

**ASTON SCIENCE PARK LIMITED
(REGISTERED NUMBER 3089755)**

DIRECTORS' REPORT AND ACCOUNTS

30 June 2000



ASTON SCIENCE PARK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2000

The directors present their report together with the audited financial statements of the company for the year ended 30 June 2000.

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 £2,339 (1999 loss: £71,786) has been transferred to reserves.

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

DIRECTORS AND THEIR SHARE INTERESTS

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

ALS Jackson	(Chairman)
A Bore	(appointed 10 October 2000)
KT Byrom	
G Coyne	(resigned 10 October 2000)
RDA Packham	
A Slater	
MT Wright	

None of the directors had any interest (beneficial or otherwise) in the share capital of the company at 30 June 2000 or at any time during the year.

ASTON SCIENCE PARK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2000 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 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;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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 as auditors will be proposed at the annual general meeting. PricewaterhouseCoopers have indicated their willingness to be re-negotiated.

By Order of the Board



DW HARRIS
Secretary

AUDITORS' REPORT TO THE MEMBERS OF ASTON SCIENCE PARK LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established by statute in the United Kingdom, the Auditing Practices Board and our profession's ethical guidance.

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. 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 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 mis-statement, 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 as at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

ASTON SCIENCE PARK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER			
Rental income	1(3)	471,879	405,796
Administrative expenses		<u>(469,844)</u>	<u>(479,170)</u>
OPERATING PROFIT/(LOSS)		2,035	(73,374)
Interest receivable	2	<u>304</u>	<u>1,588</u>
PROFIT/LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	2,339	(71,786)
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT/LOSS FOR THE FINANCIAL YEAR	11	<u>£2,339</u>	<u>(£71,786)</u>

The results of the company arises entirely from the continuing activities of the company.

The profit for the period includes all recognised gains and losses in the period.

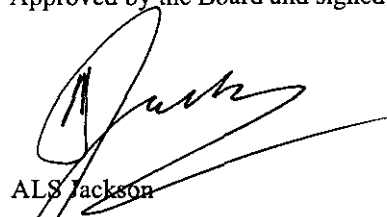
There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

ASTON SCIENCE PARK LIMITED

BALANCE SHEET AS AT 30 JUNE 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Investment properties	5	13,234,898	6,409,890
CURRENT ASSETS			
Debtors	6	1,345,840	235,687
Cash at bank		<u>482,558</u>	<u>43,385</u>
		1,828,398	279,072
CREDITORS (amounts falling due within one year)	7	<u>(3,534,871)</u>	<u>(1,225,153)</u>
NET CURRENT LIABILITIES		<u>(1,706,473)</u>	<u>(946,081)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,528,425	5,463,809
CREDITORS (amounts falling due after more than one year)	8	(8,249,246)	(3,078,816)
Provisions for liabilities and charges	9	<u>(3,391,970)</u>	<u>(2,500,123)</u>
		<u>(£112,791)</u>	<u>(£115,130)</u>
CAPITAL AND RESERVES			
Called up equity share capital	10	50,000	50,000
Profit and loss account	11	<u>(162,791)</u>	<u>(165,130)</u>
SHAREHOLDERS' FUNDS		<u>(£112,791)</u>	<u>(£115,130)</u>

Approved by the Board and signed on its behalf on


 ALS Jackson
 DIRECTOR

ASTON SCIENCE PARK LIMITED

MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>2000</u> £	<u>1999</u> £
Profit/(loss) for the financial year	2,339	(71,786)
Issue of share capital	<u>-</u>	<u>-</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	2,339	(71,786)
OPENING SHAREHOLDERS' FUNDS	<u>(115,130)</u>	<u>(43,344)</u>
CLOSING SHAREHOLDERS' FUNDS	<u>(£112,791)</u>	<u>(£115,130)</u>

ASTON SCIENCE PARK LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 2000

1 ACCOUNTING POLICIES

(1) Basis of preparation

The accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards. 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 given in note 1(2) below.

(2) 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 accounts 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.

