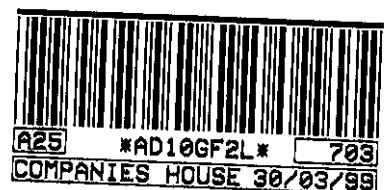


COMPANY NUMBER : 02595078

# **OVAL (717) LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 1998**



# **OVAL (717) LIMITED**

## **ACCOUNTS FOR THE YEAR ENDED 31 JULY 1998**

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# **OVAL (717) LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and audited financial statements for the year ended 31 July 1998.

## **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.

## **YEAR 2000 COMPLIANCE**

The directors confirm that they have addressed, or will address, all issues that they anticipate will arise following the date change to the year 2000. It is therefore expected that this date change will have no adverse impact on the operational or financial characteristics of the company.

## **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 :

D J Allen  
R D S Jones  
D J Stancombe (resigned 6 Nov 1997)  
K E McKenzie  
C Starr  
I Crawford (appointed 23 Oct 1997)  
D M Adamson (appointed 28 Oct 1997)  
D B Williams (appointed 28 Jan 1998)

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 £696,160 (1997: £1,571,626) was paid to the University of Bristol. A further gross covenant of £72,839 is payable to the University at the year end.

By order of the board

10th Nov 1998



DJ Allen  
Director

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.

### 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 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Majid Mutha Ramez*

CHARTERED ACCOUNTANTS  
and Registered Auditors

Date *10 November 1998*

# **OVAL (717) LIMITED**

**Profit and Loss Account**  
**For the Year Ended 31 July 1998**

	Notes	1998 £	1997 £
<b>TURNOVER</b>	<b>1</b>	4,730,032	3,106,536
Cost of sales		(4,530,161)	(2,017,511)
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		199,871	1,089,025
Administrative expenses		(44,363)	(212,258)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		155,508	876,767
Interest payable	<b>4</b>	(44,819)	(38,532)
Interest receivable	<b>5</b>	602,104	559,216
Covenant to the University of Bristol		(740,674)	(1,451,657)
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2</b>	(27,881)	(54,206)
Taxation	<b>6</b>	-	-
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(27,881)	(54,206)
Deficit brought forward		(299,049)	(244,843)
		<hr/>	<hr/>
<b>DEFICIT CARRIED FORWARD</b>		(326,930)	(299,049)
		<hr/>	<hr/>

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

# **OVAL (717) LIMITED**

Balance Sheet at 31 July 1998

	Notes	1998 £	1997 £
<b>FIXED ASSETS</b>			
Tangible assets	7	588,476	616,357
<b>CURRENT ASSETS</b>			
Debtors	8	20,518,441	9,426,286
Cash at bank and in hand		295,431	170,566
		<u>20,813,872</u>	<u>9,596,852</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(21,729,276)	(10,512,256)
<b>NET CURRENT LIABILITIES</b>		<u>(915,404)</u>	<u>(915,404)</u>
<b>NET LIABILITIES</b>		<u>(326,928)</u>	<u>(299,047)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	2	2
Profit and loss account		(326,930)	(299,049)
<b>SHAREHOLDERS FUNDS – equity interests</b>	11	<u>(326,928)</u>	<u>(299,047)</u>

Approved by the board on  
and signed on its behalf by



DJ Allen  
Director

# **OVAL (717) LIMITED**

## **Cash Flow Statement For the Year Ended 31 July 1998**

	Notes	1998	1997
		£	£
Net cash inflow from operating activities	14	235,415	1,101,207
Returns on investments and servicing of finance			
Interest received		602,104	559,216
Interest paid		(44,819)	(38,532)
Covenant paid		(696,160)	(1,571,626)
Covenant refunded		28,325	119,969
Net cash outflow from returns on investment and servicing of finance		(110,550)	(930,973)
Tax paid		-	-
Net cash inflow before financing		124,865	170,234
Net cash inflow/(outflow) from financing		-	-
Increase in cash and cash equivalents	15	124,865	170,234



# **OVAL (717) LIMITED**

## **Notes to the Financial Statements For the Year Ended 31 July 1998**

### **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 1998

## **2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

	1998 £	1997 £
Loss on ordinary activities before taxation is stated		
after charging		
Auditors' remuneration - audit	1,650	1,650
Depreciation	27,881	27,881
Rent payable under operating leases	909,000	909,000
after crediting		
Rent receivable	1,109,856	1,106,670

## **3. STAFF NUMBERS AND COSTS**

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

	Number of employees	
	1998	1997
Directors	<u>7</u>	<u>5</u>

The directors received no remuneration during the year.

## **4. INTEREST PAYABLE**

	1998 £	1997 £
Interest on current account	329	38
Loan interest payable	44,490	38,494
	<u>44,819</u>	<u>38,532</u>

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

# **OVAL (717) LIMITED**

Notes to the Financial Statements  
For the Year Ended 31 July 1998

## **5. INTEREST RECEIVABLE**

	1998 £	1997 £
Bank interest receivable	2,144	297
Loan interest receivable	599,960	558,919
	<u>602,104</u>	<u>559,216</u>

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

## **6. TAXATION**

There is no charge to corporation tax for the year (1997: nil).

