

Oval (717) Limited

Report and financial statements

for the year ended 31 July 1999

Registered no: 2595078



Oval (717) Limited

Accounts for the year ended 31 July 1999

	Page
Directors' report	1
Statement of directors' responsibilities	3
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 13

Directors' report for the year ended 31 July 1999

The directors present their report and the audited financial statements for the year ended 31 July 1999.

Principal activities

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.

Review of business and future developments

The level of business, the year end position and the future outlook remain satisfactory.

Results and dividends

The profit and loss account for the year is set out on page 5. The directors do not recommend the payment of a dividend.

Fixed assets

Information relating to changes in fixed assets is given in note 8.

Directors

The directors of the company at 31 July 1999, all of whom have been directors of the company throughout the year, are as follows:

D J Allen
R D S Jones
K E McKenzie
C Starr
I Crawford
D M Adamson (resigned 30 September 1998)
D B Williams
M A Phipps (appointed 1 July 1999)

Directors' Interests

No director had any interest in the shares of the company at 31 July 1999.

Political and charitable donations

The company made no political contributions during the year. A gross covenant of £598,176 (1998: £696,160) was paid to the University of Bristol. A further gross covenant of £13,453 (1998: £72,839) is payable to the University at the year end.

Year 2000

The company relies on finance and other administration systems operated by the University of Bristol, its ultimate parent. During the period the University's Year 2000 working group continued to co-ordinate efforts to ensure the compliance of vital systems, equipment, funders, suppliers and other relevant parties. The overall plan and actions continue to be monitored by the University's Audit Committee and internal auditors. It is not expected that the company will incur significant costs as a result of these arrangements.

Auditors

During the year Mazars Neville Russell resigned as auditors and the directors appointed PricewaterhouseCoopers. A resolution to appoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

By order of the board



DJ Allen

Secretary

28 FEBRUARY 2000

Statement of directors' responsibilities

The directors are required by UK company law 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.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 July 1999. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board

A handwritten signature in dark ink, appearing to read 'DJ Allen', written over a horizontal line.

DJ Allen
Secretary

28 FEBRUARY 2000

**Auditors' report to the members of
Oval (717) Limited**

We have audited the financial statements on pages 5 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including, as described on page 3 of the financial statements. Our responsibilities, as independent auditors, are established by statute, 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.

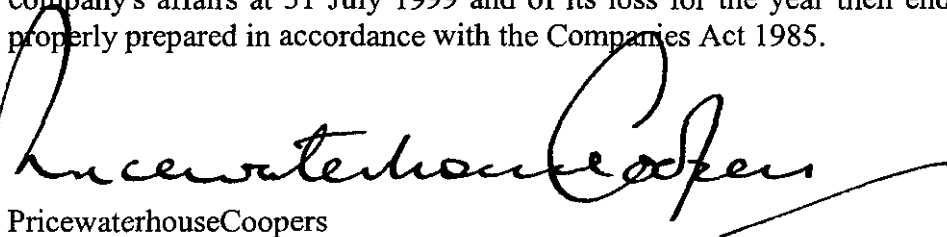
Basis of audit opinion

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 31 July 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Bristol

28 FEBRUARY 2000

Profit and loss account for the year ended 31 July 1999

	Note	1999 £	1998 £
Turnover	1	11,242,566	4,730,032
Cost of sales		<u>(11,036,224)</u>	<u>(4,530,161)</u>
Gross profit		206,342	199,871
Administration expenses		<u>(56,694)</u>	<u>(44,363)</u>
Operating loss from continuing operations		149,648	155,508
Interest payable and similar charges	4	(38,249)	(44,819)
Interest receivable and similar income	5	472,349	602,104
Covenant to the University of Bristol		<u>(611,629)</u>	<u>(740,674)</u>
Loss on ordinary activities before taxation	6	(27,881)	(27,881)
Taxation	7	<u>-</u>	<u>-</u>
Loss for the financial year		<u><u>(27,881)</u></u>	<u><u>(27,881)</u></u>

The company has no recognised gains and losses other than those included in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated in the profit and loss account, and their historical cost equivalents.

**Balance sheet
at 31 July 1999**

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	8	<u>560,595</u>	<u>588,476</u>
Current assets			
Debtors	9	11,709,015	20,518,441
Cash at bank and in hand		<u>11,903</u>	<u>295,431</u>
		11,720,918	20,813,872
Creditors: amounts falling due within one year	10	<u>(12,636,322)</u>	<u>(21,729,276)</u>
Net current liabilities		(915,404)	(915,404)
Total assets less current liabilities		<u>(354,809)</u>	<u>(326,928)</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account	12	(354,811)	(326,930)
Equity shareholders' funds	13	<u>(354,809)</u>	<u>(326,928)</u>

The financial statements on pages 5 to 13 were approved by the board of directors on 28 FEBRUARY 2000 and were signed on its behalf by:



DJ Allen
Director

Cash flow statement for the year ended 31 July 1999

	Note	1999		1998	
		£	£	£	£
Net cash (outflow) / inflow from operating activities	17		(52,402)		268,210
Returns on investments and servicing of finance					
Interest received		472,349		602,104	
Interest paid		(38,249)		(44,819)	
Covenant paid		(693,551)		(696,160)	
Covenant refunded		<u>28,325</u>		<u>28,325</u>	
Net cash outflow from returns on investment and servicing of finance			(231,126)		(110,550)
Tax paid			<u>-</u>		<u>-</u>
Net cash inflow before financing			(283,528)		157,660
Net cash inflow/(outflow) from financing					
Repayment of loan			-		(32,795)
(Decrease)/increase in cash and cash equivalents	18		<u>(283,528)</u>		<u>124,865</u>

**Notes to the financial statements
for the year ended 31 July 1999****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Income and expenditure

Items of income and expenditure are included in the profit and loss account on an accruals basis.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

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

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.

