Company Registration No. 02965708 (England and Wales)

KINLEIGH FOLKARD AND HAYWARD LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

TUESDAY

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COMPANIES HOUSE

KINLEIGH FOLKARD AND HAYWARD LIMITED

COMPANY INFORMATION

Directors	R M Clemmson P L Coling A Chambers R Johnson
Secretary	K P Allerton
Company number	02965708
Registered office	KFH House 5 Compton Road Wimbledon London SW19 7QA
Auditors	Warrener Stewart Harwood House 43 Harwood Road London SW6 4QP
Business address	KFH House 5 Compton Road Wimbledon London SW19 7QA

KINLEIGH FOLKARD AND HAYWARD LIMITED

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KINLEIGH FOLKARD AND HAYWARD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities
The principal activity of the company during the year was that of Chartered Surveyors and Valuers

Directors
The following directors have held office since 1 January 2010

R M Cleminson
P L Coling
A Chambers
R Johnson

Auditors
The auditors, Warrener Stewart, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they 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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006 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

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

By order of the board

K P Allerton
Secretary
23 June 2011

KINLEIGH FOLKARD AND HAYWARD LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KINLEIGH FOLKARD AND HAYWARD LIMITED

We have audited the financial statements of Kinleigh Folkard and Hayward Limited for the year ended 31 December 2010 set out on pages 5 to 10 The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Small Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- the financial statements have been prepared in accordance with the Companies Act 2006

Emphasis of matter - going concern

In forming our opinion, we have considered the adequacy of disclosures made in note 1 1 to the financial statements concerning the basis of their preparation In view of the significance of this matter, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF KINLEIGH FOLKARD AND HAYWARD LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

Colin Edney (Senior Statutory Auditor)
for and on behalf of Warrener Stewart

27 June 2011

Chartered Accountants
Statutory Auditor

Harwood House
43 Harwood Road
London
SW6 4QP

KINLEIGH FOLKARD AND HAYWARD LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	Year ended 31 December 2010 £	9 Months ended 31 December 2009 £
Turnover		3,220,017	2,354,510
Staff costs		2,257,382	1,563,651
Depreciation and amortisation		10,415	11,272
Other operating charges		959,735	653,913
		3,227,532	2,228,836
(Loss)/profit on ordinary activities before taxation	**2**	(7,515)	125,674
Tax on (loss)/profit on ordinary activities	**3**	-	2,812
(Loss)/profit for the year	**8**	(7,515)	128,486

KINLEIGH FOLKARD AND HAYWARD LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	2010 £	£	2009 £	£
Fixed assets					
Tangible assets	4		35,918		39,743
Current assets					
Debtors	5	502,978		324,750	
Cash at bank and in hand		-		795	
		502,978		325,545	
Creditors amounts falling due within one year	6	(1,759,845)		(1,578,722)	
Net current liabilities			(1,256,867)		(1,253,177)
Total assets less current liabilities			(1,220,949)		(1,213,434)
Capital and reserves					
Called up share capital	7		2		2
Profit and loss account	8		(1,220,951)		(1,213,436)
Shareholders' funds			(1,220,949)		(1,213,434)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on 23 June 2011

R Johnson
Director

Company Registration No 02965708

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1 1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

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 therefore not disclosed transactions with other group companies

Basis of preparation

The company reported a loss for the year of £7,515 (2009 profit £128,486) The company now has a balance sheet deficit of £1,220,949 (2009 deficit £1,213,434) At the balance sheet date £1,138,114 (2009 £953,642) is owed to the company's parent undertaking Kinleigh Limited, the directors of which view the company as an integral part of group operations and accordingly have agreed to continue to provide such financial support as is required whilst the company continues to strengthen its own financial position

In the light of this and after taking into account all other information that could reasonably be expected to be available, the directors are confident that the company will continue in operational existence for the foreseeable future and that the going concern basis is therefore appropriate for the preparation of the company's financial statements

1.2 Turnover

Turnover represents fees and commissions earned in the year, less any credits, exclusive of value added tax

1 3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Computer equipment	33% on written down value
Office equipment	25% on written down value

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.5 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

2 Operating (loss)/profit

	Year ended 31 December 2010 £	9 months ended 31 December 2009 £
Operating (loss)/profit is stated after charging		
Depreciation of tangible assets	10,415	11,272
Auditors' remuneration	6,250	6,100
Directors' emoluments	286,828	178,777

3 Taxation

	Year ended 31 December 2010 £	9 months ended 31 December 2010 £
Domestic current year tax		
Adjustment for prior years	-	(2,812)
Current tax charge	-	(2,812)

There is no charge to tax in view of the loss arising for the period

At the balance sheet date there are unrelieved trading losses of approximately £650,000 which are available for offset against future trading profits subject to agreement from HM Revenue & Customs

The maximum potential deferred tax asset of approximately £169,000, which arises as a consequence of these losses, has not been recognised within the company's balance sheet as its recoverability is dependent on future taxable profits and there is uncertainty as to the period over which these taxable profits might arise

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

4 Tangible fixed assets

	Computer equipment	Office equipment	Total
	£	£	£
Cost			
At 1 January 2010	102,139	134,974	237,113
Additions	2,900	3,690	6,590
At 31 December 2010	105,039	138,664	243,703
Depreciation			
At 1 January 2010	80,491	116,879	197,370
Charge for the year	5,600	4,815	10,415
At 31 December 2010	86,091	121,694	207,785
Net book value			
At 31 December 2010	18,948	16,970	35,918
At 31 December 2009	21,648	18,095	39,743

5 Debtors

	2010	2009
	£	£
Trade debtors	474,015	294,662
Other debtors	28,963	30,088
	502,978	324,750

6 Creditors: amounts falling due within one year

	2010	2009
	£	£
Bank loans and overdrafts	4,353	-
Trade creditors	16,277	19,641
Amounts owed to group undertakings	1,146,548	955,863
Taxation and social security	173,647	120,935
Other creditors	419,020	482,283
	1,759,845	1,578,722

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

7 Share capital

	2010 £	2009 £
Allotted, called up and fully paid		
1 Ordinary shares of £2 each	2	2

8 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2010	(1,213,436)
Retained loss for the year	(7,515)
Balance at 31 December 2010	(1,220,951)

9 Financial commitments

At 31 December 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2011

	2010 £	2009 £
Operating leases which expire		
Within one year	-	17,500
Between two and five years	10,000	19,500
	10,000	37,000

10 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