

REGISTRAR'S COPY

COMPANY NUMBER 3009421

Relocate UK Limited

Report and Financial Statements

Year Ended

31 March 2003



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BDO Stoy Hayward
Chartered Accountants

Relocate UK Limited

Annual report and financial statements for the year ended 31 March 2003

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Directors

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

Secretary and registered office

M J Light, Columbia House, Columbia Drive, Worthing, West Sussex, BN13 3HD

Company number

3009421

Auditors

BDO Stoy Hayward, Emerald House, East Street, Epsom Surrey, KT17 1HS

Relocate UK Limited

Report of the directors for the year ended 31 March 2003

The directors present their report together with the audited financial statements for the year ended 31 March 2003.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

An interim dividend of £600 (2002: £800) per share was paid for the year under review. The directors do not recommend the payment of a final dividend for the year under review.

Principal activities, review of business and future developments

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

The directors are satisfied with the profit for the year and expect similar results to be achieved in the forthcoming year.

Directors

The directors of the company during the year were:

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

No director had any beneficial interest in the share capital of the company during the year. No director has any right to subscribe for share capital in the company.

The interests of the directors in the share capital of the parent company, Leaders Group Limited, are set out in the directors' report of that company.

Relocate UK Limited

Report of the directors for the year ended 31 March 2003 (*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:

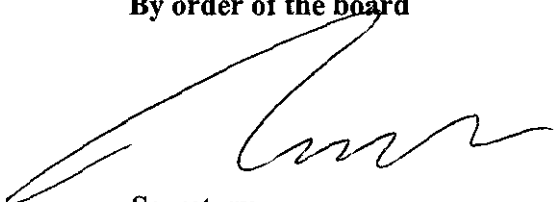
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

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



Secretary

Date: 17 June 2003

Relocate UK Limited

Report of the independent auditors

To the shareholders of Relocate UK Limited

We have audited the financial statements of Relocate UK Limited for the year ended 31 March 2003 on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 the company's affairs circumstances, consistently applied and adequately disclosed.

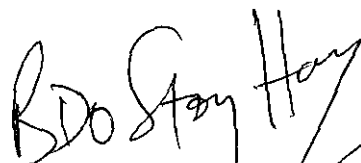
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Relocate UK Limited

Report of the independent auditors (*Continued*)

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
Epsom, Surrey

Date: 17 June 2003

Relocate UK Limited**Profit and loss account for the year ended 31 March 2003**

	Note	2003 £	2002 £
Turnover	2	198,555	161,229
Administrative expenses		123,727	104,110
		<u> </u>	<u> </u>
Operating profit	3	74,828	57,119
Interest payable and similar charges	6	(600)	(1,382)
		<u> </u>	<u> </u>
Profit on ordinary activities before taxation		74,228	55,737
Taxation on profit on ordinary activities	7	14,123	11,000
		<u> </u>	<u> </u>
Profit on ordinary activities after taxation		60,105	44,737
Dividends	8	60,000	80,000
		<u> </u>	<u> </u>
Retained profit/(accumulated loss)		105	(35,263)
Retained profit brought forward		3,200	38,463
		<u> </u>	<u> </u>
Retained profit carried forward		3,305	3,200
		<u> </u>	<u> </u>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year.

The notes on pages 7 to 12 form part of these financial statements.

Relocate UK Limited

Balance sheet at 31 March 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	9		14,283		3,353
Current assets					
Stocks	10	1,500		2,682	
Debtors	11	437,985		439,279	
		<u>439,485</u>		<u>441,961</u>	
Creditors: amounts falling due within one year	12	450,363		442,014	
Net current liabilities			<u>(10,878)</u>		<u>(53)</u>
Total assets less current liabilities			<u>3,405</u>		<u>3,300</u>
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account			3,305		3,200
Equity shareholders' funds			<u>3,405</u>		<u>3,300</u>

The financial statements were approved by the Board on 17 June 2003.


L A Thurlow
Director

The notes on pages 7 to 12 form part of these financial statements.

