

KINLEIGH FOLKARD AND HAYWARD LIMITED

REPORT AND ACCOUNTS

FOR THE

YEAR ENDED 30 SEPTEMBER 1996



KINLEIGH FOLKARD AND HAYWARD LIMITED
DIRECTORS' REPORT

DIRECTORS: R M Cleminson
N J Russell
L T Watts

SECRETARY: L T Watts

REGISTERED OFFICE: KFH House, Norstead Place, London, SW15 3SA

REGISTERED NUMBER: 2965708

The directors present their report together with the accounts of the company for the year ended 30 September 1996.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial period 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 these accounts, the directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) prepare the accounts 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 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.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was that of chartered surveyors and valuers.

DIRECTORS AND THEIR INTERESTS

The directors of the company at 30 September 1996 are shown above.

No director had a beneficial interest in the share capital of the company at any time during the year.

Throughout the year, the entire share capital of the company was owned by Kinleigh Limited. The interests of the directors in the share capital of the parent undertaking were as follows:

	At 30 September 1996	At 1 October 1995
	Ordinary shares of £1 each	
L T Watts	<u>14,868</u>	<u>14,868</u>

KINLEIGH FOLKARD AND HAYWARD LIMITED
DIRECTORS' REPORT (CONTINUED)

AUDITORS

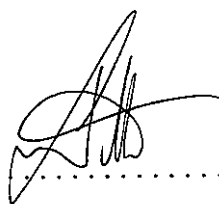
Warrener Stewart & Co., Chartered Accountants, of Harwood House, 43 Harwood Road, London, SW6 4QP, will continue in office as auditors of the company.

BASIS OF PREPARATION

This report has been prepared in accordance with the special provisions of Part VII of Companies Act 1985 relating to small companies.

By Order of the Board

L T Watts



Date

..26th March 1997

AUDITORS' REPORT TO THE SHAREHOLDERS OF KINLEIGH FOLKARD AND HAYWARD
LIMITED

We have audited the accounts on pages 4 to 8 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 accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 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 state of the company's affairs as at 30 September 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as applicable to small companies.

Warrener Stewart & Co

WARRENER STEWART & CO
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS

Harwood House
43 Harwood Road
London
SW6 4QP

Date *27th March 1997*

KINLEIGH FOLKARD AND HAYWARD LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 30 SEPTEMBER 1996

	Notes	£	£	1995 £
Turnover	3		215,708	150,363
Cost of sales			124,422	112,916
			<u>91,286</u>	<u>37,447</u>
Gross profit				
Selling and distribution costs		35,386		16,771
Administrative expenses		43,031		46,744
			<u>78,417</u>	<u>63,515</u>
OPERATING PROFIT/(LOSS)	4		12,869	(26,068)
Interest payable	5		480	1,329
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			12,389	(27,397)
Tax on profit/(loss) on ordinary activities	6		-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION			12,389	(27,397)
Accumulated losses brought forward			(27,397)	-
ACCUMULATED LOSSES CARRIED FORWARD			<u>£(15,008)</u>	<u>£(27,397)</u>

The results detailed above are derived wholly from continuing operations.

There are no recognised gains or losses other than the profit/loss for the financial year.

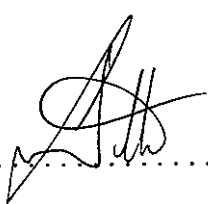
The attached notes 1 to 12 form a part of these accounts.

KINLEIGH FOLKARD AND HAYWARD LIMITED
BALANCE SHEET AS AT 30 SEPTEMBER 1996

	Notes	£	£	1995 £
FIXED ASSETS				
Tangible assets	7		8,520	2,885
CURRENT ASSETS				
Debtors	8	66,708		30,483
Cash at bank and in hand		50		50
		<u>66,758</u>		<u>30,533</u>
CREDITORS: Amounts falling due within one year	9	<u>90,284</u>		<u>60,813</u>
NET CURRENT LIABILITIES			(23,526)	(30,280)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£ (15,006)</u>	<u>£ (27,395)</u>
CAPITAL AND RESERVES				
Called up share capital	10		2	2
Profit and loss account	11		(15,008)	(27,397)
EQUITY SHAREHOLDERS' FUNDS			<u>£ (15,006)</u>	<u>£ (27,395)</u>

The accounts have been prepared in accordance with the special provisions of Part VII of Companies Act 1985 relating to small companies.

Approved by:

L T Watts 

Date... 26th Mar 1997

The attached notes 1 to 12 form a part of these accounts.

