

**BIRMINGHAM RESEARCH AND DEVELOPMENT
LIMITED**

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2005

Registered No. 2108517


Clement Keys
CHARTERED ACCOUNTANTS



BIRMINGHAM RESEARCH AND DEVELOPMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO BIRMINGHAM RESEARCH AND DEVELOPMENT LIMITED **Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts of Birmingham Research and Development Limited for the year ended 31 July 2005 set out on pages 2 to 6 together with the financial statements of the company for the year ended 31 July 2005 prepared under section 226 of the Companies Act 1985

This report is made solely to the company's members, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

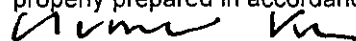
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on page 2 to 6 are properly prepared in accordance with those provisions.



Clement Keys
Chartered Accountants
Registered Auditors
39/40 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

7 November 2005

BIRMINGHAM RESEARCH AND DEVELOPMENT LIMITED

ABBREVIATED BALANCE SHEET AT 31 JULY 2005

	Notes	£	2005 £	£	2004 £
Fixed assets					
Tangible assets	2		57,820		91,868
Investments	3		171,860		171,860
			<u>229,680</u>		<u>263,728</u>
Current assets					
Debtors		969,147		859,552	
Cash at bank and in hand		790,547		1,590,119	
		<u>1,759,694</u>		<u>2,449,671</u>	
Creditors: amounts falling due within one year		<u>1,666,660</u>		<u>2,370,378</u>	
Net current assets			<u>933,014</u>		<u>79,293</u>
Total assets less current liabilities			<u>322,714</u>		<u>343,021</u>
Capital and reserves					
Called up share capital	4		299,048		299,048
Profit and loss account			23,666		43,973
Equity shareholders' funds			<u>322,714</u>		<u>343,021</u>

The abbreviated accounts on pages 2 to 6 which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the Board of Directors on 7 November 2005 and were signed on its behalf by:



Mrs G Ball
Director

BIRMINGHAM RESEARCH AND DEVELOPMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2005

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

	%
Motor vehicles	25
Fixtures and fittings	33 1/3

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods, services and commission provided during the year.

Operating leases

Payments under an arrangement which is in substance of a rental nature ("operating lease") are charged to profit and loss account on a straight line basis over the operating lease term.

Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposals of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not they will be recovered.

Pension scheme arrangements

The company operates a defined contribution pension scheme and makes contributions to individual personal schemes. The assets of the schemes are held separately from the company in independently administered funds. The amount of any contributions payable to a pension scheme in respect of the accounting period is charged to the profit and loss account. Any outstanding or prepaid contributions at the Balance Sheet date are shown as liabilities or assets.

Foreign currency

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating result.

BIRMINGHAM RESEARCH AND DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2005

1 Principal accounting policies (continued)

Gift Aid

The company has entered into an arrangement with The University of Birmingham under which an annual sum, equal to the taxable profits of the company for the year is paid to the University of Birmingham under Gift Aid legislation.

Cash flow statement

The company qualifies as a small company under the terms of section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

2 Tangible fixed assets

	Total £
Cost	
At 1 August 2004	193,316
Additions	2,095
Disposals	(33,737)
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At 31 July 2005	161,674
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Depreciation	
At 1 August 2004	101,448
Charge for year	36,143
Disposals	(33,737)
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At 31 July 2005	103,854
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Net book value	
At 31 July 2005	57,820
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At 31 July 2004	91,868
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BIRMINGHAM RESEARCH AND DEVELOPMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2005

3 Fixed asset investments

	Subsidiary undertakings £	Associated undertakings £	Other shares £	Total £
Cost				
At 1 August 2004 and 31 July 2005	4	171,864	30,864	202,732
Amounts written off				
At 1 August 2004 and 31 July 2005	-	8	30,864	30,872
Net book value				
At 31 July 2005	4	171,856	-	171,860
Net book value				
At 31 July 2004	4	171,856	-	171,860

The company's share of net assets of the subsidiary undertakings is £Nil (2004 £Nil).

Subsidiary undertakings and nature of business	Country of incorporation	Class of capital	% of Class held	Share capital and reserves £	Profit for year £
Flowmetrics Limited - Dormant	England	Ordinary	100	2	-
Hyperspace Corporation Limited- Dormant	England	Ordinary	100	2	-
Associated undertaking					
Birmingham Research Park Limited - Provision of accommodation and services to companies at the Park	England	Ordinary	35.5	see below	191,555

Consolidated accounts

In accordance with Section 248(1) of the Companies Act 1985, Birmingham Research and Development Limited is exempt from producing consolidated accounts.

In accordance with FRS9 - Associates and Joint Ventures - the following additional information is given in respect of the company's interest in Birmingham Research Park Limited;

	2005 £	2004 £
Turnover	322,133	370,657
Fixed Assets	53,147	1,869,641
Current Assets	8,751	146,411
Liabilities due within one year	44,396	133,960
Liabilities due after more than one year	1,867,469	447,913
Profit before tax	146,772	86,325
Tax charge	133,423	18,323
Profit after tax	958,501	68,002

BIRMINGHAM RESEARCH AND DEVELOPMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2005

4 Called up share capital

	2005 £	2004 £
Authorised		
300,000 ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>
Allotted, called up and fully paid		
299,048 ordinary shares of £1 each	<u>299,048</u>	<u>299,048</u>

5 Transactions with related parties

During the year, the company received £512,703 (2004 - £670,334) from its parent undertaking, The University of Birmingham, and paid over £325,742 (2004 - £469,174) in relation to its normal trading activities. A gift aid payment of £896,697 (2004 - £356,396) was made in the year. The amount due to the University of Birmingham at the balance sheet date is £241,769 (2004 - £773,592).

The company also made management charges of £527,160 (2004 - £590,854) to Birmingham Research Park Limited, and paid £25,992 (2004 - £25,984) to Birmingham Research Park Limited for rents on the premises which it occupies within the Research Park. The amount due from the company at the balance sheet date is £26,220 (2004 - £67,590).

In addition, the company received £11,503 (2004 - £2,750) from fellow subsidiary Entice Technology Limited and paid over £114,021 (2004 - £10,182) in relation to its normal trading activities. There were no outstanding amounts at the balance sheet date.

6 Ultimate parent

The directors regard The University of Birmingham to be the ultimate and immediate parent. According to the register kept by the company, The University of Birmingham has a 100% interest in the equity capital of Birmingham Research and Development Limited at 31 July 2005. Copies of the University's financial statements may be obtained from Mrs G Ball, The University of Birmingham, Edgbaston, Birmingham B15 2TT.