

COMPANY NUMBER : 02595078

OVAL (717) LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1997**



OVAL (717) LIMITED

ACCOUNTS FOR THE YEAR ENDED 31 JULY 1997

CONTENTS	PAGE
-----------------	-------------

Directors' Report	1-2
-------------------	-----

Auditors' Report	3
------------------	---

Profit and Loss Account	4
-------------------------	---

Balance Sheet	5
---------------	---

Cash flow statement	6
---------------------	---

Notes to the Financial Statements	7-12
-----------------------------------	------

OVAL (717) LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 31 July 1997.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is the letting of property, the provision of services and the management of construction contracts on behalf of the University of Bristol.

BUSINESS REVIEW

The results for the year are shown in the profit and loss account on page 4. The directors consider that the current level of activity will continue in the new year.

SIGNIFICANT CHANGES IN FIXED ASSETS

Information relating to changes in fixed assets is given in note 7.

PROPOSED DIVIDEND

The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year were as follows :

DJ Allen
RDS Jones
DJ Stancombe
KE McKenzie
C Starr

None of the directors who held office at the end of the financial year had any beneficial interest in the shares of the company.

OVAL (717) LIMITED

DIRECTORS' REPORT (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;
- prepare the accounts 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 accounts 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.

POLITICAL AND CHARITABLE DONATIONS

The company made no political contributions during the year. A gross covenant of £1,571,626 (1996: £836,000) was paid to the University of Bristol.

By order of the board



DJ Allen
Director

24 October 1997

Finance Office
University of Bristol
Senate House
Tyndall Avenue
Bristol
BS8 1TH

OVAL (717) LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF OVAL (717) LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared following the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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.

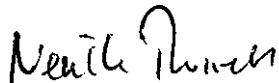
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Fundamental Uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in note 14 of the financial statements concerning a possible claim against the company in respect of an overrun by a developer on an ongoing development project. On the basis of the information available, if the claim were to be successful and certain conditions are met, there could be a materially adverse effect on the financial position disclosed in these financial statements. Our opinion is not qualified in this respect.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company as at 31 July 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



CHARTERED ACCOUNTANTS
and Registered Auditors

Date *24 October 1997*

OVAL (717) LIMITED

Profit and Loss Account For the Year Ended 31 July 1997

	Notes	1997 £	1996 £
TURNOVER	1	3,106,536	2,240,724
Cost of sales		(2,017,511)	(1,994,850)
		<hr/>	<hr/>
GROSS PROFIT		1,089,025	245,874
Administrative expenses		(212,258)	(76,353)
		<hr/>	<hr/>
OPERATING PROFIT/(LOSS)		876,767	169,521
Interest payable	4	(38,532)	(42,521)
Interest receivable	5	559,216	678,551
Covenant to the University of Bristol		(1,451,657)	(836,000)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(54,206)	(30,449)
Taxation	6	-	-
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(54,206)	(30,449)
Deficit brought forward		(244,843)	(214,394)
		<hr/>	<hr/>
DEFICIT CARRIED FORWARD		(299,049)	(244,843)
		<hr/>	<hr/>

There were no other recognised gains or losses in either year other than the deficit for each year shown above, which arose from continuing activities.

OVAL (717) LIMITED

Balance Sheet at 31 July 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	7	616,357	644,238
CURRENT ASSETS			
Debtors	8	9,426,286	10,466,143
Cash at bank and in hand		170,566	332
		<u>9,596,852</u>	<u>10,466,475</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	(10,512,256)	(11,355,554)
NET CURRENT LIABILITIES		<u>(915,404)</u>	<u>(889,079)</u>
NET LIABILITIES		<u>(299,047)</u>	<u>(244,841)</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Profit and loss account		(299,049)	(244,843)
		<u>(299,047)</u>	<u>(244,841)</u>

Approved by the board on 26 October 1997
and signed on its behalf by



DJ Allen
Director

OVAL (717) LIMITED

Cash Flow Statement **For the Year Ended 31 July 1997**

	Notes	1997		1996	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	15		1,101,207		(25,102)
Returns on investments and servicing of finance					
Interest received		559,216		678,551	
Interest paid		(38,532)		(42,521)	
Covenant paid		(1,571,626)		(836,000)	
Covenant refunded		119,969		-	
Net cash outflow from returns on investment and servicing of finance			(930,973)		(199,970)
Tax paid			-		-
Net cash inflow/(outflow) before financing			170,234		(225,072)
Net cash inflow/(outflow) from financing			-		-
Increase/(decrease) in cash and cash equivalents	16		170,234		(225,072)

OVAL (717) LIMITED

Notes to the Financial Statements For the Year Ended 31 July 1997

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The financial statements have been prepared on a going concern basis which assumes the continued support of its parent the University of Bristol. This support has been confirmed by the University of Bristol.

Fixed assets and depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Long leasehold property -	life of lease
Fixtures, fittings and equipment -	5 years in equal instalments

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents rents (excluding value added tax) receivable and other services provided to the University of Bristol during the year.

Long term contracts

The amount of profit attributable to the stage of completion of a long contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses which are foreseen.

Contract work in progress is stated at costs incurred, less costs transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

Leases

All leases are 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

OVAL (717) LIMITED

Notes to the Financial Statements For the Year Ended 31 July 1997

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	1997 £	1996 £
Loss on ordinary activities before taxation is stated		
after charging		
Auditors' remuneration - audit	2,000	2,000
Depreciation	27,881	27,881
Rent payable under operating leases	909,000	909,000
after crediting		
Rent receivable	1,106,670	1,103,638

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the year, analyzed by category, was as follows:

	Number of employees	
	1997	1996
Directors	<u>5</u>	<u>5</u>

The directors received no remuneration during the year.

