

Aston Science Park Limited

Annual report and financial statements

for the year ended 30 June 2007

Registered number 3089755

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Aston Science Park Limited

Annual report and financial statements for the year ended 30 June 2007

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Aston Science Park Limited

Directors' report for the year ended 30 June 2007

The directors present their annual report together with the audited financial statements of the company for the year ended 30 June 2007

Principal activities

The company is an investment property company, holding short term leasehold interests in Phases VII and IX of the Aston Science Park

Results and trading

The results for the year are set out on page 5. The loss for the year of £136,686 (2006: £95,316 loss) has been transferred to reserves.

The directors do not propose to pay a dividend in respect of the financial year.

Review of activities

The company incurred a loss of £136,686 for the financial year, after charging £338,000 in respect of depreciation on the Phase 7 property, which has less than 20 years before the lease expires. The Directors can report that occupancy levels remain reasonably high in both properties. However, turnover reduced by almost 3% during the year which has been offset by a 2% reduction in administration costs, resulting in an increased operating loss. The loss before tax further increased due to higher interest rates during the year.

Future developments

Demand for property owned by the company remains fairly high and the company continues to manage its portfolio with a view to maintaining this position.

Going concern

The ability of the company to continue as a going concern is dependent on the continuing financial support of the Birmingham Technology Limited group. Continuing financial support for the company has been given by the Birmingham Technology Limited group and will be continued for the forthcoming year.

Directors and their share interests

The directors during the year and up to the date of this report were:

KT Byrom

RJ Hudson

Professor JE King CBE

(Appointed 20 February 2007)

RDA Packham

(Resigned 15 August 2007)

A Slater

M Whitby

MT Wright

(Resigned 20 February 2007)

None of the directors had any interest (beneficial or otherwise) in the share capital of the company at 30 June 2007 or at any time during the year.

Aston Science Park Limited

Directors' report for the year ended 30 June 2007 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The directors are responsible for preparing financial statements which give a true and fair view in accordance with United Kingdom Generally Acceptable Accounting Practice, of the state of affairs of the Company and of the profit and 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, 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 confirm that they have complied with the above requirements in preparing the financial statements

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 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

Disclosure of information to auditors

Each person who is a director at the date of approval of this report confirms that

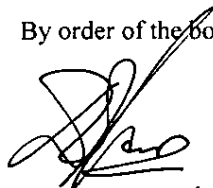
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 234ZA of the Companies Act 1985

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting

By order of the board



D W Harris
Secretary
Date

Independent auditors' report to the members of Aston Science Park Limited

We have audited the financial statements of Aston Science Park Limited for the year ended 30 June 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Movement in Total Shareholders' Deficits, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body 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 into 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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 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.

Independent auditors' report to the members of Aston Science Park Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its loss 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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
Date

14th November 2007

Aston Science Park Limited

Profit and loss account for the year ended 30 June 2007

	Notes	2007 £	2006 £
Turnover	1	1,959,562	2,015,836
Administrative expenses		(1,365,122)	(1,390,368)
Operating profit		594,440	625,468
Interest receivable	2	20,103	18,302
Interest payable	3	(707,783)	(686,928)
(Loss) on ordinary activities before taxation	4	(93,240)	(43,158)
Tax charge on loss on ordinary activities	5	(43,446)	(52,158)
(Loss) for the financial year	13	(136,686)	(95,316)

The notes on pages 8 to 18 form part of these financial statements

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

There is no material difference between the loss as disclosed in the profit and loss account and the loss on an unmodified historical cost basis

