

Birmingham Technology (Property) Limited
Annual report and financial statements
for the year ended 30 June 2008

Registered number: 2188998

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Birmingham Technology (Property) Limited

Annual report and financial statements for the year ended 30 June 2008

	Page
Directors' report for the year ended 30 June 2008	1
Independent auditors' report to the members of Birmingham Technology (Property) Limited	4
Profit and loss account for the year ended 30 June 2008	6
Statement of total recognised gains and losses for the year ended 30 June 2008	6
Balance sheet as at 30 June 2008	8
Notes to the financial statements for the year ended 30 June 2008	9

Birmingham Technology (Property) Limited

Directors' report for the year ended 30 June 2008

The directors present their annual report together with the audited financial statements of the company for the year ended 30 June 2008.

Principal activities

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

Review of activities

The property market remained challenging during the year. Occupancy levels decreased steadily throughout the period, but more markedly in the last quarter of 2008 as economic conditions worsened. Turnover decreased by 14% for the full year, mainly due to lower rental income. Ordinary administration expenses were 9% lower than in 2007, mainly due to lower head lease rents payable. Exceptional administration expenses in 2008 were £212,000 (2007:£nil), due to an impairment in value of the Phase V property. This resulted in an operating loss of £176,314 (2007: operating profit of £111,885).

Results and dividends

The results for the year are set out on page 6. The loss for the year of £163,754 (2007: profit of £390,323) has been transferred from/to reserves.

The directors do not propose to pay a dividend in respect of the financial year (2007:£nil).

Directors

The directors during the year and up to the date of this report were:

Sir Albert Bore	
RJ Hudson	
MJ Whitby	
Professor J King	
Professor I Bennion	(Appointed 3 December 2007)
N Summerfield	(Appointed 19 February 2008)
K Hardeman	(Resigned 16 July 2007)
J Saunders	(Resigned 3 December 2007)

Birmingham Technology (Property) Limited

Directors' report for the year ended 30 June 2008 (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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 234ZA (2) of the Companies Act 1985.

Birmingham Technology (Property) Limited

Directors' report for the year ended 30 June 2008 (continued)

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

27 FEBRUARY 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 year ended 30 June 2008 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) 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 Section 235 of the Companies Act 1985 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 give a true and fair view and are properly prepared in accordance with the Companies Act 1985. 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 proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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 judgements 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.

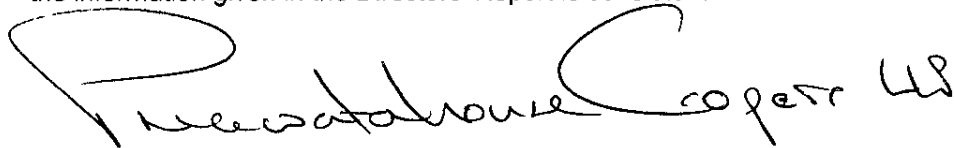
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

A large, stylized handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers LLP', is written across the page.

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham

14 March 2009.

Birmingham Technology (Property) Limited

Profit and loss account for the year ended 30 June 2008

	Notes	2008 £	2007 £
Turnover - rental income	1	1,212,385	1,403,787
Administrative expenses – ordinary		(1,176,699)	(1,291,902)
- exceptional	7	(212,000)	-
Total administrative expenses		(1,388,699)	(1,291,902)
Operating (loss)/profit		(176,314)	111,885
Interest payable and similar charges	2	(152,099)	(173,142)
Interest receivable and similar income	3	236,247	260,210
(Loss)/profit on ordinary activities before taxation	4	(92,166)	198,953
Tax (charge)/credit on (loss)/profit on ordinary activities	5	(71,588)	191,370
(Loss)/profit for the financial year	14	(163,754)	390,323

The notes on pages 9 to 21 form part of these financial statements.