KINLEIGH FOLKARD AND HAYWARD LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1996

1. BASIS OF PREPARATION OF THE ACCOUNTS

The accounts have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The company's directors consider this to be appropriate in the light of the following:

The deficit of net assets of £15,006 at 30 September 1996 is arrived at after taking account of £46,609 owed to the ultimate parent undertaking. This financial support will not be withdrawn for the foreseeable future.

2. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the accounts.

ACCOUNTING CONVENTION

The accounts have been prepared under the historical cost convention.

TURNOVER

Turnover represents invoiced sales less returns exclusive of value added tax.

DEPRECIATION

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	- 25% on written down value
Office equipment	- 25% on written down value

PENSION CONTRIBUTIONS

The company operates a defined contribution scheme for its employees. The funds of this scheme are administered by trustees and are separate from the company. All payments are charged to the profit and loss account as and when they arise.

3. TURNOVER

The turnover and profit (1995: loss) for the year are attributable to the principal activity of the company, and are derived wholly from within the United Kingdom.

KINLEIGH FOLKARD AND HAYWARD LIMITED
 NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1996 (CONTINUED)

4. OPERATING PROFIT/(LOSS)	£	1995 £
This is stated after charging:		
Total directors' emoluments	56,112	48,842
Pension costs	960	840
Auditors' remuneration	3,000	1,000
Depreciation of tangible fixed assets	1,246	565
Hire of equipment	12,233	2,523
	<u> </u>	<u> </u>

5. INTEREST PAYABLE

Interest on bank overdrafts	£480	£1,329
	<u> </u>	<u> </u>

Interest payable relates to overdrafts wholly repayable within five years.

6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

No charge to corporation tax arises due to the availability of tax losses brought forward.

The company has tax losses available to carry forward of approximately £13,000, subject to agreement by H.M.I.T.

7. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Office equipment £	Total £
Cost:			
At 1 October 1995	1,777	1,673	3,450
Additions	936	5,945	6,881
	<u> </u>	<u> </u>	<u> </u>
At 30 September 1996	2,713	7,618	10,331
	<u> </u>	<u> </u>	<u> </u>
Depreciation:			
At 1 October 1995	315	250	565
Charge for the year	210	1,036	1,246
	<u> </u>	<u> </u>	<u> </u>
At 30 September 1996	525	1,286	1,811
	<u> </u>	<u> </u>	<u> </u>
Net book value:			
At 30 September 1996	£2,188	£6,332	£8,520
	<u> </u>	<u> </u>	<u> </u>
At 30 September 1995	£1,462	£1,423	£2,885
	<u> </u>	<u> </u>	<u> </u>

8. DEBTORS

Trade debtors	62,109	29,935
Other debtors	4,599	548
	<u> </u>	<u> </u>
	£66,708	£30,483
	<u> </u>	<u> </u>

KINLEIGH FOLKARD AND HAYWARD LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1996 (CONTINUED)

	£	1995 £
9. CREDITORS: Amounts falling due within one year		
Bank overdraft (unsecured)	25,213	5,207
Trade creditors	4,007	3,899
Amount owed to ultimate parent undertaking (note 12)	46,609	42,523
Other taxes and social security costs	9,011	6,955
Other creditors	5,444	2,229
	<u>£90,284</u>	<u>£60,813</u>

10. SHARE CAPITAL

Authorised:		
Ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
Allotted, issued and fully paid:		
Ordinary shares of £1 each	<u>£ 2</u>	<u>£ 2</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	Share capital £	Profit & loss account £	Total £
Balance as at 1 October 1995	2	(27,397)	(27,395)
Profit for the year	-	12,389	12,389
	<u>£ 2</u>	<u>£(15,008)</u>	<u>£(15,006)</u>

12. RELATED PARTY TRANSACTIONS

Material balances and transactions with related parties arising during the year were as follows:

	£	£
BALANCES WITH RELATED PARTIES		
Creditor balances		
Kinleigh Limited	<u>£46,609</u>	<u>£42,523</u>

TRANSACTIONS WITH RELATED PARTIES

During the year management fees of £12,500 (1995: £95,435) were payable to Kinleigh Limited.

NATURE OF RELATIONSHIPS AND CONTROL

Kinleigh Limited was the ultimate parent undertaking of Kinleigh Folkard and Hayward Limited throughout the year.

L T Watts, a director of this company, was a director and majority shareholder of Kinleigh Limited throughout the year.