

Company Registration No. 5040593

Buying Force Limited

Report and Financial Statements

For the year ending 31 December 2006

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Buying Force Limited

Report and financial statements 2006

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Buying Force Limited

Report and financial statements 2006

Officers and professional advisers

Directors

Chris Nutton
Peter Best
Paul Harding
Martyn Hayward

Secretary

John O'Mahoney

Registered Office

One Curzon Street
London
W1A 5PZ

Bankers

NatWest
Moorgate Branch
PO Box 712
94 Moorgate
London
EC2M 6XT

Solicitors

Field Fisher Waterhouse
35 Vine Street
London
EC3N 2AA

Auditors

Deloitte & Touche LLP
Chartered Accountants
London
EC4A 3TR

Buying Force Limited

Directors' report

The directors present their annual report and the audited financial statements for year ended 31 December 2006. The directors report has been prepared in accordance with the special provisions relating to small companies under section 246 (4) of the Companies Act 1985.

Activities

Buying Force Limited harnesses the considerable buying power of its clients to procure goods and services at highly competitive prices, combined with an unrivalled level of service, through a network of proven preferred suppliers.

Dividends and Transfers from Reserves

No dividends were paid or proposed during the year to 31 December 2006 (2005: £nil). The loss for the year of £101,665 (2005: £198,220) has been transferred from reserves.

Financial instruments

Due to the nature of the company's business, and the assets and liabilities contained within the company's balance sheet, the only financial risks that the directors consider relevant to the company are credit risk and liquidity risk. These risks are mitigated through the company's credit control procedures and by the nature of the significant debtor balances owed, being due from the shareholders who are able to repay if required.

Future prospects

Growth in the business will be achieved by offering procurement services to other major landlords, managing agents and property occupiers.

Directors and their interests

No shares have been issued to the Directors.

The authorised and issued share capital is £2,000. 1,000 A shares of £1 each have been issued to Prudential Property Investment Managers Limited and 1,000 B shares, also of £1 each have been issued to DTZ Debenham Tie Leung Limited.

Statement as to disclosure of information to auditors

Each of the directors at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S2342A of the Companies Act 1985.

Buying Force Limited

Directors' report

Auditors

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



John O'Mahoney
Secretary

17 October 2007

Buying Force Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare the accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period and comply with UK GAAP and the Companies Act 1985. 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; 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Buying Force Limited

We have audited the financial statements of Buying Force Limited for the year ended 31 December 2006 which comprise the profit and loss account, the reconciliation of movements in shareholders' deficit, the balance sheet, the cash flow statement and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

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 auditors' 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' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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.

In addition we report to you if, in our opinion, 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 other transactions 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.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with the United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

29 October 2007

Buying Force Limited

Profit and loss account Year ended 31 December 2006

| | Note | 2006 £ | 2005 £ |
|--------------------------------------|------|-----------|-----------|
| Turnover | 2 | 813,610 | 598,407 |
| Gross profit | | 813,610 | 598,407 |
| Administrative expenses | | (808,528) | (716,352) |
| Operating profit/(loss) | 4 | 5,082 | (117,945) |
| Interest payable and similar charges | 5 | (106,747) | (80,275) |
| Retained loss for the year | | (101,665) | (198,220) |

All activities derive from continuing operations.

There are no other recognised gains or losses for the current or preceding financial years other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses is given.

Reconciliation of movements in shareholders' deficit Year ended 31 December 2006

| | Share capital £ | Profit and loss account £ | Total £ |
|---------------------|-----------------------|------------------------------------|------------|
| At 1 January 2006 | 2,000 | (884,747) | (882,747) |
| Loss for the year | - | (101,665) | (101,665) |
| At 31 December 2006 | 2,000 | (986,412) | (984,412) |


Buying Force Limited

Balance sheet 31 December 2006

| | Note | 2006 £ | 2005 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 52,579 | 64,006 |
| | | <u>52,579</u> | <u>64,006</u> |
| Current assets | | | |
| Debtors | 8 | 633,025 | 550,328 |
| Cash at bank and in hand | | 62,088 | 47,999 |
| | | <u>695,113</u> | <u>598,327</u> |
| Creditors: amounts falling due within one year | 9 | (482,104) | (295,080) |
| Net current assets | | <u>213,009</u> | <u>303,247</u> |
| Total assets less current liabilities | | 265,588 | 367,253 |
| Creditors: amounts falling due after more than one year | | | |
| Shareholder loans | 10 | (1,250,000) | (1,250,000) |
| Net liabilities | | <u>(984,412)</u> | <u>(882,747)</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 2,000 | 2,000 |
| Profit and loss account | | (986,412) | (884,747) |
| Total equity shareholders' deficit | | <u>(984,412)</u> | <u>(882,747)</u> |

These financial statements were approved by the Board of Directors on ~~17th October~~ 2007.

