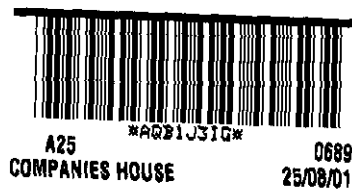


KINLEIGH FOLKARD AND HAYWARD LIMITED

REPORT AND ACCOUNTS

FOR THE 15 MONTHS ENDED 31 DECEMBER 2000



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 accounts of the company for the 15 months ended 31 December 2000.

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.

Accounting date

During the period the company's accounting reference date was changed to 31 December. These accounts are therefore prepared for the fifteen month period ended 31 December 2000.

Principal activity

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

Directors and their interests

The directors of the company at 31 December 2000 are shown above. In addition, N Russell and G M French served as directors until their resignations on 31 December 1999 and 23 March 2000 respectively.

The directors at 31 December 2000 had no beneficial interest in the share capital of the company at any time during the period.

KINLEIGH FOLKARD AND HAYWARD LIMITED
DIRECTORS' REPORT (continued)

Directors and their interests (continued)

Throughout the period, the entire share capital of the company was owned by Kinleigh Limited. The directors of this company at 31 December 2000 had no beneficial interest in the share capital of the parent undertaking at any time during the period.

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

K P Allerton 

Date 17th August 2001

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

We have audited the accounts of Kinleigh Folkard and Hayward Limited for the period ended 31 December 2000 which comprise the profit and loss account, balance sheet and the related notes. These accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, 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 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.

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

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Warrene Stewart

WARRENER STEWART

Chartered Accountants and Registered Auditors

Harwood House
43 Harwood Road
London
SW6 4QP

Date *20th August 2001*

KINLEIGH FOLKARD AND HAYWARD LIMITED
PROFIT AND LOSS ACCOUNT
For the 15 months ended 31 December 2000

	Notes	£	£	Year ended 30.9.99 £
Turnover	2		1,216,859	1,063,295
Cost of sales			775,976	661,228
			<hr/>	<hr/>
Gross profit			440,883	402,067
Selling and distribution costs		160,387		105,561
Administrative expenses		290,003		219,193
		<hr/>		<hr/>
			450,390	324,754
			<hr/>	<hr/>
			(9,507)	77,313
Other operating income			10,725	8,525
			<hr/>	<hr/>
Operating profit	3		1,218	85,838
Interest payable	4		-	849
			<hr/>	<hr/>
Profit on ordinary activities before taxation			1,218	84,989
Tax on profit on ordinary activities	5		-	9,000
			<hr/>	<hr/>
Profit on ordinary activities after taxation for the financial year			1,218	75,989
Retained profits brought forward			93,236	17,247
			<hr/>	<hr/>
Retained profits carried forward			£ 94,454	£ 93,236
			<hr/>	<hr/>

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

KINLEIGH FOLKARD AND HAYWARD LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2000

	Notes	£