

KINLEIGH FOLKARD AND HAYWARD LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002

Registered number: 2965708



KINLEIGH FOLKARD AND HAYWARD LIMITED DIRECTORS' REPORT

Directors: R M Cleminson
P L Coling

Secretary: K P Allerton

Registered office: KFH House, Norstead Place, London, SW15 3SA

Registered number: 2965708

The directors present their report together with the audited financial statements of the company for the year ended 31 December 2002.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements 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 financial statements, 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 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.

Principal activity

The principal activity of the company during the period was that of Chartered Surveyors and Valuers.

KINLEIGH FOLKARD AND HAYWARD LIMITED
DIRECTORS' REPORT (continued)

Directors and their interests

The directors of the company at 31 December 2002 are shown above.

The directors at 31 December 2002 had no 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 directors of this company at 31 December 2002 had no beneficial interest in the share capital of the parent undertaking at any time during the year.

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.

On behalf of the Board

K P Allerton 

Date 15/8/03

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

We have audited the financial statements of Kinleigh Folkard and Hayward Limited for the year ended 31 December 2002 which comprise the profit and loss account, balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and 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 auditor's 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

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 misstatement within it.

Basis of opinion

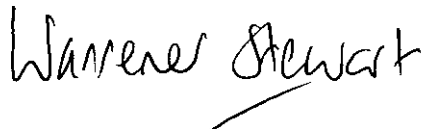
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
KINLEIGH FOLKARD AND HAYWARD LIMITED (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 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



WARRENER STEWART

Chartered Accountants and Registered Auditors

Harwood House
43 Harwood Road
London
SW6 4QP

Date 22 August 2003

KINLEIGH FOLKARD AND HAYWARD LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2002

	Notes	£	2001 £
Turnover	2	1,585,535	1,409,931
Operating charges	3	(1,561,810)	(1,295,728)
Other operating income		11,375	8,500
Profit on ordinary activities before taxation		35,100	122,703
Tax on profit on ordinary activities	4	(10,171)	(8,400)
Profit on ordinary activities after taxation for the financial year		24,929	114,303
Retained profits brought forward		208,757	94,454
Retained profits carried forward		£ 233,686	£ 208,757

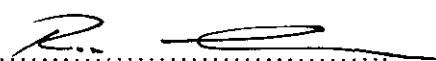
The attached notes 1 to 10 form a part of these financial statements.

KINLEIGH FOLKARD AND HAYWARD LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2002

	Notes	£	£	2001 £
Fixed assets				
Tangible assets	5		49,572	34,400
Current assets				
Debtors	6	341,539		351,921
Cash at bank and in hand		3,467		31,162
		<u>345,006</u>		<u>383,083</u>
Creditors: Amounts falling due within one year	7	(160,890)		(208,724)
		<u></u>		<u></u>
Net current assets			184,116	174,359
Total assets less current liabilities			<u>£ 233,688</u>	<u>£ 208,759</u>
Capital and reserves				
Called up share capital	8		2	2
Profit and loss account			233,686	208,757
			<u>£ 233,688</u>	<u>£ 208,759</u>

These financial statements 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 (effective June 2002).

The financial statements were approved by the Board on 19/8/03 2003 and signed on its behalf by:

R M Cleminson 

Date 19/8/03

The attached notes 1 to 10 form a part of these financial statements.

KINLEIGH FOLKARD AND HAYWARD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2002

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and in compliance with the requirements of the Companies Act 1985.

As the company is a wholly owned subsidiary of Kinleigh Limited and that company prepares consolidated financial statements, this company has taken advantage of the partial exemptions contained within Financial Reporting Standard 8 and has not therefore disclosed transactions with other group companies.

Turnover

Turnover represents fees and commissions earned in the year, less any 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.

Deferred taxation

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date and is not recognised on permanent differences.

It is the company's policy not to discount deferred tax to reflect the time value of money.

KINLEIGH FOLKARD AND HAYWARD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2002 (continued)

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 CHARGES

	£	2001 £
Staff costs	1,088,531	887,464
Pension costs	114	108
Depreciation of tangible fixed assets	13,742	8,863
Auditors' remuneration	4,000	4,000
Other operating charges	455,423	395,293
	<u>£ 1,561,810</u>	<u>£ 1,295,728</u>

Included in the above is:

Total directors emoluments (including pension contributions and benefits in kind)	<u>£ 139,387</u>	<u>£ 114,509</u>
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The number of directors accruing benefits under a money purchase pension scheme is 1 (2001: 1).

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Based on the profit for the year:

UK corporation tax at 20% (2001: 20%)	10,000	8,400
Under provision in prior years	171	-
	<u>£ 10,171</u>	<u>£ 8,400</u>

KINLEIGH FOLKARD AND HAYWARD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2002 (continued)

5. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Office equipment £	Total £
Cost:			
At 1 January 2002	2,264	65,539	67,803
Additions	-	28,914	28,914
At 31 December 2002	2,264	94,453	96,717
Depreciation:			
At 1 January 2002	1,710	31,693	33,403
Charge for the year	554	13,188	13,742
At 31 December 2002	2,264	44,881	47,145
Net book value:			
At 31 December 2002	£ -	£ 49,572	£ 49,572
At 31 December 2001	£ 554	£ 33,846	£ 34,400

		2001 £
6. DEBTORS	£	£
Trade debtors	228,467	272,335
Amounts due from group companies	76,599	-
Other debtors	36,473	79,586
	£ 341,539	£ 351,921

KINLEIGH FOLKARD AND HAYWARD LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2002 (continued)

		2001
7.	CREDITORS: Amounts falling due within one year	£
	Trade creditors	8,726
	Amounts owed to group companies	3,575
	Corporation tax	10,000
	Other taxes and social security costs	84,202
	Other creditors	54,387
		<u>£ 160,890</u>
		<u>£ 208,724</u>

8. SHARE CAPITAL

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

9. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2002 the company had annual commitments under non-cancellable operating leases expiring as follows:-

	Land & buildings		Motor vehicles	
	31.12.02	31.12.01	31.12.02	31.12.01
	£	£	£	£
Within one year	-	-	5,589	8,356
Between two and five years	15,600	15,600	44,913	54,182
	<u>£ 15,600</u>	<u>£ 15,600</u>	<u>£ 50,502</u>	<u>£ 62,538</u>

10. ULTIMATE PARENT UNDERTAKING AND CONTROL

The ultimate parent undertaking is Kinleigh Limited, a company registered in England.

The ultimate controlling party is L T Watts, who owns the majority of the shares in Kinleigh Limited.