

Birmingham Technology (Property) Limited
Annual report and financial statements
for the year ended 30 June 2005

Registered number: 2188998



Birmingham Technology (Property) Limited

Annual report and financial statements for the year ended 30 June 2005

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Birmingham Technology (Property) Limited

Directors' report for the year ended 30 June 2005

The directors present their report together with the audited financial statements of the company for the year ended 30 June 2005.

Principal activities

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

Review of activities

Market conditions for property letting within the West Midlands region remained slow during 2005 and the Directors are pleased to report that occupancy levels have improved generally in the properties owned by the company during the year ended 30 June 2005.

Results and trading

The results for the year are set out on page 4. The loss for the year of £276,135 (2004: loss of £761,272) has been transferred to reserves.

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

Directors and their share interests

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

ALS Jackson	(Resigned 2 March 2005)
DC Billington	(Resigned 2 March 2005)
Sir Albert Bore	
N Dawkins	(Resigned 2 March 2005)
R Ffello	(Resigned 2 March 2005)
K Hardeman	(Appointed 2 March 2005)
RJ Hudson	(Appointed 2 March 2005)
J Saunders	(Appointed 2 March 2005)
M Whitby	(Appointed 2 March 2005)

None of the directors had any interest (beneficial or otherwise) in the share capital of the company at 30 June 2005 or at any time during the year.

Birmingham Technology (Property) Limited

Directors' report for the year ended 30 June 2005 (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.

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

Date: 16 JANUARY 2006

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

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 in to 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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with auditing standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Birmingham

Date:

16th January 2006

Birmingham Technology (Property) Limited

Profit and loss account for the year ended 30 June 2005

	Notes	2005	2004
		£	£
Turnover - rental income	1	1,285,285	1,446,512
Administrative expenses - ordinary		(1,733,386)	(1,677,825)
Administrative expenses – exceptional		-	(686,000)
Total administrative expenses		(1,733,386)	(2,363,825)
Operating Loss	4	(448,101)	(917,313)
Interest payable	2	(218,588)	(240,918)
Interest receivable	3	341,427	403,891
Loss on ordinary activities before taxation	4	(325,262)	(754,340)
Tax on loss on ordinary activities	5	49,127	(6,932)
Loss for the financial year	13	(276,135)	(761,272)

The notes on pages 7 to 17 form part of these financial statements.

Movements on reserves are set out in note 13.

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

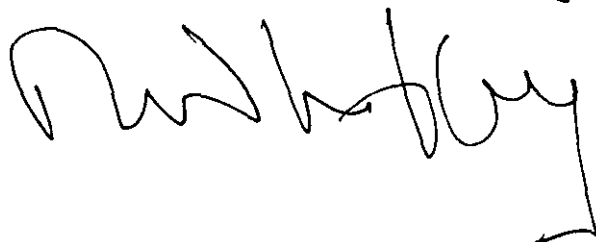
Balance sheet as at 30 June 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible fixed assets	6	92,497	-
Investment properties	7	10,304,574	9,959,682
		10,397,071	9,959,682
Current assets			
Debtors	8	5,590,601	5,593,472
Bank and cash		8,788	-
		5,599,389	5,593,472
Creditors: amounts falling due within one year	9	(8,444,761)	(7,406,886)
Net current liabilities		(2,845,372)	(1,813,414)
Total assets less current liabilities		7,551,699	8,146,268
Creditors: amounts falling due after more than one year	10	(2,940,000)	(3,430,000)
Provisions for liabilities and charges	11	(171,566)	-
		4,440,133	4,716,268
Capital and reserves			
Called up equity share capital	12	5,000	5,000
Revaluation reserve	13	3,745,606	3,745,606
Profit and loss account	13	689,527	965,662
Shareholders' funds		4,440,133	4,716,268

The notes on pages 7 to 17 form part of these financial statements.

