

242 4721

LYNXVALE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1997



LYNXVALE LIMITED

1

DIRECTORS

Mr M R Bienias
Mr P J Mardles
Mrs J M Womack
Mr R A Watchman
Sir R Tomkys

SECRETARY

Mrs S E Bishop

REGISTERED OFFICE

The Old Schools
Trinity Lane
Cambridge
CB2 1TS

REGISTERED NUMBER

02424721 (England and Wales)

AUDITORS

Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA

BANKERS

Barclays Bank Plc
Bene't Street
Cambridge
CB2 3PZ

LYNXVALE LIMITED

REPORT OF THE DIRECTORS

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

Business Review

The Company's principal activity is to undertake building projects and to provide Design Build construction and development services. The three main contracts on-going during the year under review are on schedule and within budget. Of the more long-standing projects, the final reconciliation for the Judge Institute building has been agreed, but resolution of differences between the company, the client and the contractor over the Law Faculty project is still awaited.

Directors

Mr P J Mardles (Appointed 2 August 1996)
Mr D Todd-Jones
Sir R Tomkys
Mr R A Watchman (Chairman)
Mrs J M Womack

Since the year end, Mr Todd-Jones has resigned (30 September 1997) and Mr M R Bienias has been appointed (1 October 1997).

Directors' Interests in Shares of the Company

The Directors did not have any interests in the shares of the Company.

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 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.

LYNXVALE LIMITED

REPORT OF THE DIRECTORS
(Continued)**Auditors**

Peters Elworthy & Moore have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

BY ORDER OF THE BOARD**Mrs S E Bishop**

Secretary

Date: 31 October 1997

LYNXVALE LIMITED

AUDITORS REPORT TO THE MEMBER

We have audited the financial statements on pages 5 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

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.

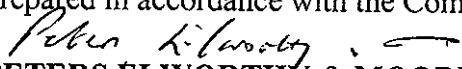
Basis of Opinion

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 the Company's affairs as at 31 July 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PETERS ELWORTHY & MOORE
Chartered Accountants and
Registered Auditor

CAMBRIDGE

Date: 4/11/97

LYNXVALE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1997

			1997		1996	
		Notes	£	£	£	£
Turnover	- Continuing operations	2	9,610,200		2,858,407	
	- Discontinued operations		<u>-</u>		<u>141,282</u>	
				9,610,200		2,999,689
Cost of Sales	- Continuing operations		(9,219,805)		(2,797,189)	
	- Discontinued operations		<u>-</u>		<u>(30,332)</u>	
				<u>(9,219,805)</u>		<u>(2,827,521)</u>
Gross Profit	- Continuing operations		390,395		61,218	
	- Discontinued operations		<u>-</u>		<u>110,950</u>	
				390,395		172,168
Administrative Expenses	- Continuing operations		(5,918)		(4,813)	
	- Discontinued operations		<u>-</u>		<u>(2,559)</u>	
				<u>(5,918)</u>		<u>(7,372)</u>
Operating Profit	- Continuing operations	3	384,477		56,405	
	- Discontinued operations		<u>-</u>		<u>108,391</u>	
				384,477		164,796
Interest Receivable on bank deposits			75,667		46,681	
			<u>75,667</u>		<u>46,681</u>	
Profit on Ordinary Activities before Taxation						
- Continuing operations			460,144		102,464	
- Discontinued operations			<u>-</u>		<u>109,013</u>	
				460,144		211,477
Deed of covenant paid to the University of Cambridge				<u>460,392</u>		<u>202,973</u>
				(248)		8,504
Taxation		4		<u>7,231</u>		<u>(1,423)</u>
Retained profit for year				<u>6,983</u>		<u>7,081</u>

STATEMENT OF MOVEMENTS IN RESERVES

	£	£
Retained profit brought forward	7,081	610
Adjustment to Deed of Covenant paid to the University of Cambridge	<u>(7,081)</u>	<u>(610)</u>
	-	-
Retained profit of year	<u>6,983</u>	<u>7,081</u>
Retained profit carried forward	<u>6,983</u>	<u>7,081</u>

There are no recognised gains and losses in the year other than the profit for the year.

The attached notes form part of these financial statements.

