

Aston Science Park Limited

Annual report and financial statements  
for the year ended 30 June 2004

Registered Number 3089755



# **Aston Science Park Limited**

## **Annual report and financial statements for the year ended 30 June 2004**

	<b>Page</b>
Directors' report for the year ended 30 June 2004 .....	1
Independent auditors' report to the members of Aston Science Park Limited .....	3
Profit and loss account for the year ended 30 June 2004 .....	4
Company balance sheet as at 30 June 2004 .....	5
Movement in shareholders' funds .....	6
Statement of total recognised gains and losses .....	6
Notes to the financial statements for the year ended 30 June 2004 .....	7

# **Aston Science Park Limited**

## **Directors' report for the year ended 30 June 2004**

The directors present their report together with the audited financial statements of the company for the year ended 30 June 2004.

### **Principal activities**

The company is an investment property company. Investment properties are located within the Aston Science Park.

### **Results and trading**

The results for the year are set out on page 4. The profit for the year of £285,685 (2003: £483,126) has been transferred to reserves.

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

### **Review of activities**

The Directors are pleased to report that the activities of the company continue to perform well, with high occupancy in both of the company's properties. Turnover increased slightly during the year, but profit decreased to £285,685, principally due to higher charges associated with the running of the company and in positioning the business for future development.

### **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:

ALS Jackson (resigned 2 March 2005)  
Sir Albert Bore (resigned 2 March 2005)  
KT Byrom  
RJ Hudson (appointed 2 March 2005)  
RDA Packham  
A Slater  
M Whitby (appointed 2 March 2005)  
MT Wright

None of the directors had any interest (beneficial or otherwise) in the share capital of the company at 30 June 2004 or at any time during the year.

# Aston Science Park Limited

## Directors' report for the year ended 30 June 2004 (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.

### 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

2 March 2005

# Aston Science Park Limited

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

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the statement of total recognized gains and losses and the related notes which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out in the statement of accounting policies.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 in to 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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

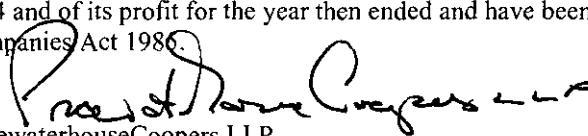
### Basis of audit opinion

We conducted our audit in accordance with auditing standards 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.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1986.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Birmingham  
2 March 2005

# Aston Science Park Limited

## Profit and loss account for the year ended 30 June 2004

	Notes	2004 £	2003 £
Turnover	1	1,956,069	1,923,427
Administrative expenses		(994,272)	(618,020)
Operating profit		961,797	1,305,407
Interest receivable	2	13,194	8,552
Interest payable	3	(620,099)	(616,011)
Profit on ordinary activities before taxation	4	354,892	697,948
Tax on profit on ordinary activities	5	(69,207)	(214,822)
Profit for the financial year	13	285,685	483,126

The notes on pages 7 to 15 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 2004

	Notes	2004 £	2003 £
<b>Fixed assets</b>			
Tangible fixed assets	6	68,634	-
Investment properties	7	16,376,253	16,906,217
		16,444,887	16,906,217
<b>Current assets</b>			
Debtors	8	2,414,998	2,858,889
Bank and cash		38,567	48,713
		2,453,565	2,907,602
Creditors: amounts falling due within one year	9	(2,233,143)	(2,685,608)
<b>Net current assets</b>		<b>220,422</b>	<b>221,994</b>
<b>Total assets less current liabilities</b>		<b>16,665,309</b>	<b>17,128,211</b>
Creditors: amounts falling due after more than one year	10	(12,850,000)	(13,266,091)
Provisions for liabilities and charges	11	(2,050)	-
		3,813,259	3,862,120
<b>Capital and reserves</b>			
Called up equity share capital	12	50,000	50,000
Profit and loss account	13	829,601	543,916
Revaluation reserve	13	2,933,658	3,268,204
<b>Shareholders' funds</b>		<b>3,813,259</b>	<b>3,862,120</b>

The notes on pages 7 to 15 form part of these financial statements.

