

Birmingham Technology (Property) Limited
Annual report and financial statements
for the 9 month period ended 31 March 2009

Registered number: 2188998



Birmingham Technology (Property) Limited

Annual report and financial statements for the 9 month period ended 31 March 2009

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Birmingham Technology (Property) Limited

Directors' report for the 9 month period ended 31 March 2009

The directors present their annual report together with the audited financial statements of the company for the 9 month period ended 31 March 2009.

Principal activities and business review

The company is an investment property company, with properties located at Birmingham Science Park Aston ("the Science Park"). On 30 June 2008, the company acquired from its parent company, all the shares in Birmingham Technology (Property One) Limited and subsequently on the same date, two properties and related assets from Birmingham Technology (Property One) Limited.

Occupancy levels at the Science Park declined during the period as economic conditions hardened. As a result an overall loss before taxation of £1,380,203 was incurred. This included an exceptional charge of £852,000 which was taken to the profit and loss account during the period reflecting a permanent diminution in value, and a related onerous contract provision, in respect of certain of the company's investment properties. A Directors' valuation of the company's properties was prepared as at 31 March 2009, using RICS guidelines based on market values. Due to current market conditions and lower occupancy levels this resulted in a significant reduction in value compared to the value at 30 June 2008. The last full external valuation was undertaken at 30 June 2007, by Phoenix Beard, using RICS guidelines.

Results and dividends

The results for the period are set out on page 7. The company changed its accounting reference date during the period to 31 March and the results are for the 9 month period to 31 March 2009. As a result of the decline in operating activities and the exceptional administrative costs, the company incurred a loss for the period of £1,484,650 (2008: £163,754 loss) which was transferred from reserves. The directors do not propose to pay a dividend in respect of the financial period (2008: £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 period to 2033.

Charitable donations

The company did not make any charitable donations during the 9 month period ended 31 March 2009 (2008: £Nil).

Birmingham Technology (Property) Limited

Directors' report for the 9 month period ended 31 March 2009 (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 period and up to the date of signing the financial statements were:

Councillor M Whitby

Councillor Sir Albert Bore

Councillor N Summerfield

Councillor T Ali

(Appointed 29 June 2009)

Honourable Alderman R Hudson

(Resigned 14 November 2008)

Honourable Alderman D Roy

(Appointed 29 June 2009)

Professor J King

Professor I Bennion

Statement of directors' responsibilities in respect of the Annual 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 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 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.

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.

Birmingham Technology (Property) Limited

Directors' report for the 9 month period ended 31 March 2009 (continued)

Statutory auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the board



P R Lines
Secretary
1 October 2009

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

We have audited the financial statements of Birmingham Technology (Property) Limited for the period ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

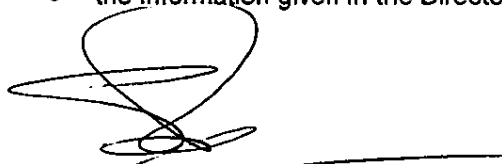
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Opinion

In our opinion:

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006;
- the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2009 and of its loss for the period then ended; and
- the information given in the Directors' Report is consistent with the financial statements.



Stephen Rowe
Senior Statutory Auditor
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham, United Kingdom

1 October 2009

Birmingham Technology (Property) Limited

Profit and loss account for the 9 month period ended 31 March 2009

	Note	9 month period ended 31 March 2009 £	Year ended 30 June 2008 £
Turnover - rental income	1	2,092,856	1,212,385
Administrative expenses – ordinary		(1,868,730)	(1,176,699)
– exceptional	4	(852,000)	(212,000)
Total administrative expenses		(2,720,730)	(1,388,699)
Operating loss		(627,874)	(176,314)
Interest receivable and similar income	2	671	236,247
Interest payable and similar charges	3	(753,000)	(152,099)
Loss on ordinary activities before taxation	4	(1,380,203)	(92,166)
Tax charge on loss on ordinary activities	5	(104,447)	(71,588)
Loss for the financial period	13	(1,484,650)	(163,754)

The notes on pages 10 to 23 form part of these financial statements.