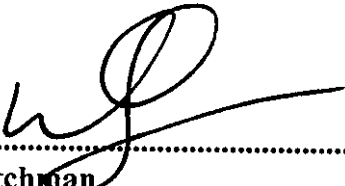
LYNXVALE LIMITED

6

BALANCE SHEET 31 JULY 1997

	Notes	1997		1996	
		£	£	£	£
Current Assets					
Debtors	5	1,530,548		266,571	
Short term investments	6	750,000		939,000	
Cash at bank and in hand		<u>1,141,018</u>		<u>719,850</u>	
		3,421,566		1,925,421	
Creditors: amounts falling due within one year	7	<u>(3,412,397)</u>		<u>(1,916,004)</u>	
Net Current Assets			9,169		9,417
Provision for Liabilities and Charges	8		(2,086)		(2,236)
Net Assets			<u>7,083</u>		<u>7,181</u>
Capital and Reserves					
Called up share capital	9		100		100
Profit and loss account			<u>6,983</u>		<u>7,081</u>
			<u>7,083</u>		<u>7,181</u>

ON BEHALF OF THE BOARD



 R A Watchman
 Director

Approved by the Board on 31 Oct 1997

The attached notes for part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

1. Accounting Policies

These financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted are set out below.

a) Accounting Standards -

The financial statements have been prepared in accordance with applicable accounting standards.

b) Turnover -

Turnover is the total amount invoiced by the Company, excluding value added tax.

c) Deferred Taxation -

Provision is made for deferred corporation tax (at the current rate for small companies) arising from the allocation of items to different periods for taxation and accounting purposes, namely income receivable.

d) Cash Flow Statement -

In accordance with Financial Reporting Standard Number 1, no cash flow statement is included in these financial statements as the Company is covered by the Small Company exemption.

2. Turnover

	1997	1996
An analysis by geographical market is set out below:	£	£
United Kingdom	9,610,200	2,998,910
Other EEC countries	-	252
United States of America	-	76
Other	-	451
	<u>9,610,200</u>	<u>2,999,689</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

2. **Turnover** (Continued)

The turnover attributable to each of the Company's types of business is:

	1997 Contribution		1996 Contribution	
	Turnover	Profit	Turnover	Profit
	£	£	£	£
Construction	9,610,200	390,395	2,858,407	61,218
Consultancy and contracts	-	-	141,282	110,950
	<u>9,610,200</u>	<u>390,395</u>	<u>2,999,689</u>	<u>172,168</u>

3 **Operating Profit**

Operating Profit is shown after charging:

	1997	1996
	£	£
Auditors' remuneration	<u>900</u>	<u>1,150</u>

4 **Taxation**

	£	£
Deferred taxation	(150)	2,033
Adjustment in respect of previous year	<u>(7,081)</u>	<u>(610)</u>
	<u>(7,231)</u>	<u>1,423</u>

The Company is a close company within the meaning of section 414 of the Taxes Act 1988.

5. **Debtors**

Due within one year:

	1997	1996
	£	£
Trade debtors	918,900	31,797
Other debtors	227,079	120,920
Prepayments and accrued income	<u>384,569</u>	<u>113,854</u>
	<u>1,530,548</u>	<u>266,571</u>

6 **Short Term Investments**

	£	£
Fixed term deposits	<u>750,000</u>	<u>939,000</u>

7 **Creditors:** Amounts falling due within one year

	£	£
Payments received on account	1,087,558	1,536,754
Trade creditors	1,967,165	6,016
Amount due to Cambridge University Technical Services Limited	251,488	251,488
Accruals and deferred income	<u>106,186</u>	<u>121,746</u>
	<u>3,412,397</u>	<u>1,916,004</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

8 **Provision for Liabilities and Charges**

	1997 £	1996 £
The movement on the provision for deferred taxation is as follows:		
Provision at beginning of year	2,236	203
(Released)/Charged in year	(150)	2,033
	<u>2,086</u>	<u>2,236</u>

The provision for deferred taxation is made up as follows:

	Provided £	Provided £
On short term timing differences	<u>2,086</u>	<u>2,236</u>

9 **Called up Share Capital**

	1997 £	1996 £
Authorised: 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid: 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

10 **Commitments**

The Company has entered into Design Build contracts to provide certain buildings and in each case has sub-contracted the work of design and construction. As the Company has received interim payments equal to the amount paid to the sub-contractors or the estimated total cost of the project plus the agreed profit margin no figure for value of work completed at the balance sheet date is shown in the balance sheet. The Company sub-contracts the management of its projects to the Estate Management and Building Service of the University of Cambridge.

The company has a liability to hand over the completed buildings ready for occupation within agreed time limits.

Contracts at 31 July 1997:

	Value of Contract	Value of Work Completed at 31 July 1997
Wellcome Trust/MRC Building, Island Site, Addenbrooke's Hospital	of the order of £19.5m	£7.3m
MRI Centre, West Cambridge	of the order of £0.9m	£0.4m
University Library - Aoi Pavilion and West Bookstacks Annex	of the order of £6.0m	£3.5m

LYNXVALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1997

11 Related Party Transactions

The ultimate parent undertaking is the University of Cambridge.

The University of Cambridge is also the parent undertaking of Cambridge University Technical Services Limited. At 31 July 1997 £251,488 is due by Lynxvale Limited to Cambridge University Technical Services Limited.

Mrs J M Womack and Mr P J Mardles are Directors of Cambridge University Technical Services Limited at the year end and have held these positions throughout the year.