Aston Science Park Limited

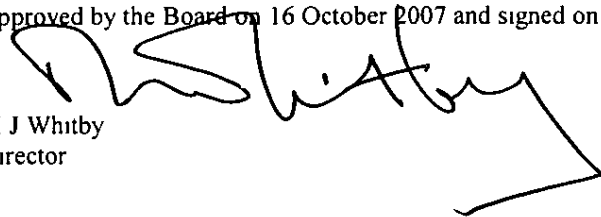
Balance sheet as at 30 June 2007

	Notes	2007 £	2006 £
Fixed assets			
Tangible fixed assets	6	45,877	63,310
Investment properties	7	10,605,999	10,943,999
		10,651,876	11,007,309
Current assets			
Debtors	8	1,532,171	2,234,199
Bank and cash		252,553	5,132
		1,784,724	2,239,331
Creditors amounts falling due within one year	9	(2,435,618)	(2,558,972)
Net current liabilities		(650,894)	(319,641)
Total assets less current liabilities		10,000,982	10,687,668
Creditors amounts falling due after more than one year	10	(11,350,000)	(11,900,000)
Provisions for liabilities and charges	11	-	-
Net liabilities		(1,349,018)	(1,212,332)
Capital and reserves			
Called up share capital	12	50,000	50,000
Profit and loss reserve	13	(1,469,018)	(1,332,332)
Revaluation reserve	13	70,000	70,000
Total shareholders' deficit		(1,349,018)	(1,212,332)

The notes on pages 8 to 18 form part of these financial statements

Approved by the Board on 16 October 2007 and signed on its behalf by

M J Whitby
Director



Aston Science Park Limited

Movement in total shareholders' deficits

	2007	2006
	£	£
Opening total shareholders' deficits	(1,212,332)	(1,187,016)
(Loss) for the financial year	(136,686)	(95,316)
Increase in revaluation reserve	-	70,000
Net change to total shareholders' deficits	(136,686)	(25,316)
Closing total shareholders' deficits	(1,349,018)	(1,212,332)

Statement of total recognised gains and losses

	2007	2006
	£	£
(Loss) for the financial year	(136,686)	(95,316)
Increase in revaluation reserve	-	70,000
Total recognised gains and losses recognised since the last annual report	(136,686)	(25,316)

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2007

1 Principal accounting policies

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of investment properties, and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 1985. Compliance with SSAP 19 "Accounting for Investment properties" requires departure from the Companies Act 1985 relating to depreciation and amortisation and an explanation of the departure is set out below. The accounting policies have been consistently applied.

The ability of the company to continue as a going concern is dependent upon the continuing financial support of the Birmingham Technology Limited group. The financial statements do not include any adjustments that might be necessary should the company be unable to continue as a going concern. In the opinion of the directors the going concern basis is appropriate for the preparation of the financial statements.

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 up when the majority of the property is let, 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 properties expected to be permanent are charged to profit and loss.

No provision is made for depreciation of leasehold properties with leases 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 financial statements to show a true and fair view in accordance with applicable accounting standards. Depreciation is charged on short term leasehold properties (having 20 years or less unexpired) on a straight line basis. Short term leasehold properties are not revalued. Depreciation (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.

Turnover

Turnover includes rent received and receivable in the year and also includes service charges.

Grants

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.

Tangible fixed assets

Tangible fixed assets comprise fixtures, fittings & equipment and are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis to write assets down to residual value over their estimated useful economic lives. Useful economic lives are generally estimated to be from 4 to 5 years depending on the nature of the asset.

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

1 Principal accounting policies (continued)

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.

Statement of cash flows

The company qualifies as a small company as defined in Section 247 Companies Act 1985, and has exercised its right in accordance with Financial Reporting Standard 1 (Revised) 1996 not to produce a statement of cash flows.

