

**BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED**  
**(REGISTERED NUMBER 2188998)**

**DIRECTORS' REPORT AND ACCOUNTS**

**30 June 1997**



## **BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1997**

The directors present their report together with the audited financial statements of the company for the year ended 30 June 1997.

#### **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 £366,085 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)
A Bore	
MJ Brooks	
DC Billington	
FV Coyne	(appointed 23 July 1996)

None of the directors had any interest (beneficial or otherwise) in the share capital of the company at 30 June 1996 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.

## **BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1997 (CONTINUED)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)**

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**

The auditors, Price Waterhouse, have indicated their willingness to be re-appointed. A resolution for their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'DW Harris', written over a horizontal line.

DW HARRIS  
Secretary

30 September 1997

*Price Waterhouse*



## **AUDITORS' REPORT TO THE MEMBERS OF BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED**

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

### **Respective responsibilities of directors and auditors**

As described on pages 1 and 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of 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 mis-statement, 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 as at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*R. i. Waterhouse*

**PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors**

30 September 1997

# **BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1997**

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
<b>TURNOVER</b>			
Rental income	1(3)	1,858,640	1,804,914
Administrative expenses	5	(1,074,053)	(1,108,393)
<b>OPERATING PROFIT</b>		784,587	696,521
Interest receivable	2	17,184	14,403
Interest payable	3	(435,686)	(460,316)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	366,085	250,608
Tax on profit on ordinary activities	6	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>	13	<u>£366,085</u>	<u>£250,608</u>

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

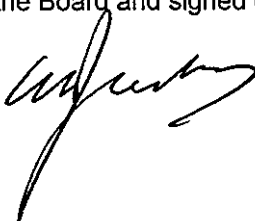
# BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED

## BALANCE SHEET - 30 JUNE 1997

	Notes	1997	1996
<b>FIXED ASSETS</b>			
Investment properties	7	9,540,000	9,540,000
Tangible assets	8	<u>1</u>	<u>1</u>
		9,540,001	9,540,001
<b>CURRENT ASSETS</b>			
Debtors	9	875,339	965,501
Cash at bank		<u>41,904</u>	<u>129,352</u>
		917,243	1,094,853
<b>CREDITORS (amounts falling due within one year)</b>	10	<u>(2,302,942)</u>	<u>(2,573,906)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(1,385,699)</u>	<u>(1,479,053)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		8,154,302	8,060,948
<b>CREDITORS (amounts falling due after more than one year)</b>	11	<u>(4,900,000)</u>	<u>(5,172,731)</u>
		<u>£3,254,302</u>	<u>£2,888,217</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	12	5,000	5,000
Revaluation reserve	13	3,026,476	3,026,476
Profit and loss account	13	<u>222,826</u>	<u>(143,259)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>£3,254,302</u>	<u>£2,888,217</u>

Approved by the Board and signed on its behalf on 30 September 1997

ALS Jackson  
DIRECTOR



## **BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED**

### **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 JUNE 1996**

	<u>1997</u>	<u>1996</u>
Profit for the financial year	343,004	250,608
Unrealised surplus on revaluation of properties	<u>-</u>	<u>572,983</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b>£343,004</b>	<b>£823,591</b>
	<u><u>          </u></u>	<u><u>          </u></u>

### **NOTE OF HISTORICAL COST PROFITS AND LOSSES**

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 equivalents.

### **MOVEMENT IN SHAREHOLDERS' FUNDS**

	<u>1997</u>	<u>1996</u>
Profit for the financial year	343,004	250,608
Other recognised gains and losses relating to the year	<u>-</u>	<u>572,983</u>
<b>NET ADDITION TO SHAREHOLDERS' FUNDS</b>	<b>343,004</b>	<b>823,591</b>
<b>OPENING SHAREHOLDERS' FUNDS</b>	<b><u>2,888,217</u></b>	<b><u>2,064,626</u></b>
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b><u>£3,231,221</u></b>	<b><u>£2,888,217</u></b>
	<u><u>          </u></u>	<u><u>          </u></u>

# BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1997

### 1 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.

#### (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. Previously, SSAP 19 required the amount by which the aggregate deficit exceeded the amount in the investment revaluation reserve to be charged to the profit and loss account, irrespective of whether the deficit to be temporary or permanent.

