

LYNXVALE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1998



LYNXVALE LIMITED**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 1998.

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 in train at the beginning of the year have all been completed and are expected to remain within budget, although minor delays were experienced with the Island Site and University Library projects towards their latter stages. Two new projects are commencing.

Directors

Mr M R Bienias	(Appointed 1 October 1997)
Mr P J Mardles	
Mr D Todd-Jones	(Resigned 30 September 1997)
Sir R Tomkys	
Mr R A Watchman (Chairman)	
Mrs J M Womack	

Directors' Interests in Shares of the Company

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

Year 2000

The company has received assurances that its computerized accounts package is compliant, and that its main client, the University of Cambridge, is confident that its systems will continue to support its activities in the new millennium. Its project managers, the Estate Management and Building Service of the University of Cambridge, are ensuring that the Company's major suppliers provide suitable reassurances and contractual commitments on Year 2000 issues in respect of the works undertaken for 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:

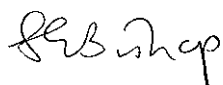
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

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: 15 October 1998

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 1998 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: 21/10/98

LYNXVALE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 1998

	Notes	1998 £	1997 £
Turnover	2	14,017,792	9,610,200
Cost of Sales		(13,619,727)	(9,219,805)
Gross Profit		398,065	390,395
Administrative Expenses		(5,040)	(5,918)
Operating Profit	3	393,025	384,477
Interest Receivable on bank deposits		94,013	75,667
Profit on Ordinary Activities before Taxation		487,038	460,144
Deed of covenant paid/payable to the University of Cambridge		496,107	460,392
		(9,069)	(248)
Taxation	4	9,069	7,231
Retained profit for year		<u>0</u>	<u>6,983</u>

STATEMENT OF MOVEMENTS IN RESERVES

	£	£
Retained profit brought forward	6,983	7,081
Adjustment to Deed of Covenant paid to the University of Cambridge	(6,983)	(7,081)
	<u>-</u>	<u>-</u>
Retained profit of year	<u>0</u>	<u>6,983</u>
Retained profit carried forward	<u>0</u>	<u>6,983</u>

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

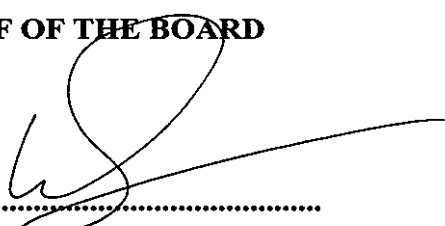
The attached notes form part of these financial statements.

LYNXVALE LIMITED

BALANCE SHEET 31 JULY 1998

	Notes	1998 £	1997 £
Current Assets			
Debtors	5	7,844,633	1,530,548
Short term investments	6	595,000	750,000
Cash at bank and in hand		<u>808,655</u>	<u>1,141,018</u>
		9,248,288	3,421,566
Creditors: amounts falling due within one year	7	<u>(8,996,700)</u>	<u>(3,412,397)</u>
Net Current Assets		251,588	9,169
Creditors: amounts falling due after more than one year	7	(251,488)	-
Provision for Liabilities and Charges	8	(0)	(2,086)
Net Assets		<u>100</u>	<u>7,083</u>
Capital and Reserves			
Called up share capital	9	100	100
Profit and loss account		<u>0</u>	<u>6,983</u>
		<u>100</u>	<u>7,083</u>

ON BEHALF OF THE BOARD



.....
R A Watchman
Director

Approved by the Board on 15 Oct 1998

The attached notes for part of these financial statements

LYNXVALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

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	1998	1997
An analysis by geographical market is set out below:	£	£
United Kingdom	14,017,792	9,610,200

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

	1998		1997	
	Contribution	Profit	Contribution	Profit
	Turnover	Profit	Turnover	Profit
	£	£	£	£
Construction	14,017,792	398,065	9,610,200	390,395
3 Operating Profit			1998	1997
Operating Profit is shown after charging:			£	£
Auditors' remuneration			950	900

LYNXVALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

4	Taxation	1998 £	1997 £
	Deferred taxation	(2,086)	(150)
	Adjustment in respect of previous year	<u>(6,983)</u>	<u>(7,081)</u>
		<u>(9,069)</u>	<u>(7,231)</u>

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

5.	Debtors	1998 £	1997 £
	Due within one year:		
	Trade debtors	7,333,879	918,900
	Other debtors	260,430	227,079
	Prepayments and accrued income	<u>250,324</u>	<u>384,569</u>
		<u>7,844,633</u>	<u>1,530,548</u>

The chief debtor is Cave 4 Limited, a wholly owned subsidiary of the University of Cambridge, in respect of the payment on account at 7 below.

6	Short Term Investments	£	£
	Fixed term deposits	<u>595,000</u>	<u>750,000</u>

7	Creditors: Amounts falling due within one year	£	£
	Covenant owed to University of Cambridge	496,107	-
	Payments received on account	7,058,519	1,087,558
	Trade creditors	1,370,433	1,967,165
	Accruals and deferred income	71,641	106,186
	Amount due to Cambridge University Technical Services Limited	<u>-</u>	<u>251,488</u>
		<u>8,996,700</u>	<u>3,412,397</u>

The chief payment on account is in respect of the contract to construct a Divinity building for Cave 4 Limited. See 5 above.

Creditors: Amounts falling due after more than one year	£	£
Amount due to Cambridge University Technical Services Limited	<u>251,488</u>	<u>-</u>

The amount of £251,488 is not due for payment until after 31 July 1999 but has no fixed repayment date. There is no interest payable.

LYNXVALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

8 **Provision for Liabilities and Charges**1998
£1997
£

The movement on the provision for deferred taxation is as follows:

Provision at beginning of year	2,086	2,236
(Released)/Charged in year	(2,086)	(150)
	<u>0</u>	<u>2,086</u>

The provision for deferred taxation is made up as follows:

Provided
£Provided
£

On short term timing differences	<u>0</u>	<u>2086</u>
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No provision has been made for the year ended 31 July 1998 since interest is now taxed on an accruals rather than on a receipts basis, and there are therefore no longer any timing differences.

9 **Called up Share Capital**1998
£1997
£

Authorised:

100 Ordinary shares of £1 each

<u>100</u>	<u>100</u>
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Allotted, issued and fully paid:

100 Ordinary shares of £1 each

<u>100</u>	<u>100</u>
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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. All contracts are with the University of Cambridge with the exception of that for the Divinity Faculty building, which is with Cave 4 Limited.

Contracts at 31 July 1998:

	Value of Contract	Value of Work Completed at 31 July 1998
Wellcome Trust/MRC Building, Island Site, Addenbrooke's Hospital	of the order of £19.5m	£16.7m
MRI Centre, West Cambridge	of the order of £0.9m	£0.8m
University Library - Aoi Pavilion and West Bookstacks Annex	of the order of £6.2m	£6.1m
Divinity Faculty, Sidgwick Avenue	of the order of £6.8m	£0.5m
Centre for Mathematical Sciences	of the order of £23.0m	£0.6m

LYNXVALE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 1998

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 and Cave 4 Limited. At 31 July 1998 £251,488 is due by Lynxvale Limited to Cambridge University Technical Services Limited, and £6,781,000 is due by Cave 4 Limited to Lynxvale Limited (some £0.5m of which has since been paid).

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. Mrs Womack also held the position of Director of Cave 4 Limited throughout the year, whilst Mr Mardles became a Director of Cave 4 Limited on 29 January 1998.