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 9 month period ended 31 March 2009

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
Loss for the financial period	(1,484,650)	(163,754)
(Decrease)/increase in revaluation reserve	(5,224,279)	697,000
Total recognised gains and losses recognised since the last annual report	(6,708,929)	533,246

Note of historical cost profits and losses for the 9 month period ended 31 March 2009

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
Reported loss on ordinary activities before taxation	(1,380,203)	(92,166)
Difference between the impairment of investment properties calculated on the historical cost basis and that calculated on the revalued amount	76,297	(70,000)
Historical cost loss on ordinary activities before taxation	(1,303,906)	(162,166)
Historical cost loss for the period retained after taxation	(1,408,353)	(233,754)

The notes on pages 10 to 23 form part of these financial statements.


Birmingham Technology (Property) Limited

Balance sheet as at 31 March 2009

	Note	31 March 2009 £	30 June 2008 £
Fixed assets			
Tangible assets	6	49,865	79,434
Investment properties	7	19,193,032	25,340,749
Investments in subsidiaries	8	5,001	5,001
		19,247,898	25,425,184
Current assets			
Debtors	9	639,853	486,868
Bank and cash		20,460	-
		660,313	486,868
Creditors: amounts falling due within one year	10	(17,995,211)	(17,658,153)
Net current liabilities		(17,334,898)	(17,171,285)
Total assets less current liabilities		1,913,000	8,253,899
Provisions for liabilities and charges	11	(374,482)	(6,452)
Net assets		1,538,518	8,247,447
Capital and reserves			
Called up share capital	12	10,000	10,000
Revaluation reserve	13	1,775,081	7,075,657
Profit and loss account	13	(246,563)	1,161,790
Total shareholders' funds	14	1,538,518	8,247,447

The notes on pages 10 to 23 form part of these financial statements.

Approved by the board on 1 October 2009 and signed on its behalf by:


Sir Albert Bore
Director

Birmingham Technology (Property) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009

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

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. 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.

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.

Rental income

Rental income includes rent received and receivable in the period.

Birmingham Technology (Property) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (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 cost less depreciation. 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 life 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

Corporation tax payable is provided on taxable profits at the current rate of taxation.

Deferred taxation is provided on timing differences, arising from the different treatments for financial statements and taxation purposes of events and transactions recognised in the financial statements of the current and previous years. Deferred taxation is calculated at the rate at which it is estimated that taxation will arise. Deferred taxation assets are recognised to the extent that it is regarded as more likely than not that there will be suitable taxable profits against which the deferred tax asset can be recovered in future periods. Deferred tax balances are not discounted.

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 9 month period ended 31 March 2009. Under the exemptions conferred by Financial Reporting Standard 1 (revised 1996) 'Cash Flow Statements' no cash flow statement is required in the accounts 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 9 month period ended 31 March 2009 (continued)

2 Interest receivable and similar income

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
Bank interest receivable	671	16,707
Interest receivable from other group companies	-	219,540
	671	236,247

3 Interest payable and similar charges

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
On bank loans	-	144,509
On loans from other group companies	753,000	7,590
	753,000	152,099

Birmingham Technology (Property) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

4 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging the following amounts:

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
Management fee payable to parent undertaking / other group companies	532,722	345,876
Depreciation	29,569	24,831
Auditors' remuneration:		
Audit fees	16,300	6,825
Non audit fees	6,200	3,675
Exceptional administrative expenses:		
Permanent diminution in value of investment properties (note 7)	652,000	212,000
Provision for onerous contract for head lease (note 11)	200,000	-

Non audit fees related to taxation services.

None of the directors received any emoluments during the period in respect of their services to the company (2008: £nil).

Apart from the directors, the company had no other employees (2008: none).

Operating leases

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
Operating lease charges - other than plant and machinery	319,032	382,326

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 9 month period ended 31 March 2009 were £319,032 (2008: £382,326) and are payable based on rents receivable.