Signed on behalf of the Board of Directors



Director

PAUL SHARKEY

Buying Force Limited

Cash flow statement Year ended 31 December 2006

| | Note | 2006 £ | 2005 £ |
|---|------|-----------|-----------|
| Net cash inflow/(outflow) from operating activities | 12 | 51,072 | (618,115) |
| Capital expenditure | | | |
| Payments to acquire tangible fixed assets | | (39,580) | (54,382) |
| Proceeds of disposal of fixed assets | | 2,597 | - |
| Net cash (outflow) from investing activities | | (36,983) | (54,382) |
| Financing | | | |
| Fixed rate loans drawn | | - | 550,000 |
| Net cash inflow from financing activities | | - | 550,000 |
| (Decrease)/Increase in cash | | 14,089 | (122,497) |

Buying Force Limited

Notes to the accounts Year ended 31 December 2006

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies were applied consistently with those adopted in the prior period and are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Tangible fixed assets

Depreciation is provided so as to write off the cost of tangible fixed assets over their estimated useful lives on a straight-line basis, using the following rates:

| | |
|-----------------------|---------------|
| Hardware and software | 33% per annum |
|-----------------------|---------------|

Provision is made for asset impairment if the asset's recoverable amount (the higher of net realisable value and value in use) falls below its carrying value.

Pension costs

The company operates a defined contribution pension scheme. Pension costs are charged to the profit and loss account on the basis of contributions payable. The total charge to the company in the current year was £16,046 (2005: £11,535).

2. Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to one activity, procurement.

| | 2006 £ | 2005 £ |
|----------|----------------|----------------|
| Turnover | <u>813,610</u> | <u>598,407</u> |

Buying Force Limited

Notes to the accounts Year ended 31 December 2006

3. Information regarding directors and employees

| | 2006 £ | 2005 £ |
|--------------------------------|-----------|---------------|
| Directors' remuneration | | |
| Salary | - | 41,667 |
| Bonus | - | 7,500 |
| | <u>-</u> | <u>49,167</u> |

The directors' remuneration all related to the sole executive director, who was the highest paid director in the year. In addition to salary and bonus, the highest paid director was made redundant during the year and received £28,450 redundancy pay.

| | No. | No. |
|--|----------------|----------------|
| Average number of persons employed | | |
| Sales | - | 1 |
| Procurement | 3 | 1 |
| Administration | 1 | 1 |
| | <u>4</u> | <u>3</u> |
| | £ | £ |
| Staff costs during the year (including directors) | | |
| Wages and salaries | 209,736 | 156,932 |
| Social security costs | 26,220 | 11,588 |
| Pension costs | 16,046 | 11,535 |
| | <u>252,002</u> | <u>180,055</u> |

4. Operating profit/(loss)

| | 2006 £ | 2005 £ |
|---|---------------|---------------|
| Operating profit/(loss) is stated after charging: | | |
| Auditors' remuneration | 12,500 | 11,500 |
| Depreciation on fixed assets | 48,410 | 17,555 |
| | <u>60,910</u> | <u>29,055</u> |

5. Interest payable and similar charges

| | 2006 £ | 2005 £ |
|---|----------------|---------------|
| Interest payable on shareholder loans: | | |
| DTZ Debenham Tie Leung Limited | 53,083 | 39,235 |
| Prudential Property Investment Managers Limited | 53,664 | 41,040 |
| | <u>106,747</u> | <u>80,275</u> |

Buying Force Limited

Notes to the accounts Year ended 31 December 2006

6. Taxation

Factors affecting tax charge for the current year:

| | 2006 £ | 2005 £ |
|--|-----------|-----------|
| Loss on ordinary activities before tax | (101,665) | (198,220) |
| Tax at 19% thereon | 19,316 | 59,466 |
| Expenses not deductible for tax purposes | (20,682) | (24,348) |
| Capital allowances in excess of depreciation | (215) | 4,987 |
| Losses carried forward | 1,581 | (40,105) |
| Current tax charge for the year | - | - |

There is an unrecognised deferred tax asset of £237,137 in respect of losses carried forward.