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 ACCOUNTS - 30 JUNE 1997 (CONTINUED)

### 1 ACCOUNTING POLICIES (CONTINUED)

#### (5) Tangible assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on a straight line basis to write off the cost of the assets over their estimated useful lives. The rates of depreciation are as follows:

Long leasehold land and buildings - car park	20% per annum
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#### (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 not to produce a statement of cash flows.

### 2 INTEREST RECEIVABLE

	<u>1997</u>	<u>1996</u>
On money market deposits	£17,184	£14,403
	<u>          </u>	<u>          </u>

### 3 INTEREST PAYABLE

	<u>1997</u>	<u>1996</u>
On loans wholly or partly repayable outside 5 years	410,952	378,674
On loans from group undertakings	<u>24,734</u>	<u>81,642</u>
	<u>£435,686</u>	<u>£460,316</u>

# BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1997 (CONTINUED)

### 4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>1997</u>	<u>1996</u>
	£	£
Management fee payable to parent undertaking	£281,962	£263,809
Depreciation	-	£2,540
Auditor's remuneration:		
Audit fees	£5,000	£4,500
Non-audit fees	£5,000	£3,000
	<u>          </u>	<u>          </u>

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

#### Operating leases

	<u>1997</u>	<u>1996</u>
Operating lease charges - land and buildings	£651,165	£665,243
	<u>          </u>	<u>          </u>

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 1997 were £665,243 (1995 - £596,226) and are payable based on occupancy levels by tenant companies on Phase I and on rents receivable on the other phases.

### 5 EXCEPTIONAL ITEM

Administrative expenses are stated after crediting:

	<u>1997</u>	<u>1996</u>
Provision for costs associated with the reinstatement of a canal retaining wall	£-	£16,000
	<u>          </u>	<u>          </u>

# BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1997 (CONTINUED)

### 6 TAX ON PROFIT ON ORDINARY ACTIVITIES

There is no tax charge on the profit for the year (1996 - £Nil).

No provision has been made for deferred taxation as a liability is not expected to crystallise in respect of revalued properties.

The full potential deferred tax liability/(asset), calculated on the liability method at 31%, is as follows:

	<u>1997</u>	<u>1996</u>
Accelerated capital allowances	93,536	86,987
Short term timing differences	(59,432)	(62,847)
Revaluation surplus	634,150	719,362
Excess management expenses carried forward (restricted)	<u>(290,020)</u>	<u>(398,607)</u>
	<u>£378,234</u>	<u>£344,895</u>

Excess management expenses carried forward for relief against future profits amount to £935,550 at 30 June 1997 (1996 - £1,207,899).

### 7 INVESTMENT PROPERTIES

#### Cost or valuation

	<u>1996</u>
At 30 June 1996	9,540,000
Revaluation (net of capital grants and contributions)	-
Valuation at 30 June 1997	<u>£9,540,000</u>

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

	<u>1997</u>	<u>1996</u>
At 30 June 1996 and 30 June 1997		
Gross cost of construction	10,021,507	10,021,507
Capital grants received and receivable	<u>(3,507,983)</u>	<u>(3,507,983)</u>
Net cost	<u>6,513,524</u>	<u>6,513,524</u>
Revaluation surplus (see Note 13)	<u>£3,026,476</u>	<u>£3,026,476</u>

## BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED

### NOTES TO THE ACCOUNTS - 30 JUNE 1997 (CONTINUED)

#### 7 INVESTMENT PROPERTIES (CONTINUED)

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:

At 30 June 1997 and 30 June 1996	£506,231
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In accordance with the accounting policy in note 1(2), all investment properties which are complete and available for letting have been revalued. Completed investment properties at 30 June 1997, comprising Phases I to VI, were valued by the directors on an open market, existing use basis.

