

Birmingham Technology (Property) Limited

Directors' report and accounts

for the year ended 30 June 2002

Registered Number 2188998



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Birmingham Technology (Property) Limited

Directors' report for the year ended 30 June 2002

The directors present their report together with the audited financial statements of the company for the year ended 30 June 2002.

Principal activities

The company is an investment property company. Investment properties are located within the Aston Science Park.

Results and trading

The results for the year are set out on page 4. The profit for the year of £336,274 (2001: £115,850) 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	(Chairman)
DC Billington	
Sir Albert Bore	
A Kennedy	(Resigned 17 July 2002)
MJ Whitby	(Resigned 30 October 2001, re-appointed 17 July 2002)
R Fello	(Appointed 17 July 2002)
P Howard	(Appointed 30 October 2001)

None of the directors had any interest (beneficial or otherwise) in the share capital of the company at 30 June 2002 or at any time during the year.

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.

Birmingham Technology (Property) Limited

Directors' report for the year ended 30 June 2002 (continued)

Auditors

Following the conversion of our auditors, PricewaterhouseCoopers to a Limited Liability Partnership with effect from 1 January 2003, a resolution to appoint the new firm, PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'DW Harris', with a large, sweeping flourish extending upwards and to the left.

DW Harris
Secretary
28 January 2003

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 recognized 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 opinion has been prepared for and only for the company's members 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

Birmingham
28 January 2003

Birmingham Technology (Property) Limited

Profit and loss account for the year ended 30 June 2002

	Notes	2002	2001 restated
		£	£
Turnover			
Rental income	1 (3)	1,746,852	1,801,055
Administrative expenses		(1,262,990)	(1,262,124)
Operating profit		483,862	538,931
Interest payable	2	(343,087)	(394,830)
Profit on ordinary activities before taxation	3	140,775	144,101
Tax on profit on ordinary activities	4	195,499	(28,251)
Profit for the financial year	11	336,274	115,850

The notes on pages 7 to 16 form part of these accounts.

Movements on reserves are set out in note 11.

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

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

Birmingham Technology (Property) Limited

Statement of total recognised gains and losses

	Notes	2002	2001 restated
		£	£
Profit for the financial year		336,274	115,850
Unrealised surplus on revaluation of properties		(2,181)	618,311
Total recognised gains and losses relating to the year		334,093	734,161

Birmingham Technology (Property) Limited

Balance sheet as at 30 June 2002

	Notes	2002 £	2001 restated £
Fixed assets			
Investments properties	5	10,166,035	10,166,035
Current assets			
Debtors	6	7,925,132	6,672,970
Bank and cash		30,586	17,938
		7,955,718	6,690,908
Creditors: amounts falling due within one year	7	(8,439,586)	(6,983,295)
Net current liabilities		(483,868)	(292,387)
Total assets less current liabilities		9,682,167	9,873,648
Creditors: amounts falling due after more than one year	8	(4,410,000)	(4,900,000)
Provisions for liabilities and charges	9	-	(35,574)
		5,272,167	4,938,074
Capital and reserves			
Called up equity share capital	10	5,000	5,000
Revaluation reserve	11	4,087,606	4,089,787
Profit and loss account	11	1,179,561	843,287
Shareholders' funds		5,272,167	4,938,074

The notes on pages 7 to 16 form part of these accounts.

Approved by the Board and signed on its behalf on 28 January 2003

ALS Jackson
Director

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2002

1 Principal accounting policies

(1) Basis of preparation

The accounts are prepared under the historical cost convention, as modified by the revaluation of investment properties, and in accordance with applicable accounting standards. 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 given in note 1(2) below.

Change in accounting policy

The company has adopted Financial Reporting Standard No 18 "Accounting Policies" during the year. This has not resulted in any change in accounting policies. Financial Reporting Standard No 19 "Deferred Tax" has also been adopted for the first time by the company in the year.

(2) 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 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 accounts 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.

(3) Rental income

Rental income includes rent received and receivable in the year.

(4) Grants

Revenue grants are credited to the profit and loss account in the period in which the corresponding costs are charged. 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 2002

1 Principal accounting policies (continued)

(5) Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatments for accounts 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.

(6) 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.

2 Interest payable

	2002	2001
	£	£
On loans wholly or partly repayable outside 5 years	343,087	392,380
On loans from group undertakings	-	2,450
	343,087	394,830

3 Profit on ordinary activities before taxation

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

	2002	2001
	£	£
Management fee payable to parent undertaking	211,483	268,947
Auditor's remuneration:		
Audit fees	6,431	7,200
Non-audit fees	5,250	11,750

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.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2002 (continued)

3 Profit on ordinary activities before taxation (continued)

Operating leases

	2002	2001
	£	£
Operating lease charges - land and buildings	675,731	699,216

The company has a twenty-five year lease from 1 January 1995 on Phase I of the Aston Science Park, 125-year leases from 24 June 1985 on Phases II and III, and 121 year leases from 30 March 1992 on Phases IV, V and VI. Rentals payable under these leases during the year ended 30 June 2002 were £675,731 (2001: £699,216) and are payable based on occupancy levels by tenant companies on Phase I and on rents receivable on the other phases.