7. Tangible fixed assets

| | Hardware and Software £ |
|-----------------------|----------------------------------|
| Cost | |
| At 1 January 2006 | 95,151 |
| Additions | 39,580 |
| Disposals | (2,597) |
| At 31 December 2006 | 132,134 |
| Depreciation | |
| At 1 January 2006 | 31,145 |
| Charge for the year | 48,410 |
| At 31 December 2006 | 79,555 |
| Net book value | |
| At 31 December 2006 | 52,579 |
| At 31 December 2005 | 64,006 |

Buying Force Limited

Notes to the accounts

Year ended 31 December 2006

8. Debtors

| | 2006 £ | 2005 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 305,984 | 281,869 |
| Other debtors | 18,560 | 11,400 |
| Amounts due from shareholders | 271,845 | 241,817 |
| Prepayments and accrued income | 36,636 | 15,242 |
| | <u>633,025</u> | <u>550,328</u> |

9. Creditors: amounts falling due within one year

| | 2006 £ | 2005 £ |
|---|----------------|----------------|
| Amounts due to shareholders | 246,942 | 94,836 |
| Other creditors including tax and social security | 175,280 | 149,501 |
| Accruals | 59,882 | 50,743 |
| | <u>482,104</u> | <u>295,080</u> |

10. Creditors: amounts falling due after more than one year

| | 2006 £ | 2005 £ |
|---|------------------|------------------|
| Loan repayable between two and five years (unsecured) | 1,250,000 | 1,250,000 |
| | <u>1,250,000</u> | <u>1,250,000</u> |

Interest is payable on the loans from shareholders at a rate of 3% above UK base rate.

11. Called up share capital

| | 2006 £ | 2005 £ |
|--------------------------------------|--------------|--------------|
| Authorised: | | |
| 2,000 ordinary shares of £1 each | 2,000 | 2,000 |
| | <u>2,000</u> | <u>2,000</u> |
| Issued but not fully paid up: | | |
| 2,000 ordinary shares of £1 each | 2,000 | 2,000 |
| | <u>2,000</u> | <u>2,000</u> |

Buying Force Limited

Notes to the accounts

Year ended 31 December 2006

12. Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

| | 2006 £ | 2005 £ |
|---|---------------|------------------|
| Operating profit / (loss) | 5,082 | (117,945) |
| Depreciation charges | 48,410 | 17,555 |
| Increase in debtors | (82,697) | (470,555) |
| (Decrease)/Increase in creditors | 80,277 | (47,270) |
| Net cash inflow/(outflow) from operating activities | <u>51,072</u> | <u>(618,215)</u> |

13. Reconciliation of net cash flow to movement in net debt

| | 2006 £ | 2005 £ |
|---|--------------------|--------------------|
| Increase/(decrease) in cash in the year | 14,089 | (122,497) |
| Cash inflow from increase in debt | - | (550,000) |
| Change in net funds resulting from cash flows | <u>14,089</u> | <u>(672,497)</u> |
| Movement in net debt in the period | 14,089 | (672,497) |
| Net debt at 31 December 2005 | <u>(1,202,001)</u> | <u>(529,504)</u> |
| Net debt at 31 December 2006 | <u>(1,187,912)</u> | <u>(1,202,001)</u> |

14. Analysis of movement in debt

| | At 1 January 2006 £ | Cash flows £ | At 31 December 2006 £ |
|--------------------------|------------------------------|-----------------|--------------------------------|
| Cash at bank and in hand | 47,999 | 14,089 | 62,088 |
| Debt due after one year | <u>1,250,000</u> | | <u>(1,250,000)</u> |
| | <u>1,202,001</u> | <u>14,089</u> | <u>1,187,912</u> |

Buying Force Limited

Notes to the accounts Year ended 31 December 2006

15. Related parties

During the year the company had loans from its two shareholders, DTZ Debenham Tie Leung Limited and Prudential Property Investment Managers Ltd. Interest is charged on both loans at a rate of 3% above UK base rate. In addition to this, there are amounts due from the shareholders with respect to the share capital. The amounts received during the period and amounts outstanding at 31 December 2006 are detailed below.

| | At 1 January 2006 (excluding share capital debt) £ | Loan received during the period £ | Interest due £ | Debtor balance for share capital £ | Net Credit balance at 31 December 2006 £ |
|--|--|---|----------------------|--|--|
| DTZ Debenham Tie Leung Limited | 668,754 | - | 53,082 | (1000) | 720,836 |
| Prudential Property Investment Managers Limited | 676,082 | - | 53,664 | (1,000) | 728,746 |
| | <u>1,344,836</u> | <u>-</u> | <u>106,746</u> | <u>(2,000)</u> | <u>1,449,582</u> |

During the year sales to the two shareholders, DTZ Debenham Tie Leung Limited and Prudential Property Investment Managers Limited, were £47,852 and £304,674 respectively.

At 31 December 2006, the sums of money due to the company from the two shareholders were £27,572 and £230,385 respectively and all net of VAT. ----

16. Controlling entities

The company's equity shares are each owned 50% by DTZ Debenham Tie Leung Limited and Prudential Property Investment Managers Limited with neither shareholder having overall control.

The group financial of statements DTZ Debenham Tie Leung Limited may be obtained from:

The Company Secretary
DTZ Holdings plc
One Curzon Street
London W1A 5PZ

The financial statements of Prudential Property Investment Managers Limited may be obtained from:

The Company Secretary
Prudential Property Investment Managers Limited
Laurence Pountney Hill
London EC4R 0HH