(3) Rental income

Rental income includes rent received and receivable in the year.

(4) 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.

(5) 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 not to produce a statement of cash flows.

ASTON SCIENCE PARK LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 2000 (CONTINUED)

2 INTEREST RECEIVABLE

	<u>2000</u>	<u>1999</u>
On money market deposits	£304	£1,588
	<u>=====</u>	<u>=====</u>

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>2000</u>	<u>1999</u>
	£	£
Auditor's remuneration:		
Audit fees	3,000	3,000
Non-audit fees	-	-
	<u>=====</u>	<u>=====</u>

None of the directors received any emoluments during the year in respect of their services to the company.

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

There is no tax charge on the profit for the year (1999 - £Nil).

There is no deferred tax charge during the year and no unprovided liability.

There are surplus non-trading debits carried forward for relief against future profits amounting to £560,853 at 30 June 2000 (1999 - £582,000).

5 INVESTMENT PROPERTIES

	<u>2000</u>
	£
<u>Cost or valuation</u>	
At 30 June 1999	6,409,890
Construction and other capital costs	6,865,407
Contributions to investment properties	(40,399)
Cost at 30 June 2000	<u>£13,234,898</u>

ASTON SCIENCE PARK LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 2000 (CONTINUED)

6 DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Trade	117,323	85,133
Amounts owed by associates	738,894	59,149
Other debtors	447,277	30,285
Prepayments and accrued income	<u>42,346</u>	<u>61,120</u>
	<u>£1,345,840</u>	<u>£235,687</u>

7 CREDITORS (amounts falling due within one year)

	<u>2000</u>	<u>1999</u>
	£	£
Trade creditors	1,536,736	159,402
Amounts owed to associates	1,714,258	754,362
Accruals and deferred income	<u>283,877</u>	<u>311,389</u>
	<u>£3,534,871</u>	<u>£1,225,153</u>

8 CREDITORS (amounts falling due after more than one year)

	<u>2000</u>	<u>1999</u>
	£	£
Retention on construction loans	249,246	78,816
Württembergische Hypothekenbank AG	<u>8,000,000</u>	<u>3,000,000</u>
	<u>£8,249,246</u>	<u>£3,078,816</u>

The loan from Württembergische Hypothekenbank is part of a total facility of £13.5 million. Further drawdowns will be made against this loan as construction of Phase 9 of Aston Science Park continues. The total facility is due for repayment over six years commencing in 2006.

9 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Capital Grants</u>
	£
At 1 July 1999	£2,500,123
Grants received during the year	891,847
At 30 June 2000	<u>£3,391,970</u>

ASTON SCIENCE PARK LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 2000 (CONTINUED)

10 CALLED UP EQUITY SHARE CAPITAL

	<u>2000</u>	<u>1999</u>
	£	£
Authorised:		
'A' Ordinary shares of £1 each	23,000	23,000
'B' Ordinary shares of £1 each	<u>27,000</u>	<u>27,000</u>
	£50,000	£50,000
	<u>=====</u>	<u>=====</u>
Allotted and fully paid:		
'A' Ordinary shares of £1 each	23,000	23,000
'B' Ordinary shares of £1 each	<u>27,000</u>	<u>27,000</u>
	£50,000	£50,000
	<u>=====</u>	<u>=====</u>

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.

11 RESERVES

	Profit and loss <u>account</u> £
At 30 June 1999	(£165,130)
Profit for the year	2,339
At 30 June 2000	<u>(£162,791)</u>

12 RELATED PARTY DISCLOSURES

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

At the year end the company had received a loan of £1,483,447 (1999 : £754,362) from the group to enable it to construct Phase IX of the Science Park.

During the year rent of £19,688 (1999 : £19,821) on the Phase VII property was payable to the group under a long term leasing arrangement. The rentals are calculated on an arms length basis and at normal market rates.

In addition, the group provides various accounting and administrative services to the company. The amount recharged in respect of these services for the year ended 30 June 2000 was £Nil (1999 : £Nil).

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