31 March 2010	9 month period ended 31 March 2009
	£	£
Loss on ordinary activities before taxation	(29,690)	(1,380,203)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	(8,313)	(386,456)
Effects of		
Capital allowances for year in excess of depreciation	(8,527)	(213)
Expenses not deductible for tax purposes	1,495	180,685
Short term timing differences	15,345	188,069
Adjustments to tax charge in respect of prior years	-	(3,305)
Current tax credit for the year	-	(21,220)

Based on current capital investment plans, there are no significant factors that will affect the tax charge in future years. Subject to agreement with HMRC the company has accumulated tax losses of £347,220 which are available to offset future trading profit.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

6 Tangible assets

Fixtures, fittings and equipment	£
Cost	
At 1 April 2009	160,754
Disposals	(20,400)
At 31 March 2010	140,354
Accumulated depreciation	
At 1 April 2009	110,889
Disposals	(6,375)
Charge for the year	16,251
At 31 March 2010	120,765
Net book amount	
At 31 March 2010	19,589
At 31 March 2009	49,865
At 31 March 2010 the company had capital commitments of £nil (2009 (9 month period) £195,914)	

7 Investment properties

Valuation	£
Valuation at 1 April 2009	19,193,032
Additions	193,864
Contributions received	(100,000)
Revaluation	(124,856)
Valuation at 31 March 2010	19,162,040

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

7 Investment properties (continued)

The historical cost of investment properties, net of grants received, comprises

	£
Gross cost of construction at 1 April 2009	21,817,693
Additions during the year	193,864
Disposals during the year	-
Permanent diminution in value	-
Gross cost at 31 March 2010	22,011,557
Capital grants received and receivable as at 1 April 2009	(4,399,742)
Contributions received during the year	(100,000)
Capital grants / contributions received and receivable as at 31 March 2010	(4,499,742)
Cost less grants / contributions received and receivable at 31 March 2010	17,511,815
Revaluation surplus at 31 March 2010	1,650,225

The amount of interest included in the historical cost of investment properties, in accordance with the accounting policy in Note 1, was £513,579 (2009 (9 month period) £513,579)

A directors' valuation of the company's properties was prepared as at 31 March 2010, using RICS guidelines based on market values. Due to current market conditions and lower occupancy levels this resulted in a small reduction in value compared to the value at 31 March 2009. The last full external valuation was undertaken at 30 June 2007, by Phoenix Beard, using RICS guidelines.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

8 Investments

Shares in subsidiaries at cost

	£
Cost at 31 March 2010 and 31 March 2009	5,001

The holdings are as follows

Name of company	Country of incorporation	Details of shareholding	Percentage holding	£
Birmingham Technology (Venture Capital) Limited	Great Britain	5,000 A Ordinary Shares of £1	90.9%	5,000
Birmingham Science Park Aston Limited (formerly Aston Science Park Limited)	Great Britain	23,000 A Ordinary and 27,000 B Ordinary Shares of £1	100%	1
				5,001

The directors consider the value of the investments to be supported by the underlying assets

The shareholding in Birmingham Science Park Aston Limited (formerly Aston Science Park Limited) was acquired for £1

9 Debtors

	31 March 2010	31 March 2009
Amounts falling due within one year	£	£
Trade debtors	531,742	418,834
Amounts owed by group undertakings	46,866	5,635
Other taxation and Social Security	2,438	-
Other debtors	-	157,815
Prepayments and accrued income	104,136	57,569
	685,182	639,853

Other debtors include £nil (2009 (9 month period) £nil) of deferred tax asset. Amounts owed by other group companies are repayable on demand. Interest on these balances was receivable at 6% per annum (2009 6%). Intercompany balances are unsecured.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

10 Creditors: amounts falling due within one year

	31 March 2010	31 March 2009
	£	£
Trade creditors	49,802	107,738
Amounts owed to group undertakings	17,667,990	16,832,675
Other creditors	105,867	224,135
Accruals and deferred income	724,511	830,663
	18,548,170	17,995,211

The amounts owed to group companies, including subsidiary undertakings, are repayable on demand. Interest on these balances was payable and receivable at 6% per annum (2009: 6%). 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.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

11 Provisions for liabilities

	31 March 2010	31 March 2009
	£	£
Deferred capital grants	183,631	174,482
Other provisions	147,000	200,000
Provisions for liabilities	330,631	374,482

