

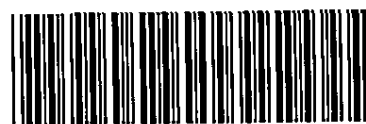
UCE Property Limited

**Directors' report and financial
statements**

Registered number 2776316

Year ended 31 July 2007

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2007

Principal activities and business review

The company is a wholly-owned subsidiary of the Birmingham City University (formerly University of Central England in Birmingham). The company's main activities involve property development and leasing.

In June 1999 the company completed the purchase of the Ansell's sports ground. This is to be held for the construction of student residences and sports facilities.

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 has granted a licence to a subsidiary company of the Union of Students at UCE to operate the new facility for the benefit of staff and students of Birmingham City University and the wider community.

Directors and directors' interests

The directors who held office during the year were as follows

Dr PC Knight	(resigned 31 December 2006)
RC Spilsbury	
M Penlington	
B Jones	(Chairman)
R Brew	
Prof D H Tidmarsh	(appointed 1 January 2007)

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.

Political and charitable contributions

The company made no political or charitable contributions during the year (2006 £nil).

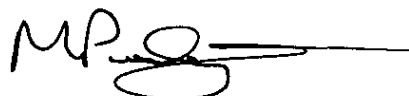
Disclosure of information to auditors

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

A resolution for the re-appointment of KPMG LLP as auditors of the company was approved at the Board of Directors meeting on 27 November 2007.

By order of the board



M Penlington
Secretary

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

27 November 2007

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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.



KPMG LLP
2 Cornwall Street
Birmingham
B3 2DL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UCE PROPERTY LIMITED

We have audited the financial statements of UCE Property Limited for the year ended 31 July 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditor's 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 described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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. We also 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2007 and of its profit 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



KPMG LLP
Chartered Accountants
Registered Auditor

27 November 2007

Profit and loss account
for the year ended 31 July 2007

	<i>Note</i>	2007 £	2006 £
Turnover	<i>1</i>	401,903	371,441
Cost of sales		(229,808)	(201,824)
Gross profit		172,095	169,617
Administrative expenses		(163,612)	(162,261)
Interest receivable	<i>5</i>	285	1,521
Profit on ordinary activities before and after taxation and retained profit for the year	<i>2</i>	8,768	8,877
Retained profit brought forward		32,567	23,690
Retained profit carried forward		41,335	32,567

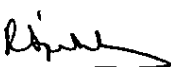
The company has no recognised gains or losses other than the result for the year

All turnover in the year relates to continuing operations

Balance sheet
at 31 July 2007

	<i>Note</i>	2007 £	2006 £
Fixed assets	7	3,708,947	3,847,080
Current assets			
Stock	8	1,582,144	1,557,544
Debtors	9	1,357	15,845
Cash at bank and in hand		6,973	23,351
		1,590,474	1,596,740
Creditors Amounts falling due within one year	10	(958,084)	(1,111,251)
Net current assets		632,390	485,489
Net assets		4,341,337	4,332,569
Capital and reserves			
Share capital	11	4,300,002	4,300,002
Profit and loss account		41,335	32,567
		4,341,337	4,332,569

These financial statements were approved by the board of directors on 27 November 2007 and were signed on its behalf by


RC Spilsbury
Director

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

Stocks and work-in-progress

Stock represents the value of properties held for development, for subsequent resale to Birmingham City University

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

Notes (continued)

2 Profit on ordinary activities before taxation

	2007 £	2006 £
Profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration Audit work	588	529
Non-audit work	1,175	1,128
	<u> </u>	<u> </u>

3 Remuneration of directors

The directors have received no remuneration during the period (2006 £nil)

4 Staff costs

The company has no employees (2006 nil)

5 Interest receivable

	2007 £	2006 £
Bank interest	285	1,521
	<u> </u>	<u> </u>

6 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 2007 there was a deferred tax liability of £55,771 (2006 £45,423). This has not been provided for as the directors do not consider that the liability will crystallise.

The tax assessed for the year is lower (2006 lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below.

Factors affecting the tax charge for the current year

	2007 £	2006 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	8,768	8,877
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by standard rate of corporation tax in UK for small companies of 30% (2006 30%)	2,630	2,663
<i>Effect of</i>		
Depreciation on expenditure ineligible for capital allowances	11,701	11,701
Capital allowances for the period in excess of depreciation	(14,331)	(14,364)
	<u> </u>	<u> </u>
Total current tax charge	-	-
	<u> </u>	<u> </u>

Notes (continued)

7 Fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 August 2006 and 31 July 2007	4,019,670	241,810	4,261,480
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 August 2006	321,991	92,409	414,400
Charge for the year	106,867	31,266	138,133
	<u> </u>	<u> </u>	<u> </u>
At 31 July 2007	428,858	123,675	552,533
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 July 2007	3,590,812	118,135	3,708,947
	<u> </u>	<u> </u>	<u> </u>
At 31 July 2006	3,697,679	149,401	3,847,080
	<u> </u>	<u> </u>	<u> </u>

8 Stock

	2007 £	2006 £
Properties held for development	1,582,144	1,557,544
	<u> </u>	<u> </u>

9 Debtors

	2007 £	2006 £
Prepayments	1,357	15,845
	<u> </u>	<u> </u>

10 Creditors: Amounts falling due within one year

	2007 £	2006 £
Amounts due to parent undertaking	883,481	975,587
Value Added Tax	6,870	10,848
Accruals and deferred income	67,733	124,816
	<u> </u>	<u> </u>
	958,084	1,111,251
	<u> </u>	<u> </u>

Notes (continued)

11 Share capital

	2007 £	2006 £
<i>Authorised</i>		
6,000,000 Ordinary shares of £1 each	6,000,000	6,000,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	4,300,002	4,300,002
	<u> </u>	<u> </u>

12 Operating lease commitments

Annual commitments under operating leases are as follows

	2007 £	2006 £
Land and buildings		
Operating leases which expire in over five years	35,000	35,000
	<u> </u>	<u> </u>

13 Cash flow statement

Under Financial Reporting Standard 1 (revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it falls within the definition of a small company under Section 247 of the Companies Act 1985

14 Related party transactions

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

15 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

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