

Sneinton Space Management Limited

FINANCIAL STATEMENTS

for the year ended

31 March 1998



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

Norfolk House
187 High Street
Guildford
Surrey GU1 3AZ

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 1998.

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 £45,138. Future trading results are expected to be of an improved nature.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The following directors have held office during the year:

EG Reynolds	
G Furlong	(appointed 28 April 1998)
M Sperber	(appointed 28 April 1998)
GA Laylee	(resigned 14 January 1998)
C Brocklehurst	(resigned 14 January 1998)
ST Gray	(resigned 21 January 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.

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

TJ Farmborough
Secretary

25 January 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 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.

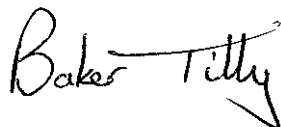
Basis of opinion

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 1998 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

25 January 1999

Sneinton Space Management Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1998

	<i>Notes</i>	1998 £	1997 £
TURNOVER	1	276,687	170,371
Administrative expenses		218,190	204,440
OPERATING PROFIT/(LOSS)		58,497	(34,069)
Interest payable and similar charges	3	5,000	9,032
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	53,497	(43,101)
Taxation	5	8,359	(2,963)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION, RETAINED	11	45,138	(40,138)

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

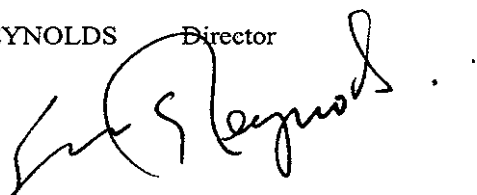
BALANCE SHEET

31 March 1998

	<i>Notes</i>	1998 £	1997 £
FIXED ASSETS			
Tangible assets	6	504,085	448,501
CURRENT ASSETS			
Debtors	7	74,335	119,882
Cash at bank and in hand		39,349	40,770
		<u>113,684</u>	<u>160,652</u>
CREDITORS: Amounts falling due within one year	8	134,059	170,581
NET CURRENT LIABILITIES		<u>(20,375)</u>	<u>(9,929)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		483,710	438,572
CREDITORS: Amounts falling due after more than one year	9	500,000	500,000
		<u>(16,290)</u>	<u>(61,428)</u>
CAPITAL AND RESERVES			
Called up share capital	10	10,000	10,000
Profit and loss account	11	(26,290)	(71,428)
		<u>(16,290)</u>	<u>(61,428)</u>

Approved by the board on 25 January 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 1998

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	1998 £	1997 £
2 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		

Profit/(loss) on ordinary activities before taxation is stated after charging:

Auditors' remuneration	5,000	3,000
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	1998 £	1997 £
3 INTEREST PAYABLE AND SIMILAR CHARGES		

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

5,000	9,032
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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 £37,320 (1997: £36,012) were incurred.

	1998 £	1997 £
5 TAXATION		
Based on the profit for the year at 21%:		
UK corporation tax	8,359	-
Overprovision in previous years	-	(2,963)
	8,359	(2,963)

6 TANGIBLE FIXED ASSETS

*Property under
the course of
construction*
£

Cost and net book value:

1 April 1997	448,501
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Additions	55,584
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31 March 1998	504,085
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Sneinton Space Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 1998

7	DEBTORS	1998 £	1997 £
	Due within one year:		
	Trade debtors	59,504	60,376
	Other debtors	-	14,980
	Prepayments and accrued income	14,831	44,526
		<u>74,335</u>	<u>119,882</u>
8	CREDITORS: Amounts falling due within one year	1998 £	1997 £
	Trade creditors	65,936	98,278
	Other taxation and social security costs	2,035	1,185
	Corporation tax	8,359	-
	Other creditors	36,841	30,358
	Accruals and deferred income	20,888	40,760
		<u>134,059</u>	<u>170,581</u>
9	CREDITORS: Amounts falling due in more than one year	1998 £	1997 £
	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	1998 £	1997 £
	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 1998

11	PROFIT AND LOSS ACCOUNT	1998 £	1997 £
	1 April 1997	(71,428)	(31,290)
	Profit/(loss) for the financial year	45,138	(40,138)
	31 March 1998	<u>(26,290)</u>	<u>(71,428)</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.