The other provision relates to the estimate of an onerous contract provision on one of the head leases pertaining to one of the company's investment properties, which is expected to be utilised within the year to 31 March 2011

Deferred capital grants and other provisions

	31 March 2010	31 March 2009
	£	£
Deferred capital grants		
At 1 April 2009	174,482	6,452
Amortisation	(1,173)	(5,279)
Reclassification (note 7)	-	153,244
Other charges	10,322	-
Additions	-	20,065
As at 31 March 2010	183,631	174,482

	£	£
Other provisions		
At 1 April 2009	200,000	-
(Release of provision) / charge to the profit and loss account	(53,000)	200,000
As at 31 March 2010	147,000	200,000

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

11 Provisions for liabilities (continued)

Deferred taxation asset	31 March 2010	31 March 2009
	£	£
Deferred tax asset at 1 April 2009	-	125,667
Deferred taxation charge for the year (note 5)	-	(125,667)
Deferred tax asset at 31 March 2010	-	-

The full potential deferred tax asset, calculated on the liability method at 28% (2009 28%), is £326,502 (2009 (9 month period) £317,699) calculated as follows

	31 March 2010	31 March 2009
	£	£
Accelerated capital allowances	21,578	30,105
Short term timing differences	(42,296)	(39,775)
Tax losses carried forward	347,220	327,369
Undiscounted deferred tax asset (unrecognised)	326,502	317,699

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property was sold or where there is a binding agreement to sell. The total amount of unprovided deferred tax in respect of revalued property as at 31 March 2010 was £nil (2009 (9 month period) £nil).

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

12 Called up share capital

	31 March 2010	31 March 2009
Authorised	£	£
8,750 'A' Ordinary shares of £1 each	8,750	8,750
1,250 'B' Ordinary shares of £1 each	1,250	1,250
	10,000	10,000
Allotted and fully paid	£	£
8,750 'A' Ordinary shares of £1 each	8,750	8,750
1,250 'B' Ordinary shares of £1 each	1,250	1,250
	10,000	10,000

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.

13 Reserves

	Revaluation Reserve	Profit and loss account	Total
	£	£	£
At 1 April 2009	1,775,081	(246,563)	1,528,518
Revaluation of properties	(124,856)	-	(124,856)
Loss for the financial year	-	(29,690)	(29,690)
At 31 March 2010	1,650,225	(276,253)	(1,373,972)

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

14 Reconciliation of movements in shareholders' funds

	Year ended 31 March 2010	9 month period ended 31 March 2009
	£	£
Opening shareholders' funds	1,538,518	8,247,447
Loss for the financial year	(29,690)	(1,484,650)
Transfer from revaluation reserve to profit and loss reserve	-	76,297
Movement in revaluation reserve	(124,856)	(5,300,576)
Net decrease in shareholders' funds	(154,546)	(6,708,929)
Closing shareholders' funds	1,383,972	1,538,518

15 Operating lease commitments

The company has the following annual commitments under operating leases which expire as follows

	31 March 2010	31 March 2009
	£	£
Land and buildings – expiring after 5 years	322,002	319,032

Certain of the amount of the rents payable is dependent upon current occupancy levels and hence may vary in the future from the amounts stated above

16 Parent undertaking and controlling party

The company is part of the Birmingham Technology 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 Birmingham Technology 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

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 31 March 2010 (continued)

17 Related party disclosures

The company received management, marketing, accounting and administrative services from its parent undertaking and other group companies, and was charged £562,492 (2009 (9 month period) £532,722) 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 2010 the company paid £322,002 (2009 (9 month period) £319,032) 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 £301,220 (2009 (9 month period) £ 446,368)

The Group receives rent and service charges in respect of an underlease occupied by Birmingham City Council. The amount receivable for the year ended 31 March 2010 was £29,902 (2009 £nil) in respect of rents, and £22,465 (2009 £nil) in respect of service charges

The amounts owed to / by group companies, including subsidiary undertakings, are repayable on demand. Interest on these balances was payable and receivable at 6% per annum (2009 6%)

18 Contingent liabilities

Subsequent to the end of the financial year, the Company has received notification of a potential claim by a third party on a property related contract for £0.6 million and interest thereon. The Directors currently consider that the Company has no liability in respect of the contract. Discussions are at a very early stage and are likely to require input at the appropriate time from professional advisers including property experts. Accordingly, no provision has been made in the accounts