2 Interest receivable

	2007	2006
	£	£
From other group companies	19,207	17,323
On bank deposits	896	979
	20,103	18,302

3 Interest payable

	2007	2006
	£	£
Bank interest	707,783	681,630
To other group companies	-	5,298
	707,783	686,928

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

4 Loss on ordinary activities before taxation

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

	2007	2006
	£	£
Depreciation – owned assets	17,433	14,981
Depreciation – leased assets	338,000	338,000
Operating lease charges – other than plant and machinery	98,344	99,196
Auditor's remuneration		
Audit fees	9,900	10,000
Non-audit fees	5,400	5,000

None of the directors received any emoluments during the year in respect of their services to the company
There were no employees paid by Aston Science Park Limited during either the current or the prior year

The company has two investment properties, Phases VII and IX of the Aston Science Park. These are subject to two underleases from an associate company, Birmingham Technology (Property) Limited, which expire on 31 March 2024 and 31 January 2031 respectively. At the end of these underleases, the properties revert to Birmingham Technology (Property) Limited. Rentals payable on these were £98,344 (2006: £99,196).

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

5 Tax charge on loss on ordinary activities

Analysis of charge in the year	2007	2006
	£	£
Corporation tax/(credit) on losses for the year:		
UK corporation tax on losses of the year	47,675	57,309
Prior year adjustment	(935)	(313)
Total corporation tax charge for the year	46,740	56,996
Deferred tax		
Current year	(3,294)	862
Prior year	-	(5,700)
Total deferred tax (credit) for the year	(3,294)	(4,838)
Tax charge on loss for the year	43,446	52,158
The tax assessed for the year is higher (2006 higher) than the standard rate of corporation tax in the United Kingdom of 19%		
Factors affecting tax charge for the year	2007	2006
	£	£
Loss on ordinary activities before taxation	(93,240)	(43,158)
Loss on ordinary activities at UK rate of corporation tax 19% (2006 19%)	(17,716)	(8,200)
Effects of		
Prior year items	(935)	(313)
Capital allowances in excess of depreciation / other timing differences	515	637
Short term timing differences	(570)	(1,183)
Expenses not deductible for tax purposes	65,446	66,055
Current tax charge for the year	46,740	56,996

Based on current capital investment plans, there are no significant factors affecting tax charges in future years

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

6 Tangible fixed assets

Fixtures, fittings & equipment	£
Cost	
At 1 July 2006	108,606
Additions in the year	-
At 30 June 2007	108,606
Depreciation	
At 1 July 2006	45,296
Charge for the year	17,433
At 30 June 2007	62,729
Net book value	
As at 30 June 2007	45,877
As at 30 June 2006	63,310

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

7 Investment properties

	£
Valuation at 30 June 2006	11,619,999
Revaluation of properties	-
Valuation at 30 June 2007	11,619,999
Depreciation at 30 June 2006	676,000
Charge for the year	338,000
Depreciation at 30 June 2007	1,014,000
Net book value at 30 June 2007	10,605,999
Net book value at 30 June 2006	10,943,999

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

7 Investment properties (continued)

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

	2007
	£
Gross cost of construction as at 30 June 2006 and 30 June 2007	17,964,566
Capital grants received and receivable at 30 June 2006 and at 30 June 2007	(6,414,567)
Cost net of grants receivable as at 30 June 2006 and at 30 June 2007	11,549,999
Depreciation as at 30 June 2006	676,000
Charge for the year	338,000
Depreciation at 30 June 2007	1,014,000
Net book amount at 30 June 2007	10,535,999
Net book amount at 30 June 2006	10,873,999
Revaluation surplus at 30 June 2006 and 30 June 2007	70,000

The amount of interest included in the historical cost of investment properties, in accordance with the accounting policy in Note 1, was £697,973 (2006 £697,973)

In accordance with the accounting policy in Note 1, all investment properties that are complete and available to let are held at directors' valuation. In making this valuation, the directors have access to property specialists who are members of the Royal Institution of Chartered Surveyors. Completed investment properties as at 30 June 2007, comprised Phases VII and IX of the Aston Science Park. The directors have undertaken a valuation of the company's properties as at 30 June 2007. The last full professional valuation was undertaken at 30 June 2006, prepared by Phoenix Beard (Property Consultants) using RICS guidelines.

