

MWB Serviced Office Holdings Limited

**Directors' report and financial
statements**

Registered number 4129282

30 June 2002



Directors' report and financial statements

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Directors' report

The Directors present their report and the audited financial statements for the year ended 30 June 2002. The Company changed its name from MWB (Hotel LP Shareholder) Limited to MWB Serviced Office Holdings Limited on 27 November 2001.

Principal activities

The Company acts as the holding company for the Serviced Offices division of its group. During the year, the Company acquired a holding in various group undertakings in exchange for shares issued to the Company's parent.

Results

The Company earned no income and incurred no expenditure. Accordingly, no profit and loss account has been presented.

Directors and Directors' interests

The Directors who held office during the year were as follows:

RG Balfour-Lynn
JW Harrison
JS Shashou
AF Blurton
J Singh
MA Bibring

None of the Directors had any interest in the share capital of the Company. The interests of the Directors in the share capital of the ultimate holding company, Marylebone Warwick Balfour Group Plc, are disclosed in the financial statements of that company.

Auditors

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

By order of the board



Gail Robson-Skeete
Secretary

1 West Garden Place
Kendal Street
London W2 2AQ

26th March 2003

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.

KPMG Audit Plc

PO Box 695
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Report of the independent auditors to the members of MWB Serviced Office Holdings Limited

We have audited the financial statements on pages 4 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

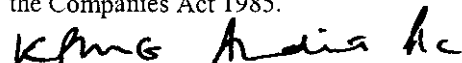
Basis of audit opinion

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 30 June 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

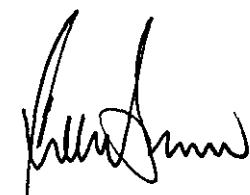

KPMG Audit Plc
Chartered Accountants
Registered Auditor


16 April 2003

Balance sheet
at 30 June 2002

	<i>Note</i>	2002 £	2001 £
Fixed assets			
Investments	4	11,871,000	-
		<hr/>	<hr/>
Debtors	5	2	2
		<hr/>	<hr/>
Net assets		11,871,002	2
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	6	3	2
Share premium account	7	11,870,999	-
		<hr/>	<hr/>
Equity shareholders' funds		11,871,002	2
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 26th March 2003 and were signed on its behalf by:


AF Blurton
Director


J Singh
Director

Reconciliation of movements in shareholders' funds
for the year ended 30 June 2002

	Year ended 30 June 2002 £	Period ended 30 June 2001 £
Shares issued on incorporation	-	2
Shares issued in exchange for holdings in subsidiaries	11,871,000	-
	<hr/>	<hr/>
Net addition to shareholders' funds	11,871,000	2
Opening shareholders' funds	2	-
	<hr/>	<hr/>
Closing shareholders' funds	11,871,002	2
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

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

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

As the Company is a wholly owned subsidiary of Marylebone Warwick Balfour Group Plc, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

Investment in subsidiary undertakings

The interest of the Company in the shares of subsidiary undertakings is recognised at cost less any provision for impairment.

2 Profit on ordinary activities before taxation

	Year ended 30 June 2002 £	Period ended 30 June 2001 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration - as auditors	-	-

Audit fees are borne by a parent company

3 Directors and employees

None of the Directors received any emoluments from the Company for their services during the year. *(Period ended 30 June 2001: nil)*

There are no employees other than the Directors. *(Period ended 30 June 2001: none)*

Notes (continued)

4 Investments

	Investment in subsidiary undertakings £
At 1 July 2001	-
Acquired in exchange for issue of shares	11,871,000
	<hr/>
At 30 June 2002	11,871,000
	<hr/>

The principal subsidiary undertakings at 30 June 2002, all of which are involved in the licensing or servicing of business accommodation, were:

<i>Subsidiary</i>	<i>Share capital held</i>	<i>Holding</i>
<u>Held by the Company</u>		
MWB Business Exchange Limited	Ordinary	63.2%
MWB Business Exchange Limited	First preference	17.7%
MWB Business Exchange Limited	Third preference	84.0%
MWB Business Exchange Limited	Fourth preference	65.8%

Held by subsidiaries

Avanta MWB (Bracknell) Limited	Ordinary	63.2%
Avanta MWB Business Centres Limited	Ordinary	63.2%
Symbol Offices Limited	Ordinary	63.2%
Budget Offices Limited	Ordinary	63.2%
MWB Business Exchange (France) Limited	Ordinary	63.2%
MWB Business Exchange (Germany) Limited	Ordinary	63.2%
Amlink Limited	Ordinary	63.2%
Langcharm Limited	Ordinary	63.2%
Chainrange Limited	Ordinary	63.2%
Bellsite Limited	Ordinary	63.2%
MWB Business Exchange (Holland) Limited	Ordinary	63.2%

Notes (continued)

5 Debtors

	2002 £	2001 £
Amounts due from group undertakings	2	2

6 Called up share capital

	2002 £	2001 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
3 ordinary shares of £1 each	3	2

On 28 June 2002, a further ordinary £1 share was issued to the Company's parent at fair value of £11,871,000 in exchange for holdings in various subsidiaries.

7 Reserves

	Share premium account £
At 1 July 2001	-
Premium on issue of share	11,870,999
At 30 June 2002	11,870,999

During the financial year the Company received no income and incurred no expenditure. Accordingly, no profit and loss account has been produced.

Notes *(continued)*

8 Immediate and ultimate parent companies

The Company's immediate parent is Marylebone Warwick Balfour Holdings Limited. The Company's ultimate parent company is Marylebone Warwick Balfour Group Plc. Both companies are registered in England and Wales.

The only group in which the results of the Company are consolidated is that headed by Marylebone Warwick Balfour Group Plc. Copies of its accounts are available from the Company Secretary, City Group Limited, 25 City Road, London EC1Y 1BQ.