

Sneinton Space Management Limited

FINANCIAL STATEMENTS

for the year ended

31 March 1999



Company Registration No. 3034749

Sneinton Space Management Limited

DIRECTORS AND OFFICERS

DIRECTORS

EG Reynolds
G Furlong
M Sperber

SECRETARY

TJ Farmborough

COMPANY NUMBER

3034749 (England and Wales)

REGISTERED OFFICE

The Gatehouse
Trinity Buoy Wharf
64 Orchard Place
London E14 0JW

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 1999.

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 directors are pleased to report that the company made an after tax profit of £12,477. Future trading results are expected to be of an improved nature.

POST BALANCE SHEET EVENT

The purchase of the Archer Building in Nottingham was completed on 22 April 1999 for a consideration of £140,000.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office during the year:

EG Reynolds

GP Furlong (appointed 28 April 1998)

M Sperber (appointed 28 April 1998)

The directors do not have any direct interest in the share capital of the company although EG Reynolds has an effective 25% indirect interest by virtue of his other shareholdings.

YEAR 2000 COMPLIANCE

The problems associated with computer and digital systems using data which can accommodate the Year 2000 and beyond are well publicised. This is a complex and pervasive issue and the operation of our business not only depends on our own systems but also to some degree on those of our suppliers, bankers, customers and any one else associated with our business. This could expose us to risks in the event that there is a failure by other parties to address their own Year 2000 issues.

The directors believe that the potential risks to the business have been reviewed and reasonable steps have or are being taken to deal with the Year 2000 issues within the Group.

The costs to date associated in dealing with the above issues have been absorbed within the normal running costs of the business and no significant further costs are expected to be incurred.

Sneinton Space Management Limited

DIRECTORS' REPORT

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

Director

12 September 1999



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 6 to 11.

Respective responsibilities of directors and auditors

As described on page 4 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.

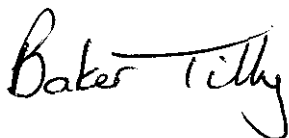
Basis of opinion

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 1999 and of its profit 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

12 September 1999

Sneinton Space Management Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1999

	<i>Notes</i>	1999 £	1998 £
TURNOVER	1	336,669	276,687
Administrative expenses		332,896	218,190
OPERATING PROFIT		3,773	58,497
Interest received		308	-
Interest payable and similar charges	3	(5,000)	(5,000)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(919)	53,497
Taxation	5	13,396	(8,359)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION, RETAINED	11	12,477	45,138

The operating profit 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 profit for the year represents the company's historical cost profit.

Sneinton Space Management Limited

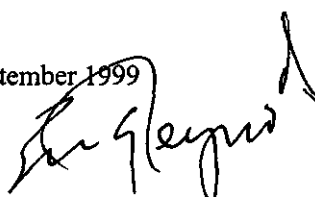

BALANCE SHEET

31 March 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible assets	6	543,817	504,085
CURRENT ASSETS			
Debtors	7	89,463	74,335
Cash at bank and in hand		36,378	39,349
		125,841	113,684
CREDITORS: Amounts falling due within one year	8	173,471	134,059
NET CURRENT LIABILITIES		(47,630)	(20,375)
TOTAL ASSETS LESS CURRENT LIABILITIES		496,187	483,710
CREDITORS: Amounts falling due after more than one year	9	500,000	500,000
		(3,813)	(16,290)
CAPITAL AND RESERVES			
Called up share capital	10	10,000	10,000
Profit and loss account	11	(13,813)	(26,290)
		(3,813)	(16,290)

Approved by the board on 12 September 1999

EG REYNOLDS 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 the year following the completion of the development 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 1999

1 TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and (loss)/profit before taxation all derived from its principal activity and all income arose in the United Kingdom

	1999	1998
	£	£
2 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		

(Loss)/profit on ordinary activities before taxation is stated after charging:

Auditors' remuneration	5,000	5,000
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	1999	1998
	£	£
3 INTEREST PAYABLE AND SIMILAR CHARGES		

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

5,000	5,000
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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 £32,610 (1998: £37,320) were incurred.

	1999	1998
	£	£
5 TAXATION		
UK corporation tax	651	8,359
Overprovision in previous years	(14,047)	-
	(13,396)	8,359

6 TANGIBLE FIXED ASSETS

*Property under
the course of
construction*
£

Cost and net book value:

1 April 1998	504,085
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Additions	39,732
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31 March 1999	543,817
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Sneinton Space Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1999

7	DEBTORS	1999 £	1998 £
	Due within one year:		
	Trade debtors	21,653	59,504
	Other debtors	21,493	-
	Prepayments and accrued income	46,317	14,831
		<u>89,463</u>	<u>74,335</u>
8	CREDITORS: Amounts falling due within one year	1999 £	1998 £
	Trade creditors	38,862	65,936
	Other taxation and social security costs	2,421	2,035
	Corporation tax	-	8,359
	Other creditors	41,576	36,841
	Accruals and deferred income	90,612	20,888
		<u>173,471</u>	<u>134,059</u>
9	CREDITORS: Amounts falling due in more than one year	1999 £	1998 £
	Shareholders loans	<u>500,000</u>	<u>500,000</u>
	Shareholders loans totalling £500,000 are secured by way of a fixed charge over the leasehold property.		
10	SHARE CAPITAL	1999 £	1998 £
	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>

Sneinton Space Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1999

11	PROFIT AND LOSS ACCOUNT	1999 £	1998 £
	1 April 1998	(26,290)	(71,428)
	Profit for the financial year	12,477	45,138
	31 March 1999	<u>(13,813)</u>	<u>(26,290)</u>

12 COMMITMENTS UNDER OPERATING LEASES

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

13 RELATED PARTY TRANSACTIONS

During the year the company incurred accountancy fees of £18,000 and a management charge of £25,000 from Urban Space Holdings Limited who hold all the ordinary 'B' shares in the company, and a management charge of £25,000 from Enterprise plc who hold all the ordinary 'A' shares in the company.

14 POST BALANCE SHEET EVENTS

The purchase of the Archer Building, Nottingham was completed on 22 April 1999 for a consideration of £140,000.

Sneinton Space Management Limited
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1999

	1999 £	1998 £
INCOME		
Rental income	187,603	157,685
Service charges	149,066	119,002
	<u>336,669</u>	<u>276,687</u>
LESS EXPENSES		
Audit and accountancy	24,680	15,589
Salaries and national insurance	42,752	37,320
Security	26,965	29,622
Printing, postage and telephone	3,047	3,776
Light and heat	30,349	17,688
Bank interest and charges	5,765	6,028
Insurance	10,121	10,619
Bad debts	21,479	17,956
Sundry expenses	409	880
Travel	1,151	2,050
Cleaning	9,684	6,540
Repairs and maintenance	32,658	21,140
Promotions	4,216	11,734
Rent and rates	67,553	34,471
Legal and professional	7,067	7,777
Management fees	50,000	-
	<u>337,896</u>	<u>223,190</u>
	(1,227)	53,497
Interest received	308	-
(LOSS)/PROFIT FOR THE PERIOD	<u>(919)</u>	<u>53,497</u>

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