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

Statement of total recognised gains and losses for the year ended 30 June 2008

	2008 £	2007 £
(Loss)/profit for the financial year	(163,754)	390,323
Increase/(decrease) in revaluation reserve	697,000	(33,000)
Total recognised gains and losses recognised since the last annual report	533,246	357,323

Birmingham Technology (Property) Limited

Note of historical cost profits and losses

	2008
	£
Reported loss on ordinary activities before taxation	(92,166)
Difference between the impairment of investment properties calculated on the historical cost basis and that calculated on the revalued amount	(70,000)
Historical cost loss on ordinary activities before taxation	(162,166)
Historical cost loss for the year retained after taxation	(233,754)

There are no material differences between the profit before taxation and the result for the year as shown in the profit and loss account and their historical cost equivalents for 2007.

Birmingham Technology (Property) Limited

Balance sheet as at 30 June 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible fixed assets	6	79,434	42,835
Investment properties	7	25,340,749	12,955,749
Investments in subsidiaries	8	5,001	-
		25,425,184	12,998,584
Current assets			
Debtors	9	486,868	4,305,923
Bank and cash		-	18,241
		486,868	4,324,164
Creditors: amounts falling due within one year	10	(17,658,153)	(7,640,057)
Net current liabilities		(17,171,285)	(3,315,893)
Total assets less current liabilities		8,253,899	9,682,691
Creditors: amounts falling due after more than one year	11	-	(1,960,000)
Provisions for liabilities and charges	12	(6,452)	(13,490)
Net assets		8,247,447	7,709,201
Capital and reserves			
Called up share capital	13	10,000	5,000
Revaluation reserve	14	7,075,657	6,590,657
Profit and loss account	14	1,161,790	1,113,544
Total shareholders' funds	15	8,247,447	7,709,201

The notes on pages 9 to 21 form part of these financial statements.

Approved by the Board on ^{17 FEBRUARY} 2009 and signed on its behalf by:

M J Whitby
Director

M J Whitby

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2008

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 1985. Compliance with SSAP 19 "Accounting for Investment properties" requires departure from the requirements of Companies Act 1985 relating to depreciation and amortisation and an explanation of the departure is set out below. The accounting policies have been consistently applied.

The company does not prepare group accounts as it is a wholly owned subsidiary of a company which prepares accounts drawn up to the same date. Details are included in Note 17 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 Technology Limited. 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.

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 1985, 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.

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.

Rental income

Rental income includes rent received and receivable in the year.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

1 Principal accounting policies (continued)

Grants

Capital grants received for tangible fixed assets 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.

Deferred 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.

Tangible fixed assets

Tangible fixed assets comprise fixtures, fittings and equipment and are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis to write the assets down to residual value over their estimated useful economic lives. Useful economic lives are generally estimated to be from 4 to 5 years depending on the nature of the asset.

Statement of cash flows

The ultimate parent undertaking, Birmingham Technology Limited, has included a cash flow statement in its financial statements for the year ended 30 June 2008. Under the exemptions conferred by paragraph 5a of Financial Reporting Standard 1 (revised) '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.

2 Interest payable

	2008	2007
	£	£
On bank loans	144,509	163,197
On loans from other group companies	7,590	9,945
	152,099	173,142

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

3 Interest receivable

	2008	2007
	£	£
Bank interest receivable	16,707	1,000
Interest receivable from other group companies	219,540	259,210
	236,247	260,210

4 (Loss)/profit on ordinary activities before taxation

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

	2008	2007
	£	£
Management fee payable to parent undertaking	345,876	400,289
Permanent diminution in the value of investment properties	212,000	95,000
Depreciation	24,831	24,831
Auditors' remuneration:		
Audit fees	6,825	6,600
Other services	3,675	3,600

None of the directors received any emoluments during the year in respect of their services to the company (2007: £nil).

Apart from the directors, the company had no other employees (2007: none).