Approved by the Board and signed on its behalf on date: 16 January 2006

M Whitby
Director



Birmingham Technology (Property) Limited

Movement in shareholders' funds

	2005	2004
	£	£
Loss for the financial year	(276,135)	(761,272)
Net decrease in shareholders' funds	(276,135)	(761,272)
Opening shareholders' funds	4,716,268	5,477,540
Closing shareholders' funds	4,440,133	4,716,268

Statement of total recognised gains and losses

	Notes	2005	2004
		£	£
Loss for the financial year		(276,135)	(761,272)
Total recognised gains and losses relating to the year		(276,135)	(761,272)

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2005 (continued)

Notes to the financial statements for the year ended 30 June 2005

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.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2005 (continued)

1 Principal accounting policies (continued)

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.

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

	2005	2004
	£	£
On bank loans wholly or partly repayable outside 5 years	(218,588)	(240,918)

3 Interest receivable

	2005	2004
	£	£
Bank interest receivable	177	-
Interest receivable from group companies	341,250	403,891
	341,427	403,891

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2005 (continued)

4 Loss on ordinary activities before taxation

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

	2005	2004
	£	£
Management fee payable to parent undertaking	504,283	505,036
Depreciation	6,827	-
Auditor's remuneration:		
Audit fees	7,000	8,250
Non-audit fees	3,000	4,250

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

	2005	2004
	£	£
Operating lease charges - land and buildings	491,052	517,957

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 125-year leases from 24 June 1985 on Phases II and III, and 121 year leases from 30 March 1990 on Phases IV, V and VI. Rentals payable under these leases during the year ended 30 June 2005 were £491,052 (2004: £517,957) and are payable based on occupancy levels by tenant companies on Phase I and on rents receivable on the other phases.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2005 (continued)

5 Tax on Loss on ordinary activities

Analysis of charge in year:

	2005	2004
	£	£
Current tax:		
Corporation tax:		
UK corporation tax credit on loss of the period	(102,015)	(46,059)
Deferred tax charge/(credit):		
Current year	7,983	26,907
Prior year adjustment	44,905	26,084
Origination and reversal of timing differences	52,888	52,991
Tax on loss for the year	(49,127)	6,932

Factors affecting tax credit for the year:

	2005	2004
	£	£
Loss on ordinary activities before taxation	(325,262)	(754,340)
Tax credit at the standard UK rate of corporation tax 30% (2004:30%)	(97,579)	(226,302)
Effects of:		
Capital Allowances for year in excess of depreciation	(25,871)	(26,250)
Expenses not deductible for tax purposes	3,548	207,150
Short term timing differences	3,077	-
Utilisation of tax losses brought forward	-	(48,891)
Losses arising in the year and not utilised	14,810	48,234
Current tax credit for the period	(102,015)	(46,059)

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 2005 (continued)

6 Tangible fixed assets

Fixtures, fittings & equipment	£
Cost at 30 June 2004	-
Additions	99,324
Cost at 30 June 2005	99,324
Depreciation at 30 June 2004	-
Charge for the period	(6,827)
Depreciation at 30 June 2005	(6,827)
Net Book amount	
At 30 June 2005	92,497
At 30 June 2004	-

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2005 (continued)

7 Investment properties

Valuation	£
Valuation at 30 June 2004	9,959,682
Additions	469,975
Grants received	(125,083)
Valuation at 30 June 2005	10,304,574
The historical cost of investment properties, net of grants received, comprises:	
Gross cost of construction at 30 June 2004	10,167,059
Additions during the year	469,975
Gross cost of construction at 30 June 2005	10,637,034
Capital grants received and receivable as at 30 June 2004	(3,952,983)
Capital grants received and receivable during the period	(125,083)
Capital grants received and receivable as at 30 June 2005	(4,078,066)
Net cost	6,558,968
Revaluation surplus	3,745,606

The amount of interest included in the historical cost of investment properties, in accordance with the accounting policy in Note 1, was £513,579 (2004: £513,579).

