Rightmove plc

(formerly Rightmove Group plc)

Initial accounts for the period ended 30 January 2008

Registered number 6426485

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare initial accounts under s273 of the Companies Act 1985 Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable laws

The financial statements are required by law to be properly prepared in accordance with s272(3) of the Companies Act 1985

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG

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Independent auditors' report to the directors of Rightmove plc under section 273(4) of the Companies Act 1985

We have audited the initial accounts of Rightmove plc for the period from 14 November 2007 to 30 January 2008 which comprises a balance sheet, an income statement, a statement of recognised income and expense, a cash flow statement and the related notes These initial accounts have been prepared under the accounting policies set out therein

This report is made solely to the company's directors as a body in accordance with section 273 of the Companies Act 1985 Our work has been undertaken so that we as the company's auditors might state to the company's directors those matters we are required to state to them in a report under section 273 of that Act 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 directors as a body for our work under section 273 of that Act, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the initial accounts in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out on page 1

Our responsibility is to audit the initial accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the initial accounts are properly prepared within the meaning of section 273 of the Companies Act 1985

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

Opinion

In our opinion the initial accounts for the period from 14 November 2007 to 30 January 2008 have been properly prepared within the meaning of section 273 of the Companies Act 1985

KPMG Audit Plc.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

18 February, 2008.

Balance sheet

as at 30 January 2008

	Notes	*At 30 January 2008* *£*
Non-current assets		
Investment in Rightmove Group Limited	3	537,009,909
Total non-current assets		**537,009,909**
Current assets		
Debtors – called up preference shares not paid	3	50,000
Cash and cash equivalents		2
Total current assets		**50,002**
Total assets		**537,059,911**
Current liabilities		
Redeemable preference shares	3	(50,000)
Preference share dividends payable	3	(425)
Total current liabilities		**(50,425)**
Net assets		**537,009,486**
Equity		
Share capital – ordinary shares	3	1,294,002
Merger reserve	3	103,519,982
Retained earnings	3	432,195,502
Total equity attributable to equity holders of the Company		**537,009,486**

These financial statements were approved by the board of directors on 13 February 2008 and were signed on its behalf by

G ZACHARIAS
Director

Income statement and Statement of recognised income and expense

During the period from incorporation on 14 November 2007 to 30 January 2008, the Company has not traded and has received no income The only expense in the period is the accrued dividend payable to the preference share holders of £425 In addition, there has been no other recognised income or expenses

Statement of cash flows

The receipt of the £2 cash in hand is the only cash movement arising subsequent to the incorporation of the Company

Notes

(forming part of the financial statements)

1. General

The Company was incorporated and registered in England and Wales on 14 November 2007 under the Companies Act as a private company limited by shares with the name Rightmove Group Limited with registered number 6426485 The Company was re-registered as a public limited company under the name Rightmove Group plc on 29 November 2007 The name of the Company was changed to Rightmove plc on 28 January 2008 The registered office of the Company is 4th Floor, 33 Soho Square, London, W1D 3QU

The Company has not yet completed its first accounting period No statutory financial statements have been prepared or audited since incorporation

2. Basis of preparation and accounting policies

These non-statutory initial financial statements have been prepared under the historical cost convention in accordance with IFRS as adopted for use in the European Union Going forward the Directors intend to prepare the Company's stand-alone entity financial statements and consolidated financial statements in accordance with IFRS

The principal accounting policies applicable to the historical financial information are set out below Going forward Rightmove plc will adopt the accounting policies of Rightmove Group Limited

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less provision for any impairment in value

Trade receivables

Trade receivables are initially recognised at fair value, and thereafter measured at amortised cost less any impairment loss

Cash

Cash comprises cash in hand

Ordinary Share capital

Ordinary Shares are classified as equity

Financial instruments

Preference shares bearing interest at 5 per cent are accounted for in accordance with IAS 32 "Financial Instruments Disclosure and Presentation" and IAS 39 "Financial Instruments Recognition and Measurement" and presented as a financial liability because there is a contractual obligation to deliver cash or another financial asset

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations The entity does not have any financial assets that are neither past due nor impaired As the entity has not traded in the period the debtor balance is non-trading and relates to one investor who is contractually obliged to settle the balance On this basis the company believes no impairment allowance is necessary

Liquidity risk
Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to met its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation

