

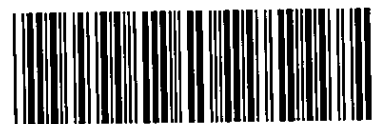
Aston Science Park Limited

Annual report and financial statements

for the year ended 30 June 2006

Registered number 3089755

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Aston Science Park Limited

Annual report and financial statements for the year ended 30 June 2006

	Page
Directors' report for the year ended 30 June 2006	1
Independent auditors' report to the members of Aston Science Park Limited	3
Profit and loss account for the year ended 30 June 2006	5
Balance sheet as at 30 June 2006	6
Movement in shareholders' funds	7
Statement of total recognised gains and losses	7
Notes to the financial statements for the year ended 30 June 2006	8

Aston Science Park Limited

Directors' report for the year ended 30 June 2006

The directors present their report together with the audited financial statements of the company for the year ended 30 June 2006

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 £95,316 (2005 £174,021 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 £95,316 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. Turnover increased 2% during the year and this reduced overall losses compared to 2005.

Prior year adjustments

The directors have undertaken a valuation of the company's investment properties as at 30 June 2006. This is based on a professional valuation prepared by Phoenix Beard (Property Consultants) using RICS guidelines. It was noted that the last full professional valuation prepared at 30 June 2001 did not reflect the nature of the short term lease interests held by the company. These had previously been valued assuming that the company held the long term lease interests in the properties, and failed to reflect that an associate company, Birmingham Technology (Property) Limited held an interest in the properties. As a result it has been necessary to restate the company's accounts to reflect its interests. 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.

Future developments

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

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
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 2006 or at any time during the year.

Aston Science Park Limited

Directors' report for the year ended 30 June 2006 (continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view 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 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.

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 234Z 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

24 April 2007

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 2006 which comprise the Profit and Loss Account, the Balance Sheet, 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.

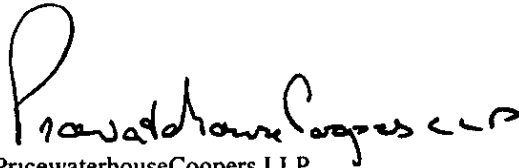
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2006 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

Chartered Accountants and Registered Auditors

Birmingham

25th April 2007

Aston Science Park Limited

Profit and loss account for the year ended 30 June 2006

	Notes	2006 £	2005 (As restated) £
Turnover	1	2,015,836	1,972,614
Administrative expenses		(1,390,368)	(1,418,278)
Operating profit		625,468	554,336
Interest receivable	2	18,302	11,947
Interest payable	3	(686,928)	(701,599)
Loss on ordinary activities before taxation	4	(43,158)	(135,316)
Tax on loss on ordinary activities	5	(52,158)	(38,705)
Loss for the financial year	13	(95,316)	(174,021)

The notes on pages 8 to 17 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 result as disclosed in the profit and loss account and the result on an unmodified historical cost basis

Aston Science Park Limited

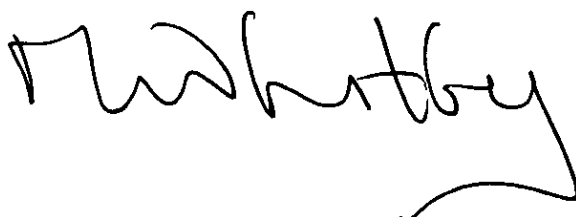
Balance sheet as at 30 June 2006

	Notes	2006 £	2005 (As restated) £
Fixed assets			
Tangible fixed assets	6	63,310	65,511
Investment properties	7	10,943,999	11,211,999
		11,007,309	11,277,510
Current assets			
Debtors	8	2,234,199	1,951,333
Bank and cash		5,132	71,937
		2,239,331	2,023,270
Creditors amounts falling due within one year	9	(2,558,972)	(1,985,731)
Net current (liabilities)/ assets		(319,641)	37,539
Total assets less current liabilities		10,687,668	11,315,049
Creditors: amounts falling due after more than one year	10	(11,900,000)	(12,500,000)
Provisions for liabilities and charges	11	-	(2,065)
		(1,212,332)	(1,187,016)
Capital and reserves			
Called up equity share capital	12	50,000	50,000
Profit and loss account	13	(1,332,332)	(1,237,016)
Revaluation reserve	13	70,000	-
Shareholders' funds		(1,212,332)	(1,187,016)