Birmingham Technology (Property) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

5 Tax on loss on ordinary activities

Analysis of tax charge in the period:

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
Corporation tax		
UK corporation tax credit on loss for the period	(17,915)	3,305
Adjustments to tax charge in respect of prior periods	(3,305)	(31,356)
Total UK corporation tax	(21,220)	(28,051)
Deferred tax charge/(credit)		
Current period	161,564	43,311
Adjustments to tax charge in respect of prior periods	(35,897)	56,328
Total deferred tax (note 11)	125,667	99,639
Tax on loss for the period	104,447	71,588

The tax assessed for the period is higher (2008: lower) than the standard rate of corporation tax in the United Kingdom of 28% (2008: 20.25%).

Factors affecting tax credit for the period

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
Loss on ordinary activities before taxation	(1,380,203)	(92,166)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008: 20.25%)	(386,456)	(18,664)
Effects of:		
Capital allowances for period in excess of depreciation	(213)	(3,628)
Expenses not deductible for tax purposes	180,685	43,361
Short term timing differences	188,069	(17,764)
Adjustments to tax charge in respect of prior periods	(3,305)	(31,356)
Current tax credit for the period	(21,220)	(28,051)

Based on current capital investment plans, there are no significant factors that will affect the tax charge in future years.

Birmingham Technology (Property) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

6 Tangible assets

Fixtures, fittings and equipment	£
Cost	
At 1 July 2008	160,754
Transfers from other group companies	-
At 31 March 2009	160,754
Accumulated depreciation	
At 1 July 2008	(81,320)
Charge for the period	(29,569)
At 31 March 2009	(110,889)
Net book amount	
At 31 March 2009	49,865
At 30 June 2008	79,434

At 31 March 2009 the company had capital commitments of £195,914 (2008: £Nil).

7 Investment properties

Valuation	£
Valuation at 1 July 2008	25,340,749
Additions	189,212
Reclassification of grants (note 11)	153,244
Contributions received	(100,000)
Disposals	(513,894)
Revaluation	(5,224,279)
Permanent diminution in value	(652,000)
Valuation at 31 March 2009	19,193,032

Birmingham Technology (Property) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

7 Investment properties (continued)

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

	£
Gross cost of construction at 1 July 2008	22,718,078
Additions during the period	189,212
Disposals during the period	(513,894)
Permanent diminution in value	(575,703)
Gross cost at 31 March 2009	21,817,693
Capital grants received and receivable as at 1 July 2008	(4,452,986)
Contributions received during the period	(100,000)
Grants reclassified during the period (note 11)	153,244
Capital grants / contributions received and receivable as at 31 March 2009	(4,399,742)
Cost less grants / contributions received and receivable at 31 March 2009	17,417,951
Revaluation surplus at 31 March 2009	1,775,081

The amount of interest included in the historical cost of investment properties, in accordance with the accounting policy in Note 1, was £513,579 (2008: £513,579).

A directors' valuation of the company's properties was prepared as at 31 March 2009, using RICS guidelines based on market values. Due to current market conditions and lower occupancy levels this resulted in a significant reduction in value compared to the value at 30 June 2008. An exceptional charge of £652,000 was taken to the profit and loss account during 2009 reflecting an impairment in value of some of the company's investment properties. 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 9 month period ended 31 March 2009 (continued)

8 Investments

Shares in subsidiaries at cost

				£
Cost at 30 June 2008 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 2009	30 June 2008
Amounts falling due within one year	£	£
Trade debtors	418,834	222,272
Amounts owed by other group companies	5,635	-
Other debtors	157,815	141,793
Prepayments and accrued income	57,569	122,803
	639,853	486,868

Other debtors include £Nil (2008: £125,667) of deferred tax asset. Amounts owed by other group companies are repayable on demand. Interest on these balances was receivable at 6% per annum (2008: 6%).

Birmingham Technology (Property) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

10 Creditors: amounts falling due within one year

	31 March 2009	30 June 2008
	£	£
Bank overdraft	-	62,448
Trade creditors	107,738	128,349
Amounts owed to subsidiary undertakings	-	861,811
Amounts owed to other group companies	16,832,675	16,113,331
Corporation tax payable	-	3,305
Other creditors	224,135	98,775
Accruals and deferred income	830,663	390,134
	17,995,211	17,658,153

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 (2008: 6%).