The company has not entered into any derivative transactions during the period The only non-derivative financial liability of the company is the redeemable preference shares The preference shares are redeemable within 6 months of the balance sheet date, with the maximum contractual cash flow for interest payments representing an exposure of £1,250, and the redemption value of £50,000

Currency risk
The company is not exposed to any currency risk Its cash balance is sterling denominated and there is no intention to transact in any foreign currencies

Interest rate risk
At the balance sheet date the company did not have any interest bearing debt and therefore is not exposed to any interest rate risk The interest rate of the non-cumulative redeemable preference shares is fixed and therefore does not expose the company to any interest rate risk

3. Share capital

The authorised, issued and fully paid share capital of the Company as at 30 January 2008 is as follows

	At 30 January 2008 £
Ordinary share capital	
Authorised	
200 Subscriber Ordinary Shares of one pence each	2
300,000,000 Ordinary Shares of one pence each	3,000,000
Called up and fully paid	
200 Subscriber Ordinary Shares of one pence each	2
129,399,978 Ordinary Shares of one pence each	1,294,000
Non-voting redeemable preference shares	
Authorised	
5,000,000 Non-voting redeemable preference shares of one pence each	50,000
Called up and fully paid	
5,000,000 Non-voting redeemable preference shares of one pence each	50,000

On incorporation, the authorised share capital of the Company was £50,002 divided into 5,000,200 Ordinary Shares of one pence each Of such shares, one was subscribed by the subscriber to the memorandum of association of the Company and was paid up in full in cash

On 19 November 2007, a further 199 Ordinary Shares were allotted by the Company and were paid up in full in cash

On 29 November 2007

(a) the remaining 5,000,000 authorised but unissued Ordinary Shares of one pence each were reclassified as Non-Voting Redeemable Preference Shares These shares can be redeemed at any time at the discretion of the Directors of the Company or at the request of the holders upon the earlier of the reduction of capital of the Company becoming effective or 30 June 2008 Upon such redemption, the Company shall pay to the holders the nominal amount paid up on such shares together with all accrued but unpaid dividend,

(b) the Company authorised and allotted 5,000,000 Non-Voting Redeemable Preference Shares of one pence each to the subscriber These shares were deemed to be fully paid up to their nominal amount by virtue of the holder giving an undertaking to pay up one pence against each share at a fixed future date The shares carry no voting rights unless a resolution to wind up the Company or amend their terms is proposed, and

(c) the two hundred issued Ordinary Shares of one pence each in the capital of the Company were reclassified as ordinary shares of one pence each whose rights were to be deferred upon the scheme of arrangement between Rightmove Group Limited and its ordinary shareholders (the "Scheme") becoming effective (the "Subscriber Ordinary Shares") These Subscriber Ordinary Shares carried the same voting rights as Ordinary Shares in the Company prior to the Scheme becoming effective on 28 January 2008 Subsequent to this date, the Subscriber Ordinary Shares carry no voting rights unless a resolution to wind up the company or amend their terms is proposed

On 6 December 2007, the authorised share capital of Rightmove plc was increased from £50,002 to £1,200,050,002 by the creation of 300,000,000 Ordinary Shares of 400 pence each Ordinary Shares carry voting rights in all circumstances

On 23 January 2008

(a) the 300,000,000 authorised but unissued ordinary shares of 400 pence each were cancelled, and

(b) the authorised share capital of the Company was increased from £50,002 to £1,005,050,002 by the creation of 300,000,000 ordinary shares of 335 pence each in the Company (the "Ordinary Shares")

On 28 January 2008, the Scheme became effective and 129,399,978 Ordinary Shares were allotted to the former holders of ordinary shares in the capital of Rightmove Group Limited pursuant to the Scheme These Ordinary Shares were credited as fully paid

On the 30 January 2008 the court approved capital reduction became effective resulting in

(a) the paid up share capital of the Company being cancelled to the extent of 334 pence on each Ordinary Share and the nominal value of each such Ordinary Share being reduced from 335 pence to one pence, and

(b) the nominal value of each unissued Ordinary Share being reduced from 335 pence to one pence

Merger reserve
The merger reserve resulted from the acquisition of Rightmove Group Limited (formerly Rightmove plc) and represents the difference between the value of the shares acquired and the nominal value of the shares issued

Retained earnings
On 30 January 2008 the nominal value of each issued ordinary share was reduced from 335 pence to one pence by way of a court approved capital reduction in accordance with section 135 of the Companies Act 1985, resulting in the retained earnings position presented in these accounts