The notes on pages 8 to 17 form part of these financial statements

Approved by the Board and signed on its behalf on 24 April 2007

M J Whitby
Director



Aston Science Park Limited

Movement in shareholders' funds

	2006	2005
		(As restated)
	£	£
Opening shareholder's funds – as previously reported	3,977,238	3,813,259
Prior year adjustment – see notes 7, 14	(5,164,254)	(4,826,254)
Opening shareholders funds – as restated	(1,187,016)	(1,012,995)
Loss for the financial year	(95,316)	(174,021)
Increase in revaluation reserve	70,000	-
Net change to shareholders' funds	(25,316)	(174,021)
Closing shareholders' funds	(1,212,332)	(1,187,016)

Statement of total recognised gains and losses

	2006	2005
		(As restated)
	£	£
Loss for the financial year	(95,316)	(174,021)
Increase in revaluation reserve	70,000	-
Movement during the year	(25,316)	(174,021)
Prior year adjustment – see notes 7, 14	(5,164,254)	
Total recognised gains and losses recognised since the last annual report	(5,189,570)	

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2006

1 Principal accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties, and in accordance with applicable accounting standards 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.

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.

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) not to produce a statement of cash flows.

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

2 Interest receivable

	2006	2005
	£	£
From associated company (note 8)	17,323	-
On bank deposits	979	11,947
	18,302	11,947

3 Interest payable

	2006	2005
	£	£
Bank interest	681,630	701,599
To associated company (note 9)	5,298	-
	686,928	701,599

4 Loss on ordinary activities before taxation

	2006	2005
	£	(As restated) £
Depreciation	352,981	352,507
Auditor's remuneration		
Audit fees	10,000	7,000
Non-audit fees	5,000	3,000

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 £99,196 (2005: £101,697).

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

5 Tax on profit on ordinary activities

Analysis of charge in year	2006	2005
		(As restated)
	£	£
Corporation tax/(credit) on profits for the period		
UK corporation tax on profits of the period	57,309	40,730
Prior year adjustment	(313)	(2,040)
	56,996	38,690
Deferred tax		
Current year	862	(657)
Prior year	(5,700)	672
	(4,838)	15
Tax on profit for the year	52,158	38,705

Factors affecting tax charge for the year	2006	2005
		(As restated)
	£	£
Loss on ordinary activities before taxation	(43,158)	(135,316)
Loss on ordinary activities at UK rate of corporation tax 19% (2005 19%)	(8,200)	(25,710)
Effects of		
Prior year items	(313)	(2,040)
Capital allowances in excess of depreciation / other timing differences	637	(393)
Short term timing differences	(1,183)	809
Expenses not deductible for tax purposes	66,055	66,024
Current tax charge for the period	56,996	38,690

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 2006 (continued)

6 Tangible fixed assets

Fixtures, fittings & equipment	£
Cost	
At 1 July 2005	95,826
Additions in the year	12,780
At 30 June 2006	108,606
Depreciation	
At 1 July 2005	30,315
Charge for the year	14,981
At 30 June 2006	45,296
Net book value	
As at 30 June 2006	63,310
As at 30 June 2005	65,511

7 Investment properties

	£
Valuation at 1 July 2005 – as previously reported	16,376,253
Prior year adjustment	(4,826,254)
Valuation as restated	11,549,999
Revaluation of properties	70,000
Valuation at 30 June 2006	11,619,999
Depreciation at 1 July – as previously reported	-
Prior year adjustment	338,000
Depreciation as restated	338,000
Charge for the year	338,000
Depreciation at 30 June 2006	676,000
Net book value at 30 June 2006	10,943,999
Net book value at 30 June 2005 (as restated)	11,211,999

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

7 Investment properties (continued)

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

	2006
	£
Gross cost of construction as at 1 July 2005 – as previously reported	19,857,162
Prior year adjustment	(1,892,596)
Gross cost of construction as at 1 July 2005 as restated	17,964,566
Capital grants received and receivable at 30 June 2006 and at 30 June 2005	(6,414,567)
Cost net of grants receivable as at 30 June 2006 and at 30 June 2005	11,549,999
Depreciation as at 30 June 2005 – as previously reported	-
Prior year adjustment	338,000
Depreciation at 30 June 2005 as restated	338,000
Charge for the year	338,000
Depreciation at 30 June 2006	676,000
Net book amount at 30 June 2006	10,873,999
Net book amount at 30 June 2005 (as restated)	11,211,999
Revaluation surplus at 30 June 2006	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 (2005 £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 employees who are property specialists, they are members of the Royal Institution of Chartered Surveyors. Completed investment properties as at 30 June 2006, 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 2006. This is based on a professional valuation 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.