These properties are subject to underleases from an associate company, Birmingham Technology (Property) Limited. The Phase VII underlease, dated 11 October 1996, expires on 31 March 2024. The Phase IX underlease, dated 31 January 2000, expires on 31 January 2031 respectively. At the end of these underleases, the properties revert to Birmingham Technology (Property) Limited. In accordance with SSAP19 Accounting for Investment Properties, the company depreciates its interest in short leasehold properties commencing from the time when 20 years remains unexpired on the short leasehold.

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Notes to the financial statements for the year ended 30 June 2007 (continued)

8 Debtors

Amounts falling due within one year	2007	2006
	£	£
Trade debtors	234,763	107,635
Amounts owed by associates	1,231,585	2,084,967
Deferred tax asset (note 11)	6,066	2,772
Prepayments and accrued income	59,757	38,825
	1,532,171	2,234,199

9 Creditors: amounts falling due within one year

	2007	2006
	£	£
Loan Wurttembergische Hypothekenbank AG	550,000	600,000
Trade creditors	110,176	75,813
Amounts owed to associates	1,053,876	1,053,875
Accruals and deferred income	439,885	348,993
Other creditors	145,807	209,224
Other taxes and social security	101,052	232,452
Corporation tax payable	34,822	38,615
	2,435,618	2,558,972

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

10 Creditors: amounts falling due after more than one year

	2007	2006
	£	£
Loan Wurttembergische Hypothekenbank AG	11,350,000	11,900,000

The loan is secured against the company's investment properties. Interest was payable at a fixed rate of 5.7% on £3 million of the loan until 5 February 2007 and at an average variable rate of 5.57% on the balance of the loan.

The maturity of the Wurttembergische Hypothekenbank AG loan is as follows:

	2007	2006
	£	£
Within one year	550,000	600,000
Between one and two years	550,000	550,000
Between two and five years	2,250,000	2,450,000
In five years or more	8,550,000	8,900,000

11 Provisions for liabilities and charges

Deferred taxation

	2007
	£
Deferred tax (asset) at 1 July 2006	(2,772)
Deferred taxation (credit) for the year	(3,294)
Deferred tax (asset) at 30 June 2007	(6,606)

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

11 Provisions for liabilities and charges (continued)

The full asset in respect of deferred taxation, calculated on the liability method at 19% (2006 19%), is as follows

	2007	2006
	£	£
Accelerated capital allowances	1,143	4,338
Short term timing differences	(7,209)	(7,110)
Undiscounted deferred tax (asset)	(6,066)	(2,772)

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 unprovided for is £13,300 (2006 £13,300)

12 Called up share capital

	2007	2006
	£	£
Authorised		
'A' ordinary shares of £1 each	23,000	23,000
'B' ordinary shares of £1 each	27,000	27,000
	50,000	50,000
Allotted, called up and fully paid		
'A' ordinary shares of £1 each	23,000	23,000
'B' ordinary shares of £1 each	27,000	27,000
	50,000	50,000

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.

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2007 (continued)

13 Reserves

Revaluation reserve	2007
	£
Opening revaluation reserve	70,000
Movement during the year	-
Closing revaluation reserve	70,000

There is no impact on the carrying value of the investment properties, as this is stated at valuation

Profit and loss account	2007
	£
Opening profit and loss account	(1,332,332)
(Loss) for the financial year	(136,686)
Closing profit and loss account	(1,469,018)

14 Ultimate parent undertaking and controlling party

The directors consider that there is no single controlling party

Birmingham Technology Limited holds 46% of the issued ordinary shares of the company and is therefore in a position to exercise significant influence over the company's affairs

15 Related party disclosures

The Birmingham Technology Limited group provides various management, consultancy, accounting and administrative services to the company. The amount recharged in respect of these services for the year ended 30 June 2007 was £585,669 (2006 £689,132)

The company's interest payments to Württembergische Hypothekenbank AG on the loan facility provided by that bank have been guaranteed by the Birmingham Technology Limited group