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RELOCATE UK LIMITED
COPY

RELOCATE UK LIMITED

**(formerly Residential Property
Facilities Management
Limited)**

Report and Financial Statements

Year Ended
31 March 1999

BDO
BDO Stoy Hayward
Chartered Accountants



RELOCATE UK LIMITED (formerly Residential Property Facilities Management Limited)

Report and financial statements for the year ended 31 March 1999

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Directors

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Directors

L A Thurlow
P S Weller
C R L Phillips
J M Cliffe

Secretary and registered office

H M Boal-Russell
Osprey House, 16-18 Worthing Road, Horsham, West Sussex RH12 1SL

Company number

3009421

Auditors

BDO Stoy Hayward, Fitzalan House, 70 High Street, Ewell, Epsom, Surrey KT17 1RQ

RELOCATE UK LIMITED (formerly Residential Property Facilities Management Limited)

Report of the directors for the year ended 31 March 1999

The directors present their report together with the audited financial statements of the company for the year ended 31 March 1999.

Change of name

The company changed its name to Relocate UK Limited on 15 April 1999.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the year. An interim dividend of £60,000 (1998: £25,000) was paid during the year. The directors do not recommend the payment of a final dividend for the year under review.

Principal activities, trading review and future developments

The principal activity of the company is the provision of residential property-related facilities and management services, principally to international corporate clients.

The directors are satisfied with the profit for the year and expect similar results in future years.

Directors

The directors of the company during the year were:

L A Thurlow
P S Weller
C R L Phillips
J M Cliffe

No director held any beneficial interests in the company's ordinary shares at any time during the year. The interests of the directors in the share capital of the parent company, Dalefirst Limited, are set out in that company's directors' report.

RELOCATE UK LIMITED (formerly Residential Property Facilities Management Limited)

Report of the directors for the year ended 31 March 1999 (*Continued*)

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 of the company for that year. 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; and
- 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 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 compliance

A company-wide programme, designed to address the impact of the Year 2000 on our business, has been commissioned by the directors. Action plans have been developed which are designed to address the key risks to the company, as well as its customers and suppliers, in advance of critical dates and without disruption to underlying business activities. The directors believe that the company will achieve an acceptable state of readiness.

The total cost of modifications to our computer hardware and software and other relevant equipment has been estimated and a modest amount is expected to be incurred by the end of December 1999.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board


H M Boal Russell

Secretary

14 July 1999

RELOCATE UK LIMITED (formerly Residential Property Facilities Management Limited)

Report of the auditors

To the shareholders of Relocate UK Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the 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.

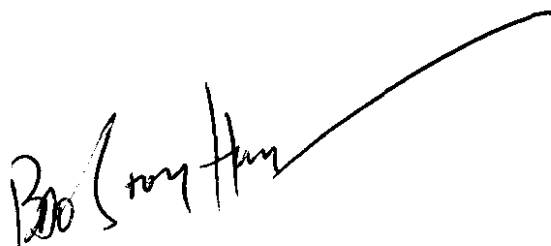
Basis of opinion

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 as 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.

A handwritten signature in black ink, appearing to read 'BDO Stoy Hayward', with a long, sweeping horizontal line extending to the right.

BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*

Ewell, Epsom, Surrey

14 July 1999

RELOCATE UK LIMITED (formerly Residential Property Facilities Management Limited)**Profit and loss account for the year ended 31 March 1999**

| | Note | 1999 £ | 1998 £ |
|---|------|-------------|-------------|
| Turnover | 2 | 145,045 | 89,891 |
| Administrative expenses | | 83,639 | 63,349 |
| | | <hr/> | <hr/> |
| Operating profit | | 61,406 | 26,542 |
| Interest payable | 4 | 78 | 1,468 |
| | | <hr/> | <hr/> |
| Profit on ordinary activities before taxation | 5 | 61,328 | 25,074 |
| Taxation on profit on ordinary activities | 7 | 10,500 | 5,314 |
| | | <hr/> | <hr/> |
| Profit on ordinary activities after taxation | | 50,828 | 19,760 |
| Dividend | 8 | 60,000 | 25,000 |
| | | <hr/> | <hr/> |
| Retained loss for the financial year | | (9,172) | (5,240) |
| Profit and loss account brought forward | | 22,938 | 28,178 |
| | | <hr/> | <hr/> |
| Profit and loss account carried forward | | 13,666 | 22,938 |
| | | <hr/> <hr/> | <hr/> <hr/> |

All amounts relate to continuing activities.

