

**BCU Property Limited**

**Directors' report and financial  
statements**

**Registered number 2776316**

**Year ended 31 July 2011**

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2011

### Principal activities and business review

The company is a wholly-owned subsidiary of Birmingham City University. The company's main activities involve property development and leasing.

In 2003, the company completed the construction of a new pavilion and an all weather pitch at the Moor Lane Sports Ground. The development was financed by the issue of shares in the company to Birmingham City University. The company granted a licence to a subsidiary company of Birmingham City Students' Union to operate the new facility for the benefit of staff and students of Birmingham City University and the wider community.

In the financial year ended 31 July 2008, the company granted permission to Birmingham City University to develop a Sports Centre on the company's land at the former Ansell's Sports Club (the "Ansell's site"). The development of the Sports Centre was completed in December 2009, and the operation of the University's Sports Facilities, including the Moor Lane Sports Ground was outsourced to an external contractor with effect from 4 January 2010. To facilitate this transaction, the licence granted to the subsidiary company of Birmingham City Students' Union was terminated and was replaced by the grant of a ground lease from the Company to the University in respect of the Ansell's site and the grant of a sub-underlease of the Moor Lane facilities to the University. In both cases, the Board also consented to the grant by the University of sub-underleases to the outsourced operator of the facilities.

The results for the year ended 31 July 2011 reflect the prevailing economic climate. Looking ahead to 2011/12, the principal risks and uncertainties for the company continue to include the likelihood of significant reductions in public expenditure.

The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors, having assessed the responses of the trustees of the company's parent to their enquiries regarding the subsidiary's business fit into the group's activities and future plans have no reason to believe that a material uncertainty exists that may cast significant doubt on the future viability of the current trading arrangements. In particular, the trustees of the parent undertaking have indicated that they will not demand payment of the amounts due to the parent within 12 months of these financial statements being signed. On the basis of their assessment of the company's financial position and of the enquiries made of the trustees of the parent undertaking, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Directors and directors' interests

The directors who held office during the year were as follows:

Professor D H Tidmarsh (Chairman)  
Mr R C Spilsbury  
Mr J Kelly  
Mr G Rhodes

The directors have no personal or beneficial interests in the shares of the company and receive no remuneration, fees or other emoluments from or on behalf of the company.

Ms C Abbott was Company Secretary during the year.

### Political and charitable contributions

The company made no political contributions or charitable donations during the year but made a £4,287 (2010 £63,746) charitable donation under gift aid to Birmingham City University. During the period, the 2010 gift aid was repaid by the University to the Company upon finalisation of taxable profits.

## **Directors' report** *(continued)*

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

### **Auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board



**C Abbott**  
*Secretary*

Birmingham City University  
City North Campus  
Perry Barr  
Birmingham  
B42 2SU

29 November 2011

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**KPMG LLP**  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BCU PROPERTY LIMITED**

We have audited the financial statements of BCU Property Limited for the year ended 31<sup>st</sup> July 2011 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> July 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**MJ Rowley (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH

19 March 2012

**Profit and loss account**  
*for the year ended 31 July 2011*

	<i>Note</i>	<b>2011</b> <b>£</b>	<b>2010</b> <b>£</b>
Turnover	<i>1</i>	<b>116,569</b>	260,382
Cost of sales		<b>(341)</b>	(100,403)
<b>Gross profit</b>		<b>116,228</b>	159,979
Administrative expenses		<b>(73,092)</b>	(151,704)
Gift aid to parent undertaking		<b>(4,287)</b>	(63,746)
<b>Profit/(loss) on ordinary activities before and after taxation and retained loss for the year</b>	<i>2</i>	<b>38,849</b>	(55,471)
<b>Retained (loss)/profit brought forward</b>		<b>(29,768)</b>	25,703
<b>Retained profit/(loss) carried forward</b>		<b>9,081</b>	(29,768)

The company has no recognised gains or losses other than the result for the year

All turnover in the year relates to continuing operations



**Balance sheet**  
*at 31 July 2011*

	<i>Note</i>	2011 £	2010 £
<b>Fixed assets</b>	<b>6</b>	<b>4,826,080</b>	<b>4,933,643</b>
		<hr/>	<hr/>
<b>Current assets</b>			
Cash at bank and in hand		69,826	6,114
		<hr/>	<hr/>
		69,826	6,114
<b>Creditors</b> Amounts falling due within one year	<b>7</b>	<b>(586,823)</b>	<b>(669,523)</b>
		<hr/>	<hr/>
<b>Net current liabilities</b>		<b>(516,997)</b>	<b>(663,409)</b>
		<hr/>	<hr/>
<b>Net assets</b>		<b>4,309,083</b>	<b>4,270,234</b>
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Share capital	<b>8</b>	<b>4,300,002</b>	<b>4,300,002</b>
Profit and loss account		<b>9,081</b>	<b>(29,768)</b>
		<hr/>	<hr/>
		<b>4,309,083</b>	<b>4,270,234</b>
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 29 November 2011 and were signed on its behalf by



