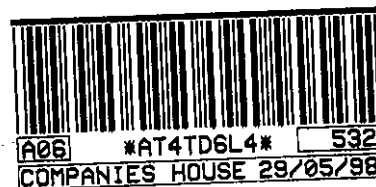


Oxford University Fixed Assets Limited

Directors' report and financial statements

31 July 1997

Registered number 2219889



Directors' report and financial statements

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Directors' report

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

The principal activities of the company are the construction of buildings and the purchasing and supply of electricity, and gas to Oxford University.

The company continued work on five major buildings in the year to 31 July 1997. Electricity Prepayment B consisting of the Bodleian Library Electrode boilers, Bodleian sub station and Science Area sub station was wound up on 30 April 1997 and the leases of the Bodleian and Science Area sub stations surrendered to Oxford University. The leases of numbers 1, 2, 3, and 5 boiler houses held under the Hot Water Scheme were also surrendered to Oxford University on 30 April 1997. The company has continued to purchase and supply gas for the boiler houses up until the date of the surrender of the leases and to refurbish the No 1 boiler house.

The company allows a discount for pre-payment of the electricity contracts and invests the proceeds in U.K. deposits until required. Over the life of the contract, the directors anticipate the interest earned will exceed the discount allowed.

The Company made a loss for the year of £11,224 which was carried forward.

The Directors do not recommend the payment of a dividend.

The Directors of the Company and their shareholdings throughout the year were:

	Shareholding	Appointed	Resigned
NJ Fiennes	1 Share		
JA Chubb	1 Share		
Dr PA Slack			30/9/96
Dr W Hayes			
JR Clements			
Dr LG Black		16//09/96	

The above shareholdings were held on behalf of the Chancellor, Masters and Scholars of the University of Oxford. The company is thus wholly owned by that institution.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



PJ Smith
Secretary

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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United Kingdom

Report of the auditors to the members of Oxford University Fixed Assets Limited

We have audited the financial statements on pages 4 to 7.

Respective responsibilities of directors and auditors

As described on page 1 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.

KPMG, 20/5/98

KPMG

*Chartered Accountants
Registered Auditors*

Profit and loss account
for the year ended 31 July 1997

	Note	1997 £	1996 £
Turnover	<i>1b</i>	9,364,357	9,705,396
Cost of sales	<i>1c</i>	(9,287,226)	(9,393,781)
Gross profit/(loss)		77,131	311,615
Administrative expenditure			
Professional fees		3,015	3,688
Audit		2,860	2,000
Rent		5,100	5,100
Miscellaneous		14,968	46,197
Total expenditure		(25,943)	(56,985)
Operating profit/(loss)		51,188	254,630
Deed of covenant		(35,000)	(135,000)
Interest receivable		6,885	26,036
Interest payable		(33,250)	(2,996)
(Loss)/profit on ordinary activities before taxation		(10,177)	142,670
Tax on profit on ordinary activities	3	(1,047)	-
(Loss)/profit for the financial year		(11,224)	142,670
Retained (loss) brought forward		(7,551)	(150,221)
Retained (loss) carried forward		(18,775)	(7,551)

The profit and loss account has been prepared on an historical cost basis. The company recognised no other gains and losses, and the income and expenditure above are derived from continuing activities.

Balance sheet
at 31 July 1997

	Note	1997 £	1996 £
Current assets			
Debtors	4	1,624,493	6,564,646
Cash at bank and in hand		-	-
Total assets		<u>1,624,493</u>	<u>6,564,646</u>
Creditors: payable within one year			
Bank overdraft		(413,398)	(138,428)
Accruals and deferred income	5	<u>(1,229,867)</u>	<u>(6,433,766)</u>
Total assets less current liabilities		<u>(18,772)</u>	<u>(7,548)</u>
Represented by:			
Share capital	6	3	3
Profit and loss account		<u>(18,775)</u>	<u>(7,551)</u>
Shareholders' Funds		<u>(18,772)</u>	<u>(7,548)</u>

These financial statements were approved by the board of directors on 24/4/98 and were signed on its behalf by:

NJ Fiennes
Director

N. J. Fiennes

JA Chubb
Director

JA Chubb

Notes

(forming part of the financial statements)

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 under the historical cost accounting convention and in accordance with applicable accounting standards.

Turnover

Turnover is the value of work completed, electricity or gas supplied during the period, less a proportion of the discount allowed for payment in advance.

Cost of sales

This comprises the direct costs of work completed, electricity or gas supplied during the period.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules. The going concern basis has been applied as the parent undertaking has confirmed that it will continue to support the company for the foreseeable future.

Directors

The company had no employees during the period. No emoluments were paid to any director during the period.

Taxation

	1997 £	1996 £
UK corporation tax at 23%		
Adjustment relating to prior periods	1,047	-
	<u>1,047</u>	<u>-</u>

Debtors

	1997 £	1996 £
Amounts due from the University of Oxford	1,328,762	6,334,217
VAT recoverable	295,731	230,429
	<u>1,624,493</u>	<u>6,564,646</u>

Notes (continued)

Accruals and deferred income

	1997 £	1996 £
Payments in advance	9,698,333	10,979,099
Less: Sales	(9,364,357)	(9,705,397)
	<hr/>	<hr/>
Deferred income	333,976	1,273,702
Accrued expenses	895,891	5,160,064
	<hr/>	<hr/>
	1,229,867	6,433,766
	<hr/> <hr/>	<hr/> <hr/>

Called up share capital

	1997 £	1996 £
Authorised ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called-up and fully paid: Ordinary shares of £1 each	3	3
	<hr/> <hr/>	<hr/> <hr/>

Commitments

As at 31 July 1997, the company had a commitment to supply electricity and gas to the University of Oxford. This commitment is reflected under 'Deferred income' above.

Ultimate ownership of the company

A copy of the financial statements of the University may be obtained from the University Offices, Wellington Square, Oxford OX1 2JD.