Approved by the Board and signed on its behalf on 2 March 2005

  
KT Byrom  
Director

## Aston Science Park Limited

### Movement in shareholders' funds

	2004	2003
	£	£
Profit for the financial year	285,685	483,126
Reduction in revaluation reserve	(334,546)	-
Net change to shareholders' funds	(48,861)	483,126
Opening shareholders' funds	3,862,120	3,378,994
Closing shareholders' funds	3,813,259	3,862,120

### Statement of total recognised gains and losses

	2004	2003
	£	£
Profit for the financial year	285,685	483,126
Reduction in revaluation reserve	(334,546)	-
Total recognised gains and losses relating to the year	(48,861)	483,126



# **Aston Science Park Limited**

## **Notes to the financial statements for the year ended 30 June 2004 (continued)**

## **Notes to the financial statements for the year ended 30 June 2004**

### **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 requirements of 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 to the time 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 investment properties that are expected to be permanent are charged to the profit and loss account.

No provision is made for amortisation of leasehold properties held on leases having 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.

The amortisation (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**

Revenue grants are credited to the profit and loss account in the period in which the corresponding costs are charged.

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 and equipment and are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over five years to write the assets down to residual value over their useful economic lives.

# Aston Science Park Limited

## Notes to the financial statements for the year ended 30 June 2004 (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

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

### 2 Interest receivable

	2004	2003
	£	£
On money market deposits	13,194	8,552

### 3 Interest payable

	2004	2003
	£	£
Bank interest	620,099	616,011

### 4 Profit on ordinary activities before taxation

	2004	2003
	£	£
Depreciation	15,808	-
Auditor's remuneration:		
Audit fees	8,250	6,875
Non-audit fees	4,250	5,625

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.

# Aston Science Park Limited

## Notes to the financial statements for the year ended 30 June 2004 (continued)

### 5 Tax on profit on ordinary activities

Analysis of charge in year:

	2004	2003
	£	£
<b>Current tax:</b>		
<b>Corporation tax / (credit) on profits for the period:</b>		
UK corporation tax on profits of the period	78,061	19,027
Prior year adjustment	(11,017)	-
	<b>67,044</b>	<b>19,027</b>
<b>Deferred tax:</b>		
Current year	2,163	195,795
<b>Tax on profit for the year</b>	<b>69,207</b>	<b>214,822</b>
<b>Factors affecting tax charge for the year:</b>		
	2004	2003
	£	£
Profit on ordinary activities before taxation	354,892	697,948
Profit on ordinary activities at the standard UK rate of corporation tax 21.7% (2003:30%)	77,011	209,384
Effects of:		
Prior year items	(11,017)	-
Capital allowances in excess of depreciation / other timing differences	(1,564)	(196,357)
Expenses not deductible for tax purposes	2,614	6,000
<b>Current tax charge for the period</b>	<b>67,044</b>	<b>19,027</b>

There are £nil surplus non-trading debits and management expenses carried forward for relief against future profits at 30 June 2004 (2003: £nil).

Based on current capital investment plans, there are no significant factors that will affect the tax charge in future years.

# Aston Science Park Limited

## Notes to the financial statements for the year ended 30 June 2004 (continued)

### 6 Tangible fixed assets

Fixtures, fittings & equipment	£
<b>Cost</b>	
At 30 June 2003	-
Transfer from investment properties	51,000
Additions	33,442
<b>At 30 June 2004</b>	<b>84,442</b>
<b>Depreciation</b>	
At 30 June 2003	-
Charge for the year	15,808
<b>At 30 June 2004</b>	<b>15,808</b>
<b>Net book amount</b>	
<b>At 30 June 2004</b>	<b>68,634</b>
At 30 June 2003	-

### 7 Investment properties

	£
<b>Valuation at 30 June 2003</b>	<b>16,906,217</b>
Transfers to tangible fixed assets	(51,000)
Disposal to associate company	(478,964)
<b>Valuation at 30 June 2004</b>	<b>16,376,253</b>

# Aston Science Park Limited

## Notes to the financial statements for the year ended 30 June 2004 (continued)

### 7 Investment properties (continued)

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

	£
Gross cost of construction as at 30 June 2003	20,369,996
Additional costs during the year	17,130
Transfer to tangible fixed assets	(51,000)
Disposal to associate company	(478,964)
<b>Gross cost of construction as at 30 June 2004</b>	<b>19,857,162</b>
Capital grants received and receivable as at 30 June 2003	(6,731,983)
Capital grants repaid during the year	317,416
<b>Capital grants received and receivable as at 30 June 2004</b>	<b>6,414,567</b>
<b>Net cost</b>	<b>13,442,595</b>
<b>Revaluation surplus</b>	<b>2,933,658</b>

The company transferred an investment property at market value to an associate company, Birmingham Technology (Property) Limited during the year.