All recognised gains and losses, together with movements in shareholders' funds, are disclosed in the profit and loss account.

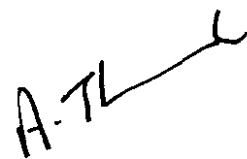
The notes on pages 6 to 9 form part of these financial statements.

RELOCATE UK LIMITED (formerly Residential Property Facilities Management Limited)

Balance sheet at 31 March 1999

| | Note | £ | 1999 | £ | 1998 | £ |
|---|------|---------|---------|--------|---------|--------|
| Fixed assets | | | | | | |
| Tangible assets | 9 | | | 2,930 | | 3,411 |
| Current assets | | | | | | |
| Stocks | 10 | - | | | 300 | |
| Debtors | 11 | 210,152 | | | 114,039 | |
| Cash at bank and in hand | | - | | | 1,011 | |
| | | | | | | |
| | | | 210,152 | | 115,350 | |
| Creditors: amounts falling due within one year | 12 | 199,316 | | | 95,823 | |
| | | | | | | |
| Net current assets | | | | 10,836 | | 19,527 |
| | | | | | | |
| Total assets less current liabilities | | | | 13,766 | | 22,938 |
| | | | | | | |
| Capital and reserves | | | | | | |
| Called up share capital | 13 | | | 100 | | 100 |
| Profit and loss account | | | | 13,666 | | 22,838 |
| | | | | | | |
| Shareholders' funds - equity interests | | | | 13,766 | | 22,938 |

The financial statements were approved by the Board on 14 July 1999.


L A Thurlow
Director

The notes on pages 6 to 9 form part of these financial statements.

RELOCATE UK LIMITED (formerly Residential Property Facilities Management Limited)

Notes forming part of the financial statements for the year ended 31 March 1999

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied consistently during the year:

Cash flow statement

The company does not present a cash flow statement as it is a small company as defined by the Companies Act 1985.

Turnover

Turnover represents fees receivable from outside customers at invoiced amounts net of value added tax. Invoices to customers comprise recoverable disbursements together with a fee element recognised by the company. Accordingly trade debtors and trade creditors include disbursements which are not included in turnover and administrative expenses.

Depreciation

Depreciation is provided to write off costs less estimated residual values of all fixed assets over their expected useful lives. It is calculated at the following rates using the straight line basis:

| | | |
|--------------------|---|-----|
| Computer equipment | - | 20% |
|--------------------|---|-----|

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

Stocks

Stocks are valued at purchase cost.

Pension costs

Contributions are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover arises solely from the company's principal activity carried out in the United Kingdom.

RELOCATE UK LIMITED (formerly Residential Property Facilities Management Limited)Notes forming part of the financial statements for the year ended 31 March 1999 *(Continued)***3 Interest payable**

| | 1999 £ | 1998 £ |
|--------------------------|---------------|---------------|
| Bank loans and overdraft | 78 | 1,468 |
| | <u> </u> | <u> </u> |

4 Profit on ordinary activities before taxation

This is arrived at after charging:

| | | |
|---|---------------|---------------|
| Auditors' remuneration - audit services | 1,400 | 1,200 |
| Depreciation - owned assets | 600 | 587 |
| | <u> </u> | <u> </u> |

5 Employees

| | | |
|-----------------------|---------------|---------------|
| Wages and salaries | 45,153 | 35,445 |
| Social security costs | 4,515 | 3,544 |
| Pension costs | 1,238 | - |
| | <u> </u> | <u> </u> |
| | 50,906 | 38,989 |
| | <u> </u> | <u> </u> |

The average monthly number of paid employees during the year, including directors, was as follows:

| | Number | Number |
|--------------------------|---------------|---------------|
| Sales and administration | 2 | 2 |
| | <u> </u> | <u> </u> |

6 Directors' remuneration

None of the directors received any remuneration from the company during either the current or the previous year.