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.

Leases

All leases are operating leases and costs and income in respect of these are charged to the profit and loss account on a straight line basis over the life of the lease.

2 Directors' emoluments

No director received any emoluments for their services to the company during the year.

3 Employees

Other than directors the company does not have any employees.

4 Interest payable

	1999	1998
	£	£
Interest on current account	1,197	329
Loan interest payable to parent undertaking	37,052	44,490
	<u>38,249</u>	<u>44,819</u>

5 Interest receivable

	1999	1998
	£	£
Bank interest receivable	3,961	2,144
Loan interest receivable from parent undertaking	468,388	599,960
	<u>472,349</u>	<u>602,104</u>

6 Loss on ordinary activities before taxation

	1999	1998
Loss on ordinary activities before taxation is stated after charging/(crediting):	£	£
Auditors' remuneration for audit services	1,650	1,650
Depreciation	27,881	27,881
Rent payable under operating leases on property	736,592	909,000
Rent receivable on property	<u>(942,151)</u>	<u>(1,109,856)</u>

7 Taxation

There is no charge to corporation tax for the year (1998: nil)

8 Tangible fixed assets

	Long leasehold property	Fixtures and fittings	Total
Cost:	£	£	£
At 1 August 1998 and 31 July 1999	<u>660,700</u>	<u>39,300</u>	<u>700,000</u>
Depreciation			
At 1 August 1998	80,084	31,446	111,254
Charge for the year	20,021	7,860	27,881
At 31 July 1999	<u>100,105</u>	<u>39,300</u>	<u>139,405</u>
Net book amount			
At 31 July 1999	<u>560,595</u>	<u>-</u>	<u>560,595</u>
At 31 July 1998	<u>580,616</u>	<u>7,860</u>	<u>588,476</u>

9 Debtors

	1999	1998
	£	£
Trade debtors	7,372	-
VAT	85,004	-
Amounts recoverable under long-term contracts	3,186,000	12,486,000
Amounts due from the University of Bristol	6,936,402	7,892,777
Prepayments and accrued income	1,494,237	139,664
	<u>11,709,015</u>	<u>20,518,441</u>

The amounts recoverable under long-term contracts is a sum due from Park Row Limited, a subsidiary 100% owned by the University of Bristol.

10 Creditors: amounts falling due within one year

	1999	1998
	£	£
Trade creditors	434,623	104,167
Taxation and social security	140,674	245,630
Accruals and deferred income	11,462,190	20,729,792
Amounts owed to the University of Bristol	598,835	649,687
	<u>12,636,322</u>	<u>21,729,276</u>

Included in "Accruals and deferred income" is an amount of £3,048,859 (1998 – £12,436,580) due from Park Row Limited, a subsidiary 100% owned by the University of Bristol

An amount of £588,476 (1998 – £588,476) due to the University is subject to a legal charge on the leasehold property.

11 Called up share capital

	1999	1998
	£	£
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

12 Profit and loss account

	£
At 1 August 1998	(326,930)
Retained loss for the year	(27,881)
At 31 July 1999	<u>(354,811)</u>

13 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Loss for the year	(27,881)	(27,881)
Opening shareholders' funds at 1 August	<u>(326,928)</u>	<u>(299,047)</u>
Closing shareholders' funds at 31 July	<u>(354,809)</u>	<u>(326,928)</u>

14 Commitments

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

	1999 £	1998 £
Contracted	<u>2,748,859</u>	<u>12,136,580</u>

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

Land and buildings	1999 £	1998 £
Operating leases which expire		
In one year	383,762	-
2 - 5 years	141,703	269,000
Over 5 years	<u>-</u>	<u>640,000</u>

The company has entered into a number of lease and leaseback arrangements with the University of Bristol. The annual rental commitments of the company under these lease arrangements are shown above. At the balance sheet date all rental commitments have been prepaid.

15 Related parties

The directors have taken advantage of the exemption afforded to 100% subsidiaries not to disclose related party transactions.

16 Ultimate parent

The ultimate parent undertaking is the University of Bristol. Copies of the University of Bristol's financial statements may be obtained from the Director of Finance, Senate House, Bristol, BS8 1TH.

17 Reconciliation of operating profit to the net cash (outflow) / inflow from operating activities

	1999	1998
	£	£
Operating profit	149,648	155,508
Depreciation charge	27,881	27,881
(Increase)/decrease in debtors	8,781,101	(11,183,799)
Increase/(decrease) in creditors	(9,011,032)	11,268,620
Net cash (outflow) / inflow from operating activities	<u>(52,402)</u>	<u>268,210</u>

18 Analysis of changes in net debt

Land and buildings	At 1 August 1998	Cash flows	At 31 July 1999
	£	£	£
Cash at bank	295,431	(283,528)	11,903
Debt due within one year	(588,476)	-	(588,476)
Total	<u>(293,045)</u>	<u>(283,528)</u>	<u>(576,573)</u>