## **7. TANGIBLE FIXED ASSETS**

	Long leasehold property	Fixtures and fittings	Total
Cost:			
At beginning and end of year	<u>660,700</u>	<u>39,300</u>	<u>700,000</u>
Depreciation			
At beginning of year	60,063	23,580	83,643
Provided during the year	<u>20,021</u>	<u>7,860</u>	<u>27,881</u>
At end of year	<u>80,084</u>	<u>31,440</u>	<u>111,524</u>
Net book value:			
At 31 July 1998	<u>580,616</u>	<u>7,860</u>	<u>588,476</u>
At 31 July 1997	<u>600,637</u>	<u>15,720</u>	<u>616,357</u>

# **OVAL (717) LIMITED**

## **Notes to the Financial Statements For the Year Ended 31 July 1998**

### **8. DEBTORS**

	1998 £	1997 £
Other debtors	12,486,000	-
Amounts owed by the University of Bristol	7,892,777	9,286,622
Prepayments and accrued income	139,664	139,664
	<u>20,518,441</u>	<u>9,426,286</u>

The other debtor is a sum due from Park Row Limited, a subsidiary 100% owned by the University of Bristol. The Directors consider that approximately £2,300,000 of this is due after one year.

### **9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1998 £	1997 £
Trade creditors	104,167	72,157
Taxation and social security	245,630	454,452
Accruals and deferred income	20,729,792	9,359,251
Amounts owed to the University of Bristol	649,687	626,396
	<u>21,729,276</u>	<u>10,512,256</u>

Included in 'Accruals and deferred income' is an amount of £12,436,580 due from Park Row Limited, a subsidiary 100% owned by the University of Bristol.

### **10. CALLED UP SHARE CAPITAL**

	1998 £	1997 £
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 1998

## **11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1998 £	1997 £
Loss for the year (page 4)	(27,881)	(54,206)
Opening shareholders' funds	(299,047)	(244,841)
Closing shareholders' funds	<u>(326,928)</u>	<u>(299,047)</u>

## **12. COMMITMENTS**

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

	1998 £	1997 £
Contracted	12,136,580	-
Authorised but not contracted	-	-

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

Land and Buildings	1998 £	1997 £
Operating leases which expire		
2-5 years	269,000	269,000
Over 5 years	<u>640,000</u>	<u>640,000</u>

## **13. ULTIMATE PARENT**

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

## **14. RECONCILIATION OF OPERATING LOSS TO THE NET CASH INFLOW FROM OPERATING ACTIVITIES**

	1998 £	1997 £
Operating profit/(loss) (page 4)	82,669	876,767
Depreciation charge	27,881	27,881
(Increase)/Decrease in debtors	(11,092,155)	1,039,857
Increase/(Decrease) in creditors	<u>11,217,020</u>	<u>(843,298)</u>
Net cash inflow from operating activities	<u>235,415</u>	<u>1,101,207</u>

## **OVAL (717) LIMITED**

**Notes to the Financial Statements**  
**For the Year Ended 31 July 1998**

### **15. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Aug 1997 £	Cash Flows £	At 31 July 1998 £
Cash at bank	170,566	124,865	295,431
Debt due within one year	(626,396)	32,795	(593,601)
Total	<u>(455,830)</u>	<u>157,660</u>	<u>(298,170)</u>

### **16. CONTINGENT LIABILITY**

In the previous year's financial statements, a contingent liability was disclosed in respect of a claim against the company for additional costs incurred on a construction project. Subsequent to the year-end, an amount of £2,002,152 was agreed in settlement of the claim. While the company will pay this amount, the company will be fully reimbursed by the University of Bristol and thus there is no residual liability for the company.

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 1998**

	1998		1997	
	£	£	£	£
<b>Turnover</b>				
Rent receivable	1,109,856		1,106,670	
Energy bills recharged	955,089		1,046,725	
Sundry income	2,665,087		953,141	
		<u>4,730,032</u>		<u>3,106,536</u>
<b>Cost of sales</b>				
Construction projects	2,666,072		61,739	
Rent payable	909,000		909,000	
Energy costs	955,089		1,046,772	
		<u>(4,530,161)</u>		<u>(2,017,511)</u>
<b>Gross profit</b>		199,871		1,089,025
Interest receivable		602,104		559,216
<b>Administrative expenses</b>				
Audit and accountancy	1,556		(11,000)	
Bank charges	251		225	
Legal and professional	(10,950)		169,678	
Insurance	16,417		16,180	
Maintenance and repairs	907		998	
Covenanted donation to the University of Bristol	740,674		1,451,657	
Management services	8,175		7,945	
Depreciation	27,881		27,881	
Sundry	126		351	
Interest payable	44,819		38,532	
		<u>(829,856)</u>		<u>(1,702,447)</u>
<b>Loss before taxation</b>		<u>(27,881)</u>		<u>(54,206)</u>