

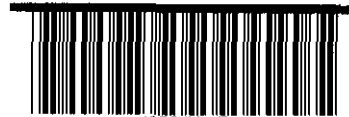


ARTHUR ANDERSEN

Business Space Services Limited

Accounts 31 March 1999
together with directors' and auditors' reports

Registered number: 2734911



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Directors' report

For the year ended 31 March 1999

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 March 1999.

Principal activity and business review

The principal activity of the company continues to be that of a holding company. The company's investment has now been transferred to another group company. The directors are reviewing the possibilities of future business.

Results and dividends

The company has not carried out any activities during the year other than the sale of its investment in Business Space Services (Manchester) Limited (see note 4). The directors recommend the payment of a dividend of £4,266.97 per share (1998 - £nil per share).

Directors and their interests

The directors who served during the year were as follows:

G. Jackson
N.M. Ankers
F.J.C. Pole

The directors are also directors of Hampton Trust PLC, the ultimate parent company, and their interests in the shares of that company are disclosed in its accounts.

The directors do not have any other interests required to be disclosed under Schedule 7 of the Companies Act 1985.

Directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' report (continued)

Directors' responsibilities (continued)

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 accounts comply with 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.

Year 2000 and Euro

The directors' report regarding Year 2000 and Euro issues is disclosed in the accounts of Hampton Trust PLC.

Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

By order of the Board,



J.A. Sutherland
Secretary

Hampton House
20 Albert Embankment
London
SE1 7TJ

12 June 2000



To the Shareholders of Business Space Services Limited:

We have audited the accounts on pages 4 to 7 which have been prepared under the historical cost convention, and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts 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.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the company's state of 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.

Arthur Andersen

Chartered Accountants and Registered Auditors

Bank House
9 Charlotte Street
Manchester
M1 4EU

12 June 2000

Profit and loss account

For the year ended 31 March 1999

	Notes	1999 £	1998 £
Profit on disposal of subsidiary undertaking	4	426,697	-
Profit on ordinary activities before and after taxation	2	426,697	-
Dividends proposed	3	(426,697)	-
Retained profit for the year		-	-

The accompanying notes are an integral part of this profit and loss account.

There are no recognised gains or losses in either year other than the profit for the year.

Balance sheet

31 March 1999

	Notes	1999 £	1998 £
Fixed assets			
Investments	2	-	100
Current assets			
Debtors	3	426,797	105
<i>Creditors: Amounts falling due within one year</i>	4	(426,697)	(105)
Net current assets		100	-
Net assets		100	100
Capital and reserves			
Called-up share capital		100	100

Signed on behalf of the Board


N.M. Ankers Director

12 June 2000

The accompanying notes are an integral part of this balance sheet.

Notes to accounts

31 March 1999

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current year and the preceding year, is set out below.

a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

2 Tax on profit on ordinary activities

No tax charge arises on the profit for the year due to the availability of tax losses surrendered by other group companies.

3 Dividends proposed

	1999 £	1998 £
Final proposed of £4,266.97 per share	426,697	-

4 Fixed asset investments

	1999 £	1998 £
Investment in Business Space Services (Manchester) Limited	-	100
	-	100

The investment in Business Space Services (Manchester) Limited was sold to Southend Property Holdings PLC, a fellow subsidiary of Hampton Trust PLC, for £426,797 on 11 March 1999.

The above company was wholly-owned, incorporated and operated principally in England and was engaged in the holding of land and buildings as investment properties. Its results are not consolidated as Business Space Services Limited is a wholly-owned subsidiary undertaking of another body incorporated in the United Kingdom.

5 Debtors

	1999 £	1998 £
Amounts due from group companies	426,797	105

Notes to accounts (continued)

6 Creditors: Amounts falling due within one year

	1999 £	1998 £
Bank loans and overdrafts	-	105
Proposed dividend	426,697	-
	<u>426,697</u>	<u>105</u>

7 Called-up share capital

	1999 £	1998 £
<i>Authorised, allotted, called-up and fully-paid</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year	426,697	-
Dividends proposed on equity shares	(426,697)	-
Opening shareholders funds	<u>100</u>	<u>100</u>
Closing shareholders funds	<u>100</u>	<u>100</u>

9 Cash flow statement

No cash flow statement has been prepared as the accounts for Hampton Trust PLC, the ultimate parent company, include a consolidated cash flow statement prepared in accordance with Financial Reporting Standard No. 1 (Revised).

10 Ultimate parent company

The company's ultimate parent company is Hampton Trust PLC, a company incorporated in the United Kingdom and registered in England and Wales. The largest and smallest group in which the accounts of the company are consolidated is that headed by Hampton Trust PLC. Accounts of this group can be obtained from Hampton House, 20 Albert Embankment, London SE1 7TJ.

11 Related party transactions

As permitted by Financial Reporting Standard Number 8, the company has not disclosed transactions with other group undertakings as it is a wholly owned subsidiary undertaking of Hampton Trust PLC, incorporated in England and Wales, which has produced consolidated accounts for the group.