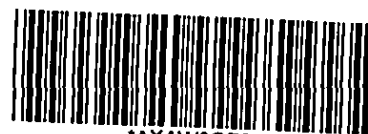


Birmingham Technology (Property) Limited
Annual report and financial statements
for the year ended 30 June 2006

Registered number 2188998

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Birmingham Technology (Property) Limited

Annual report and financial statements for the year ended 30 June 2006

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Birmingham Technology (Property) Limited

Directors' report for the year ended 30 June 2006

The directors present their report together with the audited financial statements of the company for the year ended 30 June 2006

Principal activities

The company is an investment property company, with properties located within the Aston Science Park

Review of activities

The Directors are pleased to report that occupancy levels have generally improved in the properties owned by the company during the year ended 30 June 2006. The loss for the year includes a charge of £881,351 in respect of two of the company's investment properties, the largest element of which results from a reconfiguration of one of the properties to suit the market in which the company operates.

Results and trading

The results for the year are set out on page 5. The loss for the year of £874,506 (2005: loss of £276,135) has been transferred to reserves.

The directors do not propose to pay a dividend in respect of the financial year.

Prior year adjustment

The directors have undertaken a valuation of the company's investment properties as at 30 June 2006. This is based on a professional valuation prepared by Phoenix Beard (Property Consultants) using RICS guidelines. It was noted that the last professional valuation prepared at 30 June 2001 did not reflect the nature of the company's interests in respect of two investment properties, underleased to an associate company, Aston Science Park Limited. These had previously been valued assuming that Aston Science Park Limited held the long term interests in the properties. As a result it has been necessary to restate the company's accounts to reflect its interests.

Directors and their share interests

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

Sir Albert Bore
K Hardeman
RJ Hudson
J Saunders
M Whitby

None of the directors had any interest (beneficial or otherwise) in the share capital of the company at 30 June 2006 or at any time during the year.

Birmingham Technology (Property) Limited

Directors' report for the year ended 30 June 2006 (continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

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 234Z of the Companies Act 1985.

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



DW Harris
Secretary
24 April 2007

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 2006 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 2006 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



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Birmingham

25th April 2007

Birmingham Technology (Property) Limited

Profit and loss account for the year ended 30 June 2006

	Notes	2006 £	2005 £
Turnover - rental income	1	1,371,653	1,285,285
Administrative expenses - ordinary		(1,407,524)	(1,733,386)
- exceptional	7	(881,351)	-
Total Administrative expenses		(2,288,875)	(1,733,686)
Operating Loss	4	(917,222)	(448,101)
Interest payable	2	(203,301)	(218,588)
Interest receivable	3	315,415	341,427
Loss on ordinary activities before taxation		(805,108)	(325,262)
Tax on loss on ordinary activities	5	(69,398)	49,127
Loss for the financial year	13	(874,506)	(276,135)

The notes on pages 8 to 19 form part of these financial statements

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

There is no difference between the loss before taxation and the retained loss for the year as shown in the profit and loss account and their historical equivalents

Birmingham Technology (Property) Limited

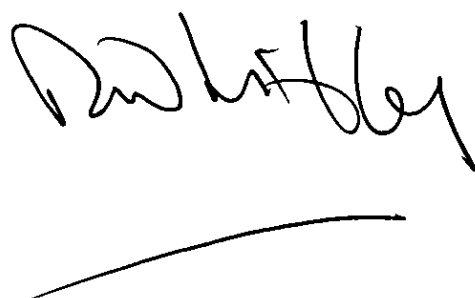
Balance sheet as at 30 June 2006

	Notes	2006	2005
			(As restated)
		£	£
Fixed assets			
Tangible fixed assets	6	67,666	92,497
Investment properties	7	13,030,000	12,760,574
		13,097,666	12,853,071
Current assets			
Debtors	8	5,169,171	5,590,601
Bank and cash		-	8,788
		5,169,171	5,599,389
Creditors: amounts falling due within one year	9	(8,442,455)	(8,444,761)
Net current liabilities		(3,273,284)	(2,845,372)
Total assets less current liabilities		9,824,382	10,007,699
Creditors: amounts falling due after more than one year	10	(2,450,000)	(2,940,000)
Provisions for liabilities and charges	11	(55,504)	(171,566)
		7,318,878	6,896,133
Capital and reserves			
Called up equity share capital	12	5,000	5,000
Revaluation reserve	13	6,623,657	6,201,606
Profit and loss account	13	690,221	689,527
Shareholders' funds		7,318,878	6,896,133