Operating leases

	2008	2007
	£	£
Operating lease charges - other than plant and machinery	382,326	425,435

The company has ground leases which expire in June 2110 for Phases II, III, IV, V, VI, VII and IX. Rentals payable under these leases during the year ended 30 June 2008 were £382,326 (2007: £425,435) and are payable based on rents receivable.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

5 Tax charge/(credit) on (loss)/profit on ordinary activities

Analysis of charge/(credit) in the year:	2008	2007
	£	£
Corporation tax (credit)/charge		
UK corporation tax credit on (loss)/profit of the year	3,305	31,529
Adjustments to tax charge in respect of prior periods	(31,356)	37,383
Total UK corporation tax (credit)/charge	(28,051)	68,912
Deferred tax charge/(credit)		
Current year	43,311	(260,282)
Adjustments to tax charge in respect of prior periods	56,328	-
Total deferred tax charge/(credit)	99,639	(260,282)
Tax charge/(credit) on (loss)/profit for the year	71,588	(191,370)

A deferred taxation credit of £260,282 arose during 2007 as a result of a change in legislation.

The tax assessed for the year is lower (2007: higher) than the standard rate of corporation tax in the United Kingdom of 20.25% (2007:30%).

Factors affecting tax credit for the year	2008	2007
	£	£
(Loss)/profit on ordinary activities before taxation	(92,166)	198,593
Tax (credit)/charge at the standard UK rate of corporation tax 20.25% (2007: 30%)	(18,664)	59,578
Effects of:		
Capital allowances for year in excess of depreciation	(3,628)	(8,617)
Expenses not deductible for tax purposes	43,361	27,289
Short term timing differences	(17,764)	(46,721)
Adjustments to tax charge in respect of prior periods	(31,356)	37,383
Current tax (credit)/charge for the year	(28,051)	68,912

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 year ended 30 June 2008

6 Tangible fixed assets

Fixtures, fittings & equipment	£
Cost	
At 1 July 2007	99,324
Transfers from other group companies	61,430
At 30 June 2008	160,754
Depreciation	
Depreciation at 1 July 2007	(56,489)
Charge for the year	(24,831)
At 30 June 2008	(81,320)
Net book amount	
At 30 June 2008	79,434
At 30 June 2007	42,835

7 Investment properties

Valuation	£
Valuation at 1 July 2007	12,955,749
Additions	11,900,000
Revaluation	697,000
Impairment in value	(212,000)
Valuation at 30 June 2008	25,340,749

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2008

7 Investment properties (continued)

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

	£
Gross cost of construction at 1 July 2007	10,818,078
Additions during the year	11,900,000
Gross cost at 30 June 2008	22,718,078
Capital grants received and receivable as at 1 July 2007	(4,452,986)
Capital grants received and receivable as at 30 June 2008	(4,452,986)
Cost net of grants received and receivable at 30 June 2008	18,265,092
Revaluation surplus at 30 June 2008	7,075,657

The amount of interest included in the historical cost of investment properties, in accordance with the accounting policy in Note 1, was £513,579 (2007: £513,579).

The directors commissioned a short form valuation of the company's properties as at 30 June 2008. These include Phases II to VI and Phases VII and IX. The valuation is based on a professional valuation prepared by Phoenix Beard (Property Consultants) using RICS guidelines based on market values. An exceptional charge of £212,000 was taken to the profit and loss account during 2008 reflecting an impairment in value of Phase V. The last full professional valuation was undertaken at 30 June 2007, by Phoenix Beard using RICS guidelines.

On 30 June 2008 the company purchased the underleases for Phases VII and IX from its subsidiary Birmingham Technology (Property One) Limited (formerly Aston Science Park Limited), for £11,900,000.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2008

8 Fixed asset investments

Shares in subsidiaries at cost

	£
Cost at 30 June 2008	5,001

The holdings, both acquired on 30 June 2008, are as follows:

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

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

9 Debtors

	2008	2007
Amounts falling due within one year	£	£
Trade debtors	222,272	551,349
Amounts owed by the parent undertaking	-	3,483,356
Other debtors	141,793	225,306
Prepayments and accrued income	122,803	45,912
	486,868	4,305,923

Other debtors include £125,667 (2007: £225,306) of deferred tax asset.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

10 Creditors: amounts falling due within one year

	2008	2007
	£	£
Bank overdraft	62,448	-
Loan: Wurttembergische Hypothekenbank AG	-	490,000
Trade creditors	128,349	62,689
Amounts owed to subsidiary undertakings	861,811	6,389,803
Amounts owed to other group companies	16,113,331	251,077
Corporation tax payable	3,305	-
Other creditors	98,775	129,175
Accruals and deferred income	390,134	317,313
	17,658,153	7,640,057