In accordance with the accounting policy in note 1, all investment properties that are complete and available to let have been revalued at directors' valuation. In making this valuation, the directors have access to employees who are property specialists and members of the Royal Institution of Chartered Surveyors.

Completed investment properties at 30 June 2001, comprising Phases I to VI, were valued by Phoenix Beard, Property Consultants, on an open market, existing use basis. The directors propose no further changes to the valuation as at 30 June 2005.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2005 (continued)

8 Debtors

	2005	2004
	£	£
Trade debtors	569,582	-
Other debtors	71,925	124,693
Amounts owed by the parent undertaking	4,848,829	5,250,232
Group tax relief receivable	-	116,398
Prepayments and accrued income	100,265	102,149
	5,590,601	5,593,472

Other debtors include £71,805 (2004: £124,693) of deferred tax recoverable on tax losses brought forward.

9 Creditors: amounts falling due within one year

	2005	2004
	£	£
Loan: Wurttembergische Hypothekenbank AG	490,000	490,000
Trade creditors	168,720	-
Amounts owed to fellow subsidiary undertakings	6,389,631	6,389,630
Amounts owed to associates	533,323	-
Other taxes and social security	152,032	-
Other creditors	351,457	211,862
Accruals and deferred income	359,598	315,394
	8,444,761	7,406,886

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2005 (continued)

10 Creditors: amounts falling due after more than one year

	2005	2004
	£	£
Loans: Württembergische Hypothekenbank AG	2,940,000	3,430,000
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	980,000	1,470,000
	3,430,000	3,920,000

Württembergische Hypothekenbank AG has advanced a loan of £4,900,000 for which repayments commenced on 4 November 2004 and end on 4 November 2011. This loan is secured against the property at Phases I to VI of the Aston Science Park. £3,430,000 of this loan was outstanding at 30 June 2005 (2004: £3,920,000). Interest was payable at a rate of 6.2% on £2.5 million and at an average variable rate of 5.8% on the balance of the loan.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2005 (continued)

11 Provisions for liabilities and charges

	2005	2004
	£	£
Deferred taxation	-	-
Deferred capital grants	171,566	-
Provisions for liabilities and charges	171,566	-

Deferred taxation

The full potential deferred tax liability/(asset), calculated on the liability method at 30% (2004: 30%), is as follows:

	2005	2004
	£	£
Accelerated capital allowances	197,729	144,579
Short term timing differences	(23,022)	(38,228)
Tax losses carried forward	(246,512)	(231,044)
Undiscounted provision for deferred tax	(71,805)	(124,693)

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 £1,123,682 (2004: £1,123,682).

Deferred Capital Grants

	2005
	£
Grants received and receivable at 30 June 2004	-
Grants received and receivable during the period	172,152
Amortisation of grants during the period	(586)
Grants received and receivable at 30 June 2005	171,566

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2005 (continued)

12 Called up equity share capital

	2005	2004
	£	£
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

	2005	2004
	£	£
At 30 June 2004	3,745,606	4,087,606
Transfer to profit & loss account	-	(342,000)
At 30 June 2005	3,745,606	3,745,606

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2005 (continued)

13 Reserves (continued)

Profit and loss account	2005	2004
	£	£
At 30 June 2004	965,662	1,384,934
Loss for the financial year	(276,135)	(761,272)
Transfer from revaluation reserve	-	342,000
At 30 June 2005	689,527	965,662

14 Operating lease commitments

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

	Expiring after 5 years
	£
Land and buildings	491,052

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.

15 Parent undertaking

The parent undertaking is Birmingham Technology Limited, a company incorporated in Great Britain. 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.

16 Related party disclosures

The company received administrative services from its parent undertaking and was recharged £504,283 (2004: £505,036) during the year.

In January 2004, 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% (2004: 6.5%). The amount of the loan at 30 June 2005 was £4,848,829 (2004: £5,250,232). Interest receivable by the Company was £341,250 in the year ended 30 June 2005 (2004: £403,891)