The notes on pages 8 to 19 form part of these financial statements

Approved by the Board and signed on its behalf on 24 April 2007

M J Whitby
Director



Birmingham Technology (Property) Limited

Movement in shareholders' funds

	2006	2005
		(As restated)
	£	£
Opening shareholder's funds – as previously reported	4,440,133	4,716,268
Prior year adjustment – notes 7, 16	2,456,000	2,456,000
Opening shareholder's funds – as restated	6,896,133	7,172,268
Loss for the financial year	(874,506)	(276,135)
Movement in Revaluation reserve	1,297,251	-
Net increase/(decrease) in shareholders funds	422,745	(276,135)
Closing shareholders' funds	7,318,878	6,896,133

Statement of total recognised gains and losses

	Notes	2006	2005
			(As restated)
		£	£
Loss for the financial year		(874,506)	(276,135)
Increase in revaluation reserve		1,297,251	-
Movement during the year		422,745	(276,135)
Prior year adjustment – see notes 7, 16		2,456,000	
Total recognised gains and losses recognised since the last annual report		2,878,745	

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2006

1 Principal accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investment properties, and in accordance with applicable accounting standards 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.

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, 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.

Rental income

Rental income includes rent received and receivable in the year.

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 included in provisions for liabilities and charges. When investment properties are revalued, the corresponding capital grant is 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 rates 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.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

1 Principal accounting policies (continued)

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 in the nature of the asset.

Statement of cash flows

As the company qualifies as a small company as defined in Section 247 Companies Act 1985, the company has exercised its right in accordance with Financial Reporting Standard 1 (Revised) not to produce a statement of cash flows.

Operating leases

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

2 Interest payable

	2006	2005
	£	£
On bank loans wholly or partly repayable outside 5 years	(185,978)	(218,588)
On loans from associates	(17,323)	-
	(203,301)	(218,588)

3 Interest receivable

	2006	2005
	£	£
Bank interest receivable	295	177
Interest receivable from group companies	315,120	341,250
	315,415	341,427

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

4 Loss on ordinary activities before taxation

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

	2006	2005
	£	£
Management fee payable to parent undertaking	451,174	504,283
Depreciation	24,831	6,827
Auditor's remuneration		
Audit fees	8,046	7,000
Non-audit fees	3,450	3,000

None of the directors received any emoluments during the year in respect of their services to the company

Apart from the directors, the company had no other employees

Operating leases

	2006	2005
	£	£
Operating lease charges - land and buildings	434,247	491,052

The company has a twenty-five year lease of land and buildings from 1 January 1995 on Phase I of the Aston Science Park. It also has ground leases which expire in June 2110 for Phases II, III, IV, V and VI. Rentals payable under these leases during the year ended 30 June 2006 were £434,247 (2005: £491,052) and are payable based on rents receivable.