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:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Leaders Group Limited and the company is included in consolidated financial statements.

Turnover

Turnover represents fees receivable from outside customers at invoiced amounts net of value added tax, together with management charges to other group companies for introducing new customers. Invoices to customers comprise recoverable disbursements together with the fee element recognised by the company as turnover.

Accordingly trade debtors and trade creditors include disbursements which are not included within the company's turnover and administrative expenses.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Fixtures, fittings and computer equipment	- 15%
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Stocks

Stocks are valued at purchase cost. Stocks of promotional materials are held in order to support the company's marketing activity, rather than for resale.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Relocate UK Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

	2003 £	2002 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	1,725	1,079
Audit services	2,400	2,485
	<u> </u>	<u> </u>

4 Employees

Staff costs (including directors) consist of:

	2003 £	2002 £
Wages and salaries	54,635	46,879
Social security costs	4,552	8,066
	<u> </u>	<u> </u>
	59,187	54,945
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was as follows:

	2003 Number	2002 Number
Sales and administration	6	5
	<u> </u>	<u> </u>

5 Directors' remuneration

No director received any emoluments during the current year (2002 - £NIL).

Relocate UK Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

6 Interest payable and similar charges

	2003 £	2002 £
Bank loans and overdraft	600	1,382

7 Taxation on profit on ordinary activities

	2003 £	2002 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	14,123	11,000

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	74,228	55,737
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2002 - 20%)	14,103	11,147
Effect of:		
Expenses not deductible for tax purposes	128	(147)
Capital allowances for period in excess of depreciation	(108)	-
Current tax charge for period	14,123	11,000

8 Dividends

	2003 £	2002 £
<i>Equity shares</i>		
Ordinary shares		
Interim paid of £600 (2002 - £800) per share	60,000	80,000

9 Tangible fixed assets

	Fixtures, fittings and computer equipment £
<i>Cost</i>	
At 1 April 2002	7,438
Additions	12,655
	<hr/>
At 31 March 2003	20,093
	<hr/>
<i>Depreciation</i>	
At 1 April 2002	4,085
Provided for the year	1,725
	<hr/>
At 31 March 2003	5,810
	<hr/>
<i>Net book value</i>	
At 31 March 2003	14,283
	<hr/>
At 31 March 2002	3,353
	<hr/>

10 Stocks

	2003 £	2002 £
Stationery	1,500	2,682
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above.

Relocate UK Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

11 Debtors

	2003 £	2002 £
Trade debtors	264,707	270,753
Amounts owed by group undertakings	172,359	168,205
Prepayments and accrued income	919	321
	<u>437,985</u>	<u>439,279</u>

All amounts shown under debtors fall due for payment within one year.

12 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank overdraft (secured)	149,642	64,899
Trade creditors	10,824	16,822
Corporation tax	14,123	11,000
Other taxation and social security	9,059	4,887
Other creditors	264,223	338,834
Accruals and deferred income	2,492	5,572
	<u>450,363</u>	<u>442,014</u>

The bank overdraft is secured by means of fixed and floating charges over assets of the company and the group (see note 14).

13 Share capital

	2003 £	Authorised 2002 £	Allotted, called up and fully paid 2003 £	2002 £
<i>Equity share capital</i>				
100 Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Relocate UK Limited

Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)

14 Contingent liabilities

Guarantees and cross-guarantees exist between Relocate UK Limited and other group undertakings in respect of bank loans and overdrafts. As at 31 March 2003 the bank loan and overdraft balances included in the balance sheets of the relevant group undertakings were as follows:

	£
Leaders Group Limited	585,417
Leaders Limited	338,088
	<hr/>

15 Related party disclosures

Transactions and balances with other entities that are part of the group headed by Leaders Group Limited are not disclosed, as permitted by FRS 8 "Related Party Disclosures", as the financial statements of Leaders Group Limited are publicly available.

16 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Leaders Group Limited, which is the immediate and ultimate parent company incorporated in England and Wales. Leaders Group Limited's principal shareholders are set out in its own financial statements.