**Professor D H Tidmarsh**  
*Director*

Registered number 2776316

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards

#### *Turnover*

Turnover represents rental and other property related income receivable from the parent undertaking, Birmingham City University and from companies within the University Group

#### *Fixed assets*

The cost of land, buildings and equipment to be held by the company for the long term is capitalised as tangible fixed assets. Depreciation is provided so as to charge the cost of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Leasehold buildings	- 40 years
Fixtures and fittings	- between three and ten years

No depreciation is provided on freehold land or on assets in the course of construction

#### *Deferred tax*

Provision is made for deferred tax, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19

### 2 Profit/(loss) on ordinary activities before taxation

	2011 £	2010 £
Profit/(loss) on ordinary activities before taxation is stated after charging		
Auditors' remuneration	654	640
Audit work		
Non-audit work	27,397	1,463
	<u>27,397</u>	<u>1,463</u>

### 3 Remuneration of directors

The directors have received no remuneration during the period (2010 £nil)

### 4 Staff costs

The company has no employees (2010 nil)

## Notes (continued)

### 5 Taxation

The company pays over the whole of its taxable profit under gift aid to its parent undertaking, Birmingham City University, an arrangement which is likely to remain in place for the foreseeable future. The company therefore has no taxable profit or tax charge for the year.

As explained in the accounting policies note, provision is made for deferred tax, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19. As at 31 July 2011 there was a deferred tax asset of £111,287 (2010 £156,331). No deferred tax asset has been recognised as there is insufficient evidence that any such asset would be recoverable. The tax assessed for the year is lower (2010 higher) than the standard rate of corporation tax in the UK of 27.33% (2010 28%). The differences are explained below.

#### Factors affecting the tax charge for the current year

	2011 £	2010 £
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	38,849	(55,471)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in UK for small companies of 27.33% (2010 28%)	10,617	(15,531)
<i>Effect of</i>		
Depreciation on expenditure ineligible for capital allowances	25,966	10,921
Unutilised gift aid	(17,422)	17,849
Loss on transfer of property from stock to fixed assets	-	(230,748)
Capital allowances for the period (in excess of)/less than depreciation	(19,161)	27,756
Increase in tax losses	-	189,753
Total current tax charge	-	-

## Notes (continued)

### 6 Fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Total £
<i>Cost</i>			
At 1 August 2010 and 31 July 2011	5,658,766	241,810	5,900,576
<i>Depreciation</i>			
At 1 August 2010	749,459	217,474	966,933
Charge for the year	106,868	695	107,563
	<u>856,327</u>	<u>218,169</u>	<u>1,074,496</u>
<i>Net book value</i>			
At 31 July 2011	4,802,439	23,641	4,826,080
	<u>4,802,439</u>	<u>23,641</u>	<u>4,826,080</u>
At 1 August 2010	4,909,307	24,336	4,933,643
	<u>4,909,307</u>	<u>24,336</u>	<u>4,933,643</u>

### 7 Creditors: Amounts falling due within one year

	2011 £	2010 £
Amounts due to parent undertaking	562,851	656,245
Value Added Tax	1,506	10,685
Accruals and deferred income	22,466	2,593
	<u>586,823</u>	<u>669,523</u>

Whilst the amounts due to the parent undertaking are due within one year, the directors have received assurances from the University that it will not demand payment within 12 months of these financial statements being signed

### 8 Share capital

	2011 £	2010 £
<i>Authorised</i>		
6,000,000 Ordinary shares of £1 each	6,000,000	6,000,000
	<u>6,000,000</u>	<u>6,000,000</u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	4,300,002	4,300,002
	<u>4,300,002</u>	<u>4,300,002</u>

## Notes (continued)

### 9 Operating lease commitments

Annual commitments under operating leases are as follows

	2011 £	2010 £
Land and buildings		
Operating leases which expire in over five years	1	1
	<u>1</u>	<u>1</u>

### 10 Cash flow statement

Under FRS 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of Birmingham City University, who publishes consolidated financial statements that include the Company

### 11 Related party transactions

The company is wholly owned by Birmingham City University and in accordance with the exemption granted by FRS 8 (revised), transactions between the company and other group members have not been separately disclosed

### 12 Parent undertaking

The company is a subsidiary undertaking of Birmingham City University. The consolidated financial statements of the University are available to the public and may be obtained from

Birmingham City University  
City North Campus  
Perry Barr  
Birmingham  
B42 2SU