The company has two ground leases for Phases VII and IX which both expire on 24 June 2110. The Phase VII and IX leases are subject to underleases to an associate company, Aston Science Park Limited, which expire on 31 March 2024 and 31 January 2031 respectively. At the end of these underleases, the properties revert to the company. Rentals payable under the Phase VII and Phase IX leases are matched by rents receivable on the underleases.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

5 Tax on Loss on ordinary activities

Analysis of charge in year:	2006	2005
	£	£
Corporation tax charge / (credit)		
UK corporation tax credit on loss of the period	(26,263)	(102,015)
Prior year adjustment	(11,120)	-
Total UK corporation tax	(37,383)	(102,015)
Deferred tax charge/(credit)		
Current year	49,136	7,983
Prior year adjustments	57,645	44,905
Total Deferred tax charges	106,781	52,888
Tax charge / (credit) on loss for the year	69,398	(49,127)

Factors affecting tax credit for the year	2006	2005
	£	£
Loss on ordinary activities before taxation	(805,108)	(325,262)
Tax credit at the standard UK rate of corporation tax 30% (2005 30%)	(241,532)	(97,579)
Effects of		
Capital Allowances for year in excess of depreciation	(14,002)	(25,871)
Expenses not deductible for tax purposes	264,405	3,548
Short term timing differences	(35,134)	3,077
Adjustments to tax charge in respect of previous period	(11,120)	-
Losses arising in the year and not utilised	-	14,810
Current tax credit for the period	(37,383)	(102,015)

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 2006 (continued)

6 Tangible fixed assets

Fixtures, fittings & equipment	£
Cost at 30 June 2006 and at 30 June 2005	99,324
Depreciation at 1 July 2005	(6,827)
Charge for the period	(24,831)
Depreciation at 30 June 2006	(31,658)
Net book amount	
At 30 June 2006	67,666
At 30 June 2005	92,497

7 Investment properties

Valuation	£
Valuation at 1 July 2005	10,304,574
Prior year adjustment	2,456,000
Valuation as restated	12,760,574
Additions	22,067
Grants received	(24,541)
Transfer from deferred capital grants	(144,000)
Revaluation	1,297,251
Permanent diminution in value	(881,351)
Valuation at 30 June 2006	13,030,000

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

7 Investment properties (continued)

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

	£
Gross cost of construction at 1 July 2005	10,637,034
Additions during the year	22,067
Permanent diminution in value	(6,151)
Gross cost of construction at 30 June 2006	10,652,950
Capital grants received and receivable as at 1 July 2005	(4,078,066)
Capital grants received and receivable during the period	(24,541)
Transfer from deferred capital grants	(144,000)
Capital grants received and receivable as at 30 June 2006	(4,246,607)
Cost net of grants received and receivable at 30 June 2006	6,406,343
Revaluation surplus at 30 June 2006	6,623,657

The amount of interest included in the historical cost of investment properties, in accordance with the accounting policy in Note 1, was £513,579 (2005 £513,579)

The directors have undertaken a valuation of the company's properties as at 30 June 2006. These include Phases 1 to VI and Phases VII and IX. The valuation is based on a professional valuation prepared by Phoenix Beard (Property Consultants) using RICS guidelines.

The company has two ground leases for Phases VII and IX which both expire on 24 June 2110. The Phase VII and IX leases are subject to underleases to an associate company, Aston Science Park Limited. The Phase VII underlease, dated 11 October 1996, expires on 31 March 2024. The Phase IX underlease, dated 31 January 2000, expires on 31 January 2031 respectively. At the end of these underleases, the properties revert to the company.

It was noted that the last full professional valuation prepared at 30 June 2001 did not reflect the company's long term interest in the headleases of properties on Phases VII and IX at the Aston Science Park. These had previously been valued assuming that the associate company held the long term interests in the properties. As a result it has been necessary to restate the company's accounts to reflect its interests.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

8 Debtors

	2006	2005
	£	£
Trade debtors	526,091	569,582
Other debtors	-	71,925
Amounts owed by the parent undertaking	4,586,912	4,848,829
Prepayments and accrued income	56,168	100,265
	5,169,171	5,590,601

Other debtors include £nil (2005 £71,805) of deferred tax recoverable on tax losses brought forward

9 Creditors: amounts falling due within one year

	2006	2005
	£	£
Bank overdraft	13,087	-
Loan Wurttembergische Hypothekenbank AG	490,000	490,000
Trade creditors	53,152	168,720
Amounts owed to fellow subsidiary undertakings	6,389,631	6,389,631
Amounts owed to associates	371,593	533,323
Other taxes and social security	436,811	152,032
Other creditors	178,211	351,457
Accruals and deferred income	509,970	359,598
	8,442,455	8,444,761

