

KINLEIGH FOLKARD AND HAYWARD LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 30 SEPTEMBER 1997



Registered number: 2965708

KINLEIGH FOLKARD AND HAYWARD LIMITED DIRECTORS' REPORT

Directors: L T Watts
R M Cleminson
N J Russell

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 1997.

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 1997 are shown above.

The directors had no beneficial interest in the share capital of the company at any time during the year.

KINLEIGH FOLKARD AND HAYWARD LIMITED
DIRECTORS' REPORT (continued)

Directors and their interests (continued)

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 1997	At 1 October 1996
	Ordinary shares of £1 each	
L T Watts	268,913	14,868

Auditors

Warrener Stewart, 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 16/4/98

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

We have audited the accounts on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, 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 1997 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

Chartered Accountants and Registered Auditors

Harwood House
43 Harwood Road
London
SW6 4QP

Date 5th May 1998

KINLEIGH FOLKARD AND HAYWARD LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 30 September 1997

	Notes	£	£	1996 £
Turnover	2		410,435	215,708
Cost of sales			242,629	124,422
Gross profit			167,806	91,286
Selling and distribution costs		51,782		35,386
Administrative expenses		85,637		43,031
			137,419	78,417
			30,387	78,417
Other operating income			1,986	-
Operating profit	3		32,373	12,869
Interest payable	4		-	480
Profit on ordinary activities before taxation			32,373	12,389
Tax on profit on ordinary activities	5		4,907	-
Profit for the financial year			27,466	12,389
Accumulated losses brought forward			(15,008)	(27,397)
Profit and loss account carried forward			£ 12,458	£ (15,008)

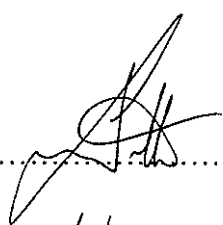
The attached notes 1 to 11 form a part of these accounts.

KINLEIGH FOLKARD AND HAYWARD LIMITED
BALANCE SHEET AS AT 30 SEPTEMBER 1997

	Notes	£	£	1996 £
Fixed assets				
Tangible assets	6		13,545	8,520
Current assets				
Debtors	7	86,597		66,708
Cash at bank and in hand		16,672		50
		<u>103,269</u>		<u>66,758</u>
Creditors: Amounts falling due within one year	8	<u>104,354</u>		<u>90,284</u>
Net current liabilities			(1,085)	(23,526)
Total assets less current liabilities			<u>£ 12,460</u>	<u>£ (15,006)</u>
Capital and reserves				
Called up share capital	9		2	2
Profit and loss account			12,458	(15,008)
			<u>£ 12,460</u>	<u>£ (15,006)</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

Approved by:

L T Watts 

Date 16/4/98

The attached notes 1 to 11 form a part of these accounts.

KINLEIGH FOLKARD AND HAYWARD LIMITED
NOTES TO THE ACCOUNTS
For the year ended 30 September 1997

1. 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.

2. TURNOVER

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

3. OPERATING PROFIT

		1996
This is stated after charging:	£	£
Total directors' emoluments	73,559	56,112
Pension costs (included above)	1,589	960
Auditors' remuneration	3,400	3,000
Hire of equipment	19,141	12,233
Depreciation of tangible fixed assets	2,873	1,246

KINLEIGH FOLKARD AND HAYWARD LIMITED
NOTES TO THE ACCOUNTS
For the year ended 30 September 1997 (continued)

4.	INTEREST PAYABLE	£	1996 £
	Interest on bank overdrafts	£ -	£ 480
		<u> </u>	<u> </u>

Interest payable related to overdrafts wholly repayable within five years.

5. **TAX ON PROFIT ON ORDINARY ACTIVITIES**

Based on the profit for the year:

UK corporation tax at 22.5% (1996: 24.5%)	£ 4,907	£ -
	<u> </u>	<u> </u>

6.	TANGIBLE FIXED ASSETS	Fixtures & fittings £	Office equipment £	Total £
	Cost:			
	At 1 October 1996	2,713	7,618	10,331
	Additions	2,504	5,394	7,898
		<u> </u>	<u> </u>	<u> </u>
	At 30 September 1997	5,217	13,012	18,229
		<u> </u>	<u> </u>	<u> </u>
	Depreciation:			
	At 1 October 1996	525	1,286	1,811
	Charge for the year	470	2,403	2,873
		<u> </u>	<u> </u>	<u> </u>
	At 30 September 1997	995	3,689	4,684
		<u> </u>	<u> </u>	<u> </u>
	Net book value:			
	At 30 September 1997	£ 4,222	£ 9,323	£ 13,545
		<u> </u>	<u> </u>	<u> </u>
	At 30 September 1996	£ 2,188	£ 6,332	£ 8,520
		<u> </u>	<u> </u>	<u> </u>

7. **DEBTORS**

Trade debtors	78,493	62,109
Other debtors	8,104	4,599
	<u> </u>	<u> </u>
	£ 86,597	£ 66,708
	<u> </u>	<u> </u>

KINLEIGH FOLKARD AND HAYWARD LIMITED

NOTES TO THE ACCOUNTS

For the year ended 30 September 1997 (continued)

		1996
	£	£
8. CREDITORS: Amounts falling due within one year		
Bank overdraft (unsecured)	-	25,213
Trade creditors	3,002	4,007
Amount owed to ultimate parent undertaking	48,007	46,609
Corporation tax	4,907	-
Other taxes and social security costs	23,155	9,011
Other creditors	25,283	5,444
	<u>£ 104,354</u>	<u>£ 90,284</u>

9. SHARE CAPITAL

Authorised:

Ordinary shares of £1 each	£ 1,000	£ 1,000
	<u> </u>	<u> </u>

Allotted, issued and fully paid:

Ordinary shares of £1 each	£ 2	£ 2
	<u> </u>	<u> </u>

10. COMMITMENTS UNDER OPERATING LEASES

At 30 September 1997 the company had annual commitments under non-cancellable operating leases as follows:-

Vehicle leases expiring:

Within one year	-	-
Between two and five years	21,520	14,352
	<u>£ 21,520</u>	<u>£ 14,352</u>

11. RELATED PARTY DISCLOSURES

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

Balances with related parties

Creditor balances

Kinleigh Limited	£ 48,007	£ 46,609
	<u> </u>	<u> </u>

KINLEIGH FOLKARD AND HAYWARD LIMITED
NOTES TO THE ACCOUNTS
For the year ended 30 September 1997 (continued)

11. RELATED PARTY DISCLOSURES (continued)

Transactions with related parties

Amounts payable to related parties:

Management fees of £39,004 (1996: £12,500), administrative expenses of £7,083 and selling and distributions costs of £7,767 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 the controlling shareholder of Kinleigh Limited throughout the year.