A professional valuation on an open market, existing use basis of the completed investment properties comprising Phases I to VI was performed as at 5 July 1996 by King Sturge & Co, Chartered Surveyors.

#### 8 TANGIBLE ASSETS

	Long leasehold land and buildings (car park)
<b><u>Cost</u></b>	
At 30 June 1996	43,462
Additions	-
At 30 June 1997	£43,462
<b><u>Depreciation</u></b>	
At 30 June 1996	43,461
Charge for the year	-
At 30 June 1997	£43,461
<b><u>Net book amount</u></b>	
At 30 June 1997	£1
At 30 June 1996	£1

# **BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED**

## **NOTES TO THE ACCOUNTS - 30 JUNE 1997 (CONTINUED)**

### **9 DEBTORS**

	<u>1997</u>	<u>1996</u>
Trade debtors	410,154	507,281
Amounts owed by the parent undertaking	326,466	39,649
Amounts owed by fellow subsidiary undertakings	13,195	9,024
Group tax relief receivable	70,339	70,339
Prepayments and accrued income	<u>55,185</u>	<u>339,208</u>
	<u>£875,339</u>	<u>£965,501</u>

### **10 CREDITORS (amounts falling due within one year)**

	<u>1997</u>	<u>1996</u>
Loans (note 11(1))	-	360,096
Trade creditors	79,378	106,137
Amounts owed to fellow subsidiary undertakings	1,151,736	1,004,598
Other tax and social security	77,872	63,342
Other creditors	39,307	40,043
Accruals and deferred income	<u>954,649</u>	<u>999,690</u>
	<u>£2,302,942</u>	<u>£2,573,906</u>

# BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1997 (CONTINUED)

### 11 CREDITORS (amounts falling due after more than one year)

	<u>1997</u>	<u>1996</u>
<b>Loans:</b>		
Württembergische Hypothekenbank AG	4,900,000	-
Amounts due to group undertakings	-	602,373
TSB plc	<u>-</u>	<u>4,930,454</u>
	4,900,000	5,532,827
Less: falling due within one year	<u>-</u>	<u>(360,096)</u>
	<u>£4,900,000</u>	<u>£5,172,731</u>

#### (1) Loans are due for repayment as follows:

	<u>1997</u>	<u>1996</u>
Within one year	-	360,096
Between one and two years	-	360,096
Between two and five years	490,000	1,080,288
In five years or more	<u>4,410,000</u>	<u>3,732,347</u>
	<u>£4,900,000</u>	<u>£5,532,827</u>

Württembergische Hypothekenbank AG has advanced a loan of £4,900,000 for which repayments will commence 4 November 2001 and end on 4 November 2010. This loan was used to repay the loans made by TSB plc, and is secured against the property at Phases 1 to 6 of Aston Science Park.

# BIRMINGHAM TECHNOLOGY (PROPERTY) LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1997 (CONTINUED)

### 12 CALLED UP EQUITY SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
Authorised:		
'A' Ordinary shares of £1 each	3,750	3,750
'B' Ordinary shares of £1 each	<u>1,250</u>	<u>1,250</u>
	£5,000	£5,000
	<u>=====</u>	<u>=====</u>
Allotted and fully paid:		
'A' Ordinary shares of £1 each	3,750	3,750
'B' Ordinary shares of £1 each	<u>1,250</u>	<u>1,250</u>
	£5,000	£5,000
	<u>=====</u>	<u>=====</u>

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

	<u>Revaluation reserve</u>	<u>Profit and loss account</u>
At 30 June 1996	3,026,476	(143,259)
Profit for the year	<u>                    </u>	<u>366,085</u>
At 30 June 1997	£3,026,476	£222,826
	<u>=====</u>	<u>=====</u>

### 14 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, Love Lane, Birmingham B7 4BJ.

### 15 RELATED PARTY DISCLOSURES

The company received administrative services from its parent undertaking and was recharged £44,380 (1996 : £41,338) during the year. In addition property rentals, which are calculated on an arms length basis and based on normal market rates, of £93,410 (1996 : £93,410) were received during the year from group companies.