

Greenwich Space Management Limited

FINANCIAL STATEMENTS

31 December 1998



Company Registration No. 3299656

Greenwich Space Management Limited

DIRECTOR AND OFFICERS

DIRECTOR

EG Reynolds

SECRETARY

TJ Farmborough

COMPANY NUMBER

3299656 (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

Greenwich Space Management Limited

DIRECTOR'S REPORT

The director submits his report and the financial statements of Greenwich Space Management Limited for the year ended 31 December 1998.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was property management. The director regards these activities as a single class of business.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company entered into a five year lease agreement from 25 March 1997 with The Secretary of State for Defence (Greenwich Hospital) to manage Greenwich Market.

The company manages the established weekend Arts and Crafts Market and is now introducing and developing a mid week market.

RESULTS AND DIVIDENDS

The profit for the year after tax was £72,981.

The director recommends the payment of a dividend of £100,000 representing £50,000 per share.

DIRECTORS

The following director has held office since 1 January 1998:

EG Reynolds

The director has no interest in the share capital of the company.

YEAR 2000

A centrally managed and co-ordinated programme is underway to address the impact on the business of the year 2000. All computer systems, telecommunication and other technical systems are being assessed. Many of the company's systems and processes are already compliant, and the director anticipates that the programme, including all necessary software modifications, will be completed by the end of 1999.

INTRODUCTION OF THE EURO

All relevant parts of the company will be able to handle euro transactions when required.

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

28 June 1999

Greenwich Space Management Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the director to prepare financial statements for each financial period 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the requirements of the Companies Act 1985. He is 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 GREENWICH SPACE MANAGEMENT LIMITED

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of director and auditors

As described on page 3 the company's director is 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.

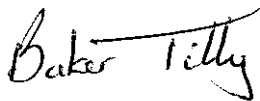
Basis of opinion

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 director 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 December 1998 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

28 June 1999

Greenwich Space Management Limited

PROFIT AND LOSS ACCOUNT

for the year to 31 December 1998

	<i>Notes</i>	Year 1998 £	Period 1997 £
TURNOVER	1	488,687	349,096
Administrative expenses		(394,648)	(293,289)
OPERATING PROFIT		94,039	55,807
Interest receivable		1,228	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	95,267	55,807
Taxation	4	22,286	13,501
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		72,981	42,306
Dividend	5	100,000	-
(LOSS)/PROFIT FOR THE YEAR, RETAINED	9	(27,019)	42,306

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 result for the year represents the company's historical cost result.

Greenwich Space Management Limited

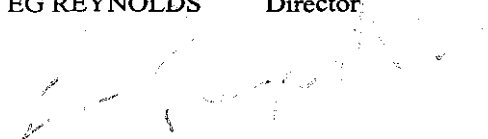
BALANCE SHEET

31 December 1998

	<i>Notes</i>	1998 £	1997 £
CURRENT ASSETS			
Debtors	6	224,992	17,502
Cash at bank and in hand		15,391	110,932
		<u>240,383</u>	<u>128,434</u>
CREDITORS: Amounts falling due within one year	7	225,094	86,126
NET CURRENT ASSETS		<u>15,289</u>	<u>42,308</u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account	9	15,287	42,306
		<u>15,289</u>	<u>42,308</u>

Approved by the board on 28 June 1999

EG REYNOLDS Director



Greenwich Space Management Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

TURNOVER

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

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.

Greenwich Space Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 December 1998

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

2	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1998 £	Period 1997 £
	Profit on ordinary activities before taxation is stated after charging:		
	Auditors' remuneration	2,100	2,000

3	EMPLOYEES	1998 No.	1997 No.
	The average weekly number of persons (including directors) employed by the company during the year was:		
	Office and management	3	3

	1998 £	Period 1997 £
Staff costs for the above persons:		
Wages and salaries	40,160	26,954
Social security costs	4,461	2,696
	44,621	29,650

The director received no remuneration for his services to the company during the year.

4	TAXATION	1998 £	Period 1997 £
	Based on the profit for the period:		
	UK corporation tax 23.5% (1997: 21%)	21,951	13,501
	Underprovision in previous years	335	-
		22,286	13,501

5	DIVIDEND	1998 £	1997 £
	Final proposed at £50,000 per share (1997: £Nil)	100,000	-

6	DEBTORS	1998 £	1997 £
	Due within one year:		
	Trade debtors	1,145	1,159
	Amounts due from parent undertaking	30,692	-
	Amounts due from group undertaking	130,000	-
	Amounts due from associated undertakings	32	-
	Prepayments and accrued income	56,466	10,053
	Other debtors	6,657	6,290
		224,992	17,502

Greenwich Space Management Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 December 1998

7	CREDITORS: Amounts falling due within one year	1998 £	1997 £
	Trade creditors	20,662	14,202
	Shareholders loans	-	25,058
	Amounts owed to group undertaking	905	-
	Corporation tax	21,951	13,501
	Other taxation and social security costs	590	584
	Proposed dividend	100,000	-
	Other creditors	71,790	17,387
	Accruals and deferred income	9,196	15,394
		<u>225,094</u>	<u>86,126</u>
8	SHARE CAPITAL	1998 £	1997 £
	Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
	Allotted, issued and fully paid: 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
9	PROFIT AND LOSS ACCOUNT	1998 £	1997 £
	1 January 1998	42,306	-
	(Loss)/profit for the financial period	(27,019)	42,306
	31 December 1998	<u>15,287</u>	<u>42,306</u>
10	COMMITMENTS UNDER OPERATING LEASES		
	The company is committed to the payment of rent to Greenwich Hospital at £185,000 per annum plus a turnover based supplement dependent on certain performance criteria. The rent commitment ceases in March 2002.		
11	ULTIMATE PARENT UNDERTAKING		
	The director regards Urban Space Management Limited, a company registered in England and Wales, as the ultimate parent undertaking.		
12	CONTINGENT LIABILITIES		
	The company was included in a composite banking arrangement with other companies within the group and provided cross guarantees and a debenture over all assets and undertakings accordingly.		
13	RELATED PARTY TRANSACTIONS		
	The company utilises the services of Urban Space Holdings Limited, a connected company. During the year costs totalling £14,672 were incurred. The balance due from Urban Space Holdings Limited at the year end was £30,692. The company has also loaned £130,000 to another company in the group, Swindon Space Management Limited.		