The amount of interest included in the historical cost of investment properties, in accordance with the accounting policy in Note 1, was £697,973 (2003: £697,973).

In accordance with the accounting policy in Note 1, all investment properties that are complete and available for letting have been revalued. Phoenix Beard, Property Consultant, performed a professional valuation on an open market, existing use basis of the completed investment properties as at 30 June 2001. The directors propose no change to the valuation as at 30 June 2004.

# Aston Science Park Limited

## Notes to the financial statements for the year ended 30 June 2004 (continued)

### 8 Debtors

	2004	2003
	£	£
Trade debtors	448,006	638,946
Amounts owed by associates	1,821,780	2,124,663
Other debtors	69,048	10,601
Prepayments and accrued income	76,164	84,679
	2,414,998	2,858,889

Included within other debtors is £nil (2003: £113) of deferred tax recoverable on tax losses brought forward.

### 9 Creditors: amounts falling due within one year

	2004	2003
	£	£
Loan: Wurttembergische Hypothekenbank AG	350,000	300,000
Trade creditors	68,629	123,683
Amounts owed to associates	1,042,490	1,536,129
Accruals and deferred income	380,769	451,216
Other creditors	212,304	186,357
Other taxes and social security	111,880	69,196
Corporation Tax payable	67,071	19,027
	2,233,143	2,685,608

# Aston Science Park Limited

## Notes to the financial statements for the year ended 30 June 2004 (continued)

### 10 Creditors: amounts falling due after more than one year

	2004	2003
	£	£
Retention on construction loans	-	66,091
Loan: Wurttembergische Hypothekenbank AG	12,850,000	13,200,000
	12,850,000	13,266,091

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 4.3% on the balance of the loan.

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

	2004	2003
	£	£
Within one year	350,000	300,000
Between one and two years	600,000	350,000
Between two and five years	2,000,000	1,750,000
In five years or more	10,250,000	11,100,000

### 11 Provisions for liabilities and charges

#### Deferred taxation

The full (asset)/provision in respect of deferred taxation, calculated on the liability method at 30% (2003: 30%), is as follows:

	2004	2003
	£	£
Accelerated capital allowances	2,050	(113)
Short term timing differences	-	-
Tax losses carried forward	-	-
<b>Undiscounted deferred tax (asset) / provision</b>	<b>2,050</b>	<b>(113)</b>

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 £880,097 (2003: £980,461).

# Aston Science Park Limited

## Notes to the financial statements for the year ended 30 June 2004 (continued)

### 12 Called up equity share capital

	2004	2003
	£	£
<b>Authorised:</b>		
'A' ordinary shares of £1 each	23,000	23,000
'B' ordinary shares of £1 each	27,000	27,000
	50,000	50,000
<b>Allotted, called up and fully paid:</b>		
'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

<b>Revaluation reserve</b>	<b>2004</b>	<b>2003</b>
	£	£
At 1 July	3,268,204	3,268,204
Movements during the year	(334,546)	-
<b>At 30 June 2004</b>	<b>2,933,658</b>	<b>3,268,204</b>

Movements during the year related to grants repaid to the relevant grant-making bodies following finalisation of the financial arrangements of the development of one of the company's properties. There is no impact on the carrying value of the investment property, as this is stated at valuation.

<b>Profit and loss account</b>	<b>2004</b>	<b>2003</b>
	£	£
At 30 June 2003 as reported	543,916	60,790
Profit for the financial year	285,685	483,126
<b>At 30 June 2004</b>	<b>829,601</b>	<b>543,916</b>



## **Aston Science Park Limited**

### **Notes to the financial statements for the year ended 30 June 2004 (continued)**

#### **14 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 2004 was £672,719 (2003: £280,701).

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.