4 Tax on profit on ordinary activities

Analysis of charge in year:

	2002	2001 restated
	£	£
Current tax:		
UK corporation tax on profits of the period	-	-
Deferred tax:		
Current year	42,233	43,231
Prior year adjustment	(237,731)	(14,980)
Origination and reversal of timing differences	(195,499)	28,251
Tax on profit/(loss) for the year	(195,499)	28,251

The prior year adjustment of £237,731 in the year ended 30 June 2002 comprises additional tax losses available to the company following agreement reached during the year with the Inland Revenue on the treatment of Industrial Building Allowances.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2002 (continued)

4 Tax on profit on ordinary activities (continued)

Factors affecting tax charge for the year:

	2002	2001
	£	£
Profit on ordinary activities before tax	140,775	144,101
Profit on ordinary activities at the standard UK rate of corporation tax 30% (2001:30%)	42,233	43,230
Effects of:		
Capital Allowances for year in excess of depreciation	(2,916)	(3,888)
Short term timing differences	2,100	1,725
Utilisation of brought forward tax losses	(41,417)	(41,067)
Current tax charge for the period	-	-

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

5 Investment properties

Valuation	£
At 30 June 2001 and 30 June 2002	10,166,035
The historical cost of investment properties, net of grants received, comprises:	
At 30 June 2002	
Gross cost of construction at 30 June 2002	10,029,231
Cost of construction during the year	2,181
Gross cost of construction at 30 June 2002	10,031,412
Capital grants received and receivable	(3,952,983)
Net cost	6,078,429
Revaluation surplus	4,087,606

The amount of interest included in the historical cost of investment properties, in accordance with the accounting policy in Note 1(2), is as follows:

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2002 (continued)

5 Investment properties (continued)

	2002	2001
	£	£
Interest capitalised	513,579	513,579

In accordance with the accounting policy in note 1(2), all investment properties which are complete and available for letting have been revalued. The directors propose no change to the valuation as at 30 June 2001. 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.

6 Debtors

	2002	2001 restated
	£	£
Trade debtors	629,338	548,585
Other debtors	159,925	-
Amounts owed by the parent undertaking	7,015,408	6,024,641
Amounts owed by fellow subsidiary undertakings	6,760	6,760
Amounts owed by associates	24,619	-
Group tax relief receivable	70,339	70,339
Prepayments and accrued income	18,743	22,645
	7,925,132	6,672,970

Other debtors represent £159,925 (2001: £nil) of deferred tax recoverable on tax losses brought forward. (Note 9.)

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2002 (continued)

7 Creditors (amounts falling due within one year)

	2002	2001
	£	£
Loan: Württembergische Hypothekenbank AG	490,000	-
Trade creditors	11,406	219,871
Amounts owed to fellow subsidiary undertakings	5,662,639	4,805,393
Amounts owed to associates	-	57,672
Other tax and social security	1,557,946	1,148,289
Other creditors	79,536	78,887
Accruals and deferred income	638,059	673,183
	8,439,586	6,983,295

8 Creditors (amounts falling due after more than one year)

	2002	2001
	£	£
Loans:		
Württembergische Hypothekenbank AG	4,410,000	4,900,000
(1) Loans are due for repayment as follows:		
Within one year	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	2,450,000	2,940,000
	4,900,000	4,900,000

Württembergische Hypothekenbank AG has advanced a loan of £4,900,000 for which repayments commenced on 4 November 2002 and end on 4 November 2011. This loan is secured against the property at Phases 1 to 6 of Aston Science Park.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2002 (continued)

9 Provisions for liabilities and charges

Deferred taxation

The full potential deferred tax liability/(asset), calculated on the liability method at 30% (2001: 30%), is as follows:

	2002	2001 restated
	£	£
Accelerated capital allowances	116,091	113,175
Short term timing differences	(50,120)	(66,036)
Tax losses carried forward	(225,896)	(11,565)
Undiscounted provision for deferred tax	(159,925)	35,574
As at 30 June 2001 restated	35,574	-
Prior year adjustment	(237,732)	7,323
Deferred tax charge in profit and loss account for the year	42,233	28,251
As at 30 June 2002	(159,925)	35,574

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 for is £820,268 (2001: £820,268.)

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2002 (continued)

10 Called up equity share capital

	2002	2001
	£	£
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.

11 Reserves

Revaluation reserve

	2002	2001
	£	£
At 30 June 2001	4,089,787	3,471,476
Revaluation	(2,181)	618,311
At 30 June 2002	4,087,606	4,089,787

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2002 (continued)

11 Reserves (continued)

Profit and loss account

	2002	2001 restated
	£	£
At 30 June 2001 as previously reported	878,861	734,760
Prior year adjustment – FRS 19	(35,574)	(7,323)
As at 30 June 2001 restated	843,287	727,437
Movement in the year	336,274	115,850
At 30 June 2002	1,179,561	843,287

12 Movement in shareholders' funds

	2002	2001 restated
	£	£
Profit for the financial year	336,274	115,850
Revaluation	(2,181)	618,311
Net increase in shareholders funds	334,093	734,161
Opening shareholders' funds	4,938,074	4,211,236
Prior year adjustment – FRS 19	-	(7,323)
Closing shareholders' funds	5,272,167	4,938,074

13 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.

Birmingham Technology (Property) Limited

Notes to the financial statements for the year ended 30 June 2002 (continued)

14 Related party disclosures

The company received administrative services from its parent undertaking and was recharged £261,483 (2001: £268,947) during the year. In addition property rentals, which are calculated on an arms length basis and based on normal market rates, of £Nil (2001: £21,511) were received during the year from group companies.