4. INTEREST PAYABLE

	1997 £	1996 £
Interest on current account	38	-
Loan interest payable	38,494	42,521
	<u>38,532</u>	<u>42,521</u>

Loan interest was payable to the University of Bristol, the company's ultimate parent.

OVAL (717) LIMITED

Notes to the Financial Statements For the Year Ended 31 July 1997

5. INTEREST RECEIVABLE

	1997 £	1996 £
Bank interest receivable	297	351
Loan interest receivable	558,919	678,200
	<u>559,216</u>	<u>678,551</u>

Loan interest was receivable from the University of Bristol, the company's ultimate parent.

6. TAXATION

There is no charge to corporation tax for the year (1996: nil).

7. TANGIBLE FIXED ASSETS

	Long leasehold property	Fixtures and fittings	Total
Cost:			
At beginning and end of year	660,700	39,300	700,000
Depreciation			
At beginning of year	40,042	15,720	55,762
Provided during the year	20,021	7,860	27,881
At end of year	<u>60,063</u>	<u>23,580</u>	<u>83,643</u>
Net book value:			
At 31 July 1997	<u>600,637</u>	<u>15,720</u>	<u>616,357</u>
At 31 July 1996	<u>620,658</u>	<u>23,580</u>	<u>644,238</u>

OVAL (717) LIMITED

Notes to the Financial Statements For the Year Ended 31 July 1997

8. DEBTORS

	1997 £	1996 £
Other debtors	-	77,213
Amounts owed by the University of Bristol	9,286,622	10,249,226
Prepayments and accrued income	139,664	139,704
	<u>9,426,286</u>	<u>10,466,143</u>

All debtors are due within one year.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Trade creditors	72,157	13,936
Taxation and social security	454,452	291,715
Accruals and deferred income	9,359,251	10,356,607
Amounts owed to the University of Bristol	626,396	693,296
	<u>10,512,256</u>	<u>11,355,554</u>

10. CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid Ordinary shares of £1 each	<u>2</u>	<u>2</u>

OVAL (717) LIMITED

Notes to the Financial Statements For the Year Ended 31 July 1997

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Loss for the year (page 4)	(54,206)	(30,449)
Opening shareholders' funds	(244,841)	(214,392)
Closing shareholders' funds	<u>(299,047)</u>	<u>(244,841)</u>

12. COMMITMENTS

i) Capital commitments at the end of the financial year for which no provision has been made:

	1997 £	1996 £
Contracted	-	-
Authorised but not contracted	-	-

ii) Annual commitments under non-cancellable operating leases are as follows:

Land and Buildings	1997 £	1996 £
Operating leases which expire		
2-5 years	269,000	269,000
Over 5 years	640,000	640,000

13. ULTIMATE PARENT

The company is wholly owned by the University of Bristol, an exempt charity.

14. CONTINGENT LIABILITY

A building contractor has intimated that it will make a claim against a developer relating to allegations that design changes occasioned delay and cost beyond those agreed for a recently constructed building which is partly occupied by the company's ultimate parent. If certain conditions are met, there is a possibility that the company would have to contribute a material amount towards the payment of the claim. Even if any liability exists, the amount involved cannot yet be practicably quantified.

OVAL (717) LIMITED**Notes to the Financial Statements
For the Year Ended 31 July 1997****15. RECONCILIATION OF OPERATING LOSS TO THE NET CASH INFLOW FROM
OPERATING ACTIVITIES**

	1997 £	1996 £
Operating profit/(loss) (page 4)	876,767	169,521
Depreciation charge	27,881	27,881
Decrease in debtors	1,039,857	1,265,123
(Decrease) in creditors	(843,298)	(1,487,627)
Net cash inflow/(outflow) from operating activities	<u>1,101,207</u>	<u>(25,102)</u>

16. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	Cash £
Balance at 1 August 1995	225,404
Net cash outflow (page 6)	<u>(225,072)</u>
Balance at 31 July 1996	332
Net cash inflow (page 6)	<u>170,234</u>
Balance at 31 July 1997	<u>170,566</u>

The following information does not form part of the audited statutory financial statements and is included solely for the information of management

OVAL (717) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT For the Year Ended 31 July 1997

	1997	1996
	£	£
Turnover		
Rent receivable	1,106,670	1,103,638
Energy bills recharged	1,046,725	1,012,451
Sundry income	953,141	124,635
	<u>3,106,536</u>	<u>2,240,724</u>
Cost of sales		
Construction projects	61,739	73,399
Rent payable	909,000	909,000
Energy costs	1,046,772	1,012,451
	<u>(2,017,511)</u>	<u>(1,994,850)</u>
Gross profit	1,089,025	245,874
Interest receivable	559,216	678,551
Administrative expenses		
Audit and accountancy	(11,000)	2,000
Bank charges	225	172
Legal and professional	169,678	20,055
Insurance	16,180	15,708
Maintenance and repairs	998	626
Covenanted donation to the University of Bristol	1,451,657	836,000
Management services	7,945	6,455
Depreciation	27,881	27,881
Sundry	351	3,456
Interest payable	38,532	42,521
	<u>(1702,447)</u>	<u>(954,874)</u>
Loss before taxation	<u>(54,206)</u>	<u>(30,449)</u>