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 9 month period ended 31 March 2009 (continued)

11 Provisions for liabilities and charges

	31 March 2009	30 June 2008
	£	£
Deferred capital grants	174,482	6,452
Other provisions	200,000	-
Provisions for liabilities and charges	374,482	6,452

The other provision relates to the estimate of an onerous contract provision on one of the headleases pertaining to one of the company's investment properties, which is expected to be utilised within the 2 years to 31 March 2011.

Deferred capital grants and other provisions

	31 March 2009	30 June 2008
	£	£
Deferred capital grants		
At 1 July 2008	6,452	13,490
Amortisation	(5,279)	(7,038)
Reclassification (note 7)	153,244	-
Additions	20,065	-
As at 31 March 2009	174,482	6,452

	£	£
Other provisions		
At 1 July 2008	-	-
Charge to the profit and loss account	200,000	-
As at 31 March 2009	200,000	-

Birmingham Technology (Property) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

11 Provisions for liabilities and charges (continued)

Deferred taxation asset	31 March 2009	30 June 2008
	£	£
Deferred tax asset at 1 July 2008	125,667	225,306
Deferred taxation charge for the period (note 5)	(125,667)	(99,639)
Deferred tax asset at 31 March 2009 (note 9)	-	125,667

The full potential deferred tax asset, calculated on the liability method at 28% (2008: 28%), is £261,699 (2008: £125,667) calculated as follows:

	31 March 2009	30 June 2008
	£	£
Accelerated capital allowances	30,105	21,103
Short term timing differences	(39,775)	395
Tax losses carried forward	327,369	104,169
Undiscounted deferred tax asset (unrecognised)	317,699	125,667

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 2009 was £Nil (2008: £386,558)

Birmingham Technology (Property) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

12 Called up share capital

	31 March 2009	30 June 2008
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

	9 month period ended 31 March 2009	Year ended 30 June 2008
Revaluation reserve	£	£
At 1 July 2008	7,075,657	6,590,657
Revaluation	(5,224,279)	697,000
Permanent diminution in value	-	(212,000)
Transfer to profit and loss account	(76,297)	-
At 31 March 2009	1,775,081	7,075,657

Birmingham Technology (Property) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

13 Reserves (continued)

Profit and loss account	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
At 1 July 2008	1,161,790	1,113,544
Loss for the financial period	(1,484,650)	(163,754)
Transfer from revaluation reserve	76,297	212,000
At 31 March 2009	(246,563)	1,161,790

14 Reconciliation of movements in total shareholders' funds

	9 month period ended 31 March 2009	Year ended 30 June 2008
	£	£
Opening shareholders' funds	8,247,447	7,709,201
Loss for the financial period	(1,484,650)	(163,754)
Issue of ordinary share capital	-	5,000
Transfer from revaluation reserve to profit and loss reserve	76,297	212,000
Movement in revaluation reserve	(5,300,576)	485,000
Net (decrease)/increase in shareholders' funds	(6,708,929)	538,246
Closing shareholders' funds	1,538,518	8,247,447

Birmingham Technology (Property) Limited

Notes to the financial statements for the 9 month period ended 31 March 2009 (continued)

15 Operating lease commitments

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

	31 March 2009	30 June 2008
	£	£
Land and buildings – expiring after 5 years	319,032	485,843

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, 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.

17 Related party disclosures

The company received management, marketing, accounting and administrative services from its parent undertaking and other group companies, and was charged £532,722 (2008: £345,876) during the period for these services.

The company has a number of long-term leases with Birmingham City Council on its property portfolio. In the period to 31 March 2009 the company paid £319,032 (2008: £382,326) 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 £446,368 (2008: £342,914).

The amounts owed to / from group companies, including subsidiary undertakings, are repayable on demand. Interest on these balances was payable and receivable at 6% per annum (2008: 6%).