The amounts owed to group companies, including subsidiary undertakings, are repayable on demand. Interest was payable on trading balances at 3% per annum (2007:3.25%) and loan balances at 6% (2007:7%). Balances are repayable on demand without interest charges.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2008

11 Creditors: amounts falling due after more than one year

	2008	2007
	£	£
Loans: Württembergische Hypothekenbank AG	-	1,960,000
Loans are due for repayment as follows:		
Within one year	-	490,000
Between one and two years	-	490,000
Between two and five years	-	1,470,000
	-	2,450,000

On 30 June 2008 the bank loans were replaced with loans from the company's parent company.

12 Provisions for liabilities and charges

	2008	2007
	£	£
Deferred capital grants	6,452	13,490
Provisions for liabilities and charges	6,452	13,490

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

12 Provisions for liabilities and charges (continued)

Deferred taxation	2008	2007
	£	£
Deferred tax asset/(liability) at 1 July 2007	225,306	(34,976)
Deferred taxation (charge)/credit for the year	(99,639)	260,282
Deferred tax asset at 30 June 2008 (note 9)	125,667	225,306

The full potential deferred tax liability, calculated on the liability method at 28% (2007: 28%), is: £260,891 (2007: £823,464).

	2008	2007
	£	£
Accelerated capital allowances	21,103	32,948
Short term timing differences	395	863
Tax losses carried forward	104,169	191,495
Undiscounted deferred tax asset	125,667	225,306

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 is £386,558 (2007: £1,845,384).

Deferred capital grants

	£
Grants received and receivable at 1 July 2007	13,490
Amortisation of grants during the year	(7,038)
Grants received and receivable at 30 June 2008	6,452

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2008

13 Called up share capital

	2008	2007
	£	£
Authorised:		
8,750 'A' Ordinary shares of £1 each	8,750	3,750
1,250 'B' Ordinary shares of £1 each	1,250	1,250
	10,000	5,000
Allotted and fully paid:		
8,750 'A' Ordinary shares of £1 each	8,750	3,750
1,250 'B' Ordinary shares of £1 each	1,250	1,250
	10,000	5,000

5,000 'A' Ordinary shares of £1 each were authorised and issued during the year.

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.

14 Reserves

	2008	2007
	£	£
Revaluation reserve		
Opening revaluation reserve at 1 July 2007	6,590,657	6,623,657
Revaluation	697,000	-
Permanent diminution in value	(212,000)	(33,000)
Revaluation reserve at 30 June 2008	7,075,657	6,590,657

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2008

14 Reserves (continued)

Profit and loss account	2008	2007
	£	£
At 1 July 2007	1,113,544	690,221
(Loss)/profit for the financial year	(163,754)	390,323
Transfer from revaluation reserve	212,000	33,000
At 30 June 2008	1,161,790	1,113,544

15 Reconciliation of movements in total shareholders' funds

	2008	2007
	£	£
Opening shareholders' funds	7,709,201	7,318,878
(Loss)/profit for the financial year	(163,754)	390,323
Issue of ordinary share capital	5,000	-
Transfer from revaluation reserve to profit and loss reserve	212,000	33,000
Movement in revaluation reserve	485,000	(33,000)
Net increase in shareholders' funds	538,246	390,323
Closing shareholders' funds	8,247,447	7,709,201

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2008 (continued)

16 Operating lease commitments

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

	2008	2007
	£	£
Land and buildings – expiring after 5 years	485,843	425,435

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.

17 Parent undertaking and controlling party

The parent undertaking and controlling party is Birmingham Technology Limited, a company incorporated in Great Britain. The smallest and largest group in which the results of the company are consolidated is that of Birmingham Technology Limited. A copy of the group accounts can be obtained from the Company Secretary, Birmingham Technology Limited, Aston Science Park, Faraday Wharf, Holt Street, Birmingham B7 4BB.

18 Related party disclosures

The company received administrative services from its parent undertaking and was recharged £345,876 (2007: £400,289) during the year.