

Sneinton Space Management Limited

FINANCIAL STATEMENTS

for the year ended

31 March 1997



Company Registration No. 3034749

Sneinton Space Management Limited

DIRECTORS AND OFFICERS

DIRECTORS

GA Laylee
EG Reynolds
ST Gray
C Brocklehurst

SECRETARY

ST Gray

COMPANY NUMBER

3034749 (England and Wales)

REGISTERED OFFICE

The Clock House
140 London Road
Guildford
Surrey GU1 1UW

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

Sneinton Space Management Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of Sneinton Space Management Limited for the year ended 31 March 1997.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was property management and administration of property development.

The directors regard these activities as a single class of business.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The development of the site at Sneinton, Nottingham, is continuing as forecast and the site is expected to be substantially completed by March 1998. This is reflected in the growth in both occupancy and rental income in the current year and this trend is expected to continue.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office during the year:

GA Laylee

EG Reynolds

ST Gray

C Brocklehurst

(appointed 28 May 1996)

ID Harrabin

(resigned 31 October 1996)

The directors do not have any interest in the share capital of the company.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board


ST Gray

Secretary

14 JANUARY 1998

Sneinton Space Management Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

AUDITORS' REPORT TO THE MEMBERS OF SNEINTON SPACE MANAGEMENT LIMITED

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

As described on page 3 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 at 31 March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

14 January 1998

Sneinton Space Management Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1997

	<i>Notes</i>	Year ended 31 March 1997 £	Period to 31 March 1996 £
TURNOVER	1	160,134	32,020
Administrative expenses		194,203	132,407
OPERATING LOSS		(34,069)	(100,387)
Profit on disposal of fixed assets		-	78,395
Interest payable and similar charges	3	(9,032)	(433)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(43,101)	(22,425)
Taxation	5	(2,963)	8,865
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION, RETAINED	11	(40,138)	(31,290)

The operating loss for the year arises from the company's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

The retained loss for the year represents the company's historical cost loss.

Sneinton Space Management Limited

BALANCE SHEET

31 March 1997

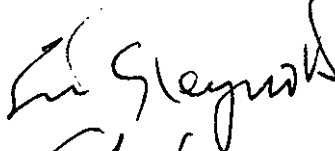
	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	6	448,501	169,387
CURRENT ASSETS			
Debtors	7	119,882	65,789
Cash at bank and in hand		40,770	24,967
		160,652	90,756
CREDITORS: Amounts falling due within one year	8	170,581	79,766
NET CURRENT (LIABILITIES)/ASSETS		(9,929)	10,990
TOTAL ASSETS LESS CURRENT LIABILITIES			
		438,572	180,377
CREDITORS: Amounts falling due after more than one year	9	500,000	201,667
		(61,428)	(21,290)
CAPITAL AND RESERVES			
Called up share capital	10	10,000	10,000
Profit and loss account	11	(71,428)	(31,290)
		(61,428)	(21,290)

Approved by the board on

14th JANUARY 1998

EG REYNOLDS

Director



GA LAYLEE

Director



Sneinton Space Management Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and based upon the continued support of the company's shareholders.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, commencing once the development is complete or when rental incomes exceed outgoings, whichever is earliest.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of services provided and rents received from customers.

LEASED ASSETS AND OBLIGATIONS

Operating lease payments are charged to the profit and loss account as incurred and the annual commitments arising are disclosed in the notes to the financial statements.

Sneinton Space Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1997

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and loss before taxation were all derived from its principal activity and all sales were made in the United Kingdom

	Year ended 31 March 1997 £	Period to 31 March 1996 £
2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		

(Loss) on ordinary activities before taxation is stated after charging:
Auditors' remuneration

3,000	2,500
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	Year ended 31 March 1997 £	Period to 31 March 1996 £
3 INTEREST PAYABLE AND SIMILAR CHARGES		

On bank loans, overdrafts and other loans wholly repayable
within 5 years:
other

9,032	433
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4 STAFF AND DIRECTORS' REMUNERATION

The directors were the only employees and received no remuneration for their services to the company during the year.

The company utilises the services of certain staff employed by Urban Space Holdings Limited, a connected company. During the year costs totalling £36,012 (1996: £38,763) were incurred.

	Year ended 31 March 1997 £	Period to 31 March 1996 £
5 TAXATION		
Based on the loss for the year:		
UK corporation tax	-	8,865
Overprovision in previous years	(2,963)	-
	<u>(2,963)</u>	<u>8,865</u>

Sneinton Space Management Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 1997

6	TANGIBLE FIXED ASSETS	<i>Property under the course of construction</i> £	
	Cost and net book value:		
	1 April 1996		169,387
	Additions		279,114
	31 March 1997		<u>448,501</u>
7	DEBTORS	1997 £	1996 £
	Due within one year:		
	Trade debtors	60,376	50,789
	Other debtors	14,980	15,000
	Prepayments and accrued income	44,526	-
		<u>119,882</u>	<u>65,789</u>
8	CREDITORS: Amounts falling due within one year	1997 £	1996 £
	Trade creditors	98,278	33,390
	Shareholders loans	-	8,333
	Corporation tax	-	8,865
	Other taxation and social security costs	1,185	2,163
	Other creditors	30,358	11,642
	Accruals and deferred income	40,760	15,373
		<u>170,581</u>	<u>79,766</u>
9	CREDITORS: Amounts falling due in more than one year	1997 £	1996 £
	Shareholders loans	500,000	201,667

Shareholders loans totalling £500,000 are secured by way of a fixed charge over the leasehold property.

Sneinton Space Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1997

10	SHARE CAPITAL	1997 £	1996 £
	Authorised:		
	10,000 ordinary 'A' shares of £1 each	10,000	10,000
	10,000 ordinary 'B' shares of £1 each	10,000	10,000
		<u>20,000</u>	<u>20,000</u>
	Allotted, issued and fully paid:		
	5,000 ordinary 'A' shares of £1 each	5,000	5,000
	5,000 ordinary 'B' shares of £1 each	5,000	5,000
		<u>10,000</u>	<u>10,000</u>
11	PROFIT AND LOSS ACCOUNT	1997 £	1996 £
	1 April 1996	(31,290)	-
	Loss for the financial year	(40,138)	(31,290)
		<u>(71,428)</u>	<u>(31,290)</u>
12	COMMITMENTS UNDER OPERATING LEASES		

The company is committed to the payment of rent to Nottingham City Council at £10,000 per annum for the next year, £18,750 for the year after that and £50,000 per annum thereafter subject to certain criteria being met.

Sneinton Space Management Limited
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1997

	Year ended 31 March 1997 £	Period to 31 March 1996 £
INCOME		
Rental income	94,540	21,778
Service charges	65,594	10,242
	<hr/> 160,134	<hr/> 32,020
LESS EXPENSES		
Audit and accountancy	14,081	5,774
Salaries and national insurance	37,260	42,411
Security	23,668	26,850
Printing, postage and telephone	3,187	2,857
Light and heat	4,175	3,686
Bank interest and charges	9,962	1,128
Insurance	11,127	9,874
Bad debts	31,182	6,081
Sundry expenses	5,362	1,751
Travel	3,928	2,240
Cleaning	13,642	9,308
Repairs and maintenance	10,000	9,776
Promotions	11,198	250
Rent and rates	19,261	10,854
Profit on sale of fixed assets	-	(78,395)
Legal and professional	5,202	-
	<hr/> 203,235	<hr/> 54,445
LOSS FOR THE PERIOD	<hr/> (43,101)	<hr/> (22,425)

This page does not form part of the statutory financial statements.