It was noted that the last full professional valuation prepared at 30 June 2001 did not reflect the nature of the short term lease interests held by the company. These had previously been valued assuming that the company

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

held the long term lease interests in the properties, and failed to reflect that an associate company, Birmingham Technology (Property) Limited held an interest in the properties. As a result it has been necessary to restate the company's accounts to reflect its interests. 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.

8 Debtors

	2006	2005
	£	£
Trade debtors	107,635	424,100
Amounts owed by associates	2,084,967	1,423,678
Deferred tax asset (note 11)	2,772	-
Other taxes and social security	-	56,176
Prepayments and accrued income	38,825	47,379
	2,234,199	1,951,333

9 Creditors: amounts falling due within one year

	2006	2005
	£	£
Loan Wurttembergische Hypothekenbank AG	600,000	350,000
Trade creditors	75,813	43,166
Amounts owed to associates	1,053,875	1,053,873
Accruals and deferred income	348,993	343,077
Other creditors	209,224	159,863
Other taxes and social security	232,452	-
Corporation Tax payable	38,615	35,752
	2,558,972	1,985,731

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

10 Creditors: amounts falling due after more than one year

	2006	2005
	£	£
Loan Wurttembergische Hypothekenbank AG	11,900,000	12,500,000

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 and at an average variable rate of 5.0% on the balance of the loan.

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

	2006	2005
	£	£
Within one year	600,000	350,000
Between one and two years	550,000	600,000
Between two and five years	2,450,000	1,950,000
In five years or more	8,900,000	9,950,000

11 Provisions for liabilities and charges

Deferred taxation

The full (asset)/provision in respect of deferred taxation, calculated on the liability method at 30% (2005 30%), is as follows

	2006	2005
	£	£
Accelerated capital allowances	4,338	5,343
Short term timing differences	(7,110)	(3,278)
Undiscounted deferred tax (asset)/provision	(2,772)	2,065

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 (2005: £nil).

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

12 Called up equity share capital

	2006	2005
	£	£
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.

13 Reserves

	2006	2005
		(As restated)
		£
Revaluation reserve		
Opening revaluation reserve – as previously reported	2,933,658	2,933,658
Prior year adjustment – see note 7	(2,933,658)	(2,933,658)
Opening revaluation reserve - as restated	-	-
Movements during the year	70,000	-
Revaluation reserve at 30 June 2006	70,000	-

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

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

13 Reserves (continued)

	2006	2005
Profit and loss account		(As restated)
	£	£
Opening profit and loss account– as previously reported	993,580	829,601
Prior year adjustment – see note 7	(2,230,596)	(1,892,596)
Opening profit and loss account - as restated	(1,237,016)	(1,062,995)
Loss for the financial year	(95,316)	(174,021)
Closing profit and loss account	(1,332,332)	(1,237,016)

14 Prior year adjustment

The directors have undertaken a valuation of the company's investment properties as at 30 June 2006. This is based on a professional valuation prepared by Phoenix Beard (Property Consultants) using RICS guidelines. It was noted that the last full professional valuation prepared at 30 June 2001 did not reflect the nature of the short term lease interests held by the company. These had previously been valued assuming that the company held the long term lease interests in the properties, and failed to reflect that an associate company, Birmingham Technology (Property) Limited held an interest in the properties. As a result it has been necessary to restate the company's accounts to reflect its interests. 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.

Details of the effect of the prior year adjustments are summarised below and in note 7

	£
Adjustment to opening shareholders' funds at 1 July 2004	(4,826,254)
Adjustment to profit and loss for the year ended 30 June 2005	(338,000)
Adjustment to opening shareholders' funds at 30 June 2005	(5,164,254)

The adjustments to opening shareholders' funds reflects the reversal of previous revaluations taken to the revaluation reserves of £2,933,658 with the remaining adjustment of £1,892,596 reducing profit and loss reserves.

Aston Science Park Limited

Notes to the financial statements for the year ended 30 June 2006 (continued)

15 Related party disclosures

Aston Science Park Limited is an associated undertaking of the Birmingham Technology Limited group

In addition, the 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 2006 was £689,132 (2005 £762,856)

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