7 Taxation on profit on ordinary activities

| | 1999 £ | 1998 £ |
|--------------------------------------|---------------|---------------|
| UK Corporation tax at 21% | 10,500 | 5,460 |
| Adjustment in respect of prior years | - | (146) |
| | <u> </u> | <u> </u> |
| | 10,500 | 5,314 |
| | <u> </u> | <u> </u> |

RELOCATE UK LIMITED (formerly Residential Property Facilities Management Limited)

Notes forming part of the financial statements for the year ended 31 March 1999 (*Continued*)

| | | |
|--|-------------------|-------------------------------------|
| 8 Dividend | 1999 | 1998 |
| | £ | £ |
| Interim dividend paid @ £600 per ordinary share (1998: £250) | 60,000 | 25,000 |
| | <u> </u> | <u> </u> |
| 9 Tangible assets | | Computer equipment £ |
| <i>Cost</i> | | |
| At 1 April 1998 | | 3,998 |
| Additions | | 119 |
| | | <u> </u> |
| At 31 March 1999 | | 4,117 |
| | | <u> </u> |
| <i>Depreciation</i> | | |
| At 1 April 1998 | | 587 |
| Provided for the year | | 600 |
| | | <u> </u> |
| At 31 March 1999 | | 1,187 |
| | | <u> </u> |
| <i>Net book value</i> | | |
| At 31 March 1999 | | 2,930 |
| | | <u> </u> |
| At 31 March 1998 | | 3,411 |
| | | <u> </u> |
| 10 Stocks | 1999 | 1998 |
| | £ | £ |
| Promotional materials and stationery | - | 300 |
| | <u> </u> | <u> </u> |
| 11 Debtors | | |
| <i>Due within one year:</i> | | |
| Trade debtors | 30,659 | 83,091 |
| Amounts owed by parent undertaking | 178,790 | 27,314 |
| Prepayments and accrued income | 703 | 3,634 |
| | <u> </u> | <u> </u> |
| | 210,152 | 114,039 |
| | <u> </u> | <u> </u> |

RELOCATE UK LIMITED (formerly Residential Property Facilities Management Limited)

Notes forming part of the financial statements for the year ended 31 March 1999 (*Continued*)

| 12 Creditors: amounts falling due within one year | 1999 £ | 1998 £ |
|---|----------------|---------------|
| Bank overdraft (secured) | 144,219 | - |
| Trade creditors | 36,090 | 73,610 |
| Corporation tax | 10,500 | 5,460 |
| Taxation and social security | 4,928 | 9,678 |
| Accruals | 3,579 | 7,075 |
| | <u>199,316</u> | <u>95,823</u> |

The bank overdraft is secured by means of fixed and floating charges over the assets of the company.

| 13 Share capital | Authorised | | Allotted, called up and fully paid | |
|----------------------------|---------------|---------------|---------------------------------------|---------------|
| | 1999 £ | 1998 £ | 1999 £ | 1998 £ |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

14 Parent company

Dalefirst Limited, a company incorporated in England, is the parent company. Dalefirst Limited's principal shareholders are set out in its own financial statements.

15 Contingent liabilities

Guarantees and cross guarantees exist between Relocate UK Limited and other group undertakings in respect of bank loans and overdrafts advanced. As at 31 March 1999 the balances owed by the other relevant group undertakings were as follows:

| | £ |
|-------------------|---------------|
| Dalefirst Limited | 408,333 |
| Leaders Limited | 148,950 |
| | <u> </u> |