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

10 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Loans Wurttembergische Hypothekenbank AG	2,450,000	2,940,000
Loans are due for repayment as follows:		
Within one year	490,000	490,000
Between one and two years	490,000	490,000
Between two and five years	1,470,000	1,470,000
In five years or more	490,000	980,000
	2,940,000	3,430,000

Wurttembergische Hypothekenbank AG has advanced a loan of £4,900,000 for which repayments commenced on 4 November 2005 and end on 4 November 2011. This loan is secured against the property at Phases I to VI of the Aston Science Park. £2,940,000 of this loan was outstanding at 30 June 2006 (2005: £3,430,000).

Interest was payable at a rate of 6.2% on £2.0 million and at an average variable rate of 5.5% on the balance of the loan.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

11 Provisions for liabilities and charges

	2006	2005
	£	£
Deferred taxation	34,976	-
Deferred capital grants	20,528	171,566
Provisions for liabilities and charges	55,504	171,566

Deferred taxation

The full potential deferred tax liability/(asset), calculated on the liability method at 30% (2005 30%), is as follows

	2006	2005
	£	£
Accelerated capital allowances	261,325	197,729
Short term timing differences	(20,439)	(23,022)
Tax losses carried forward	(205,910)	(246,512)
Undiscounted provision / (debtor) for deferred tax	34,976	(71,805)

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 £1,199,189 (2005 £1,123,682).

Deferred Capital Grants

	£
Grants received and receivable at 30 June 2005	171,566
Grants received and receivable during the period	-
Amortisation of grants during the period	(7,038)
Transfers to Investment Property	(144,000)
Grants received and receivable at 30 June 2006	20,528

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

12 Called up equity share capital

	2006	2005
	£	£
Authorised:		
'A' Ordinary shares of £1 each	3,750	3,750
'B' Ordinary shares of £1 each	1,250	1,250
	5,000	5,000
Allotted and fully paid:		
'A' Ordinary shares of £1 each	3,750	3,750
'B' Ordinary shares of £1 each	1,250	1,250
	5,000	5,000

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

	2006	2005
	£	£
		(As restated)
Opening revaluation reserve as previously reported	3,745,606	3,745,606
Prior year adjustment – note 7,16	2,456,000	2,456,000
Opening revaluation reserve at 30 June 2005 as restated	6,201,606	6,201,606
Revaluation	1,297,251	-
Permanent diminution in value	(875,200)	-
Revaluation reserve at 30 June 2006	6,623,657	6,201,606

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

16 Prior year adjustment

The directors have undertaken a valuation of the company's investment properties as at 30 June 2006. This is based on a professional valuation prepared by Phoenix Beard (Property Consultants) using RICS guidelines. It was noted that the last professional valuation prepared at 30 June 2001 did not reflect the nature of the under lease interests in respect of two investment properties held by an associate company, Aston Science Park Limited. The company's interest in these properties was not reflected in the valuation and as a result it has been necessary to restate the company's accounts to reflect its interests.

Details of the effect of the prior year adjustment is summarised below and in Note 7.

	£
Adjustment to opening shareholders' funds at 1 July 2004	2,456,000
Adjustment to opening shareholders' funds at 30 June 2005	2,456,000

17 Related party disclosures

The company received administrative services from its parent undertaking and was recharged £451,174 (2005: £504,283) during the year.

In January 2005, an intercompany trading balance receivable by the Company from its parent undertaking Birmingham Technology Limited was converted to a loan attracting an interest rate of 6.5% (2005: 6.5%). The amount of the loan at 30 June 2006 was £4,586,912 (2005: £4,848,829). Interest receivable by the Company was £315,120 in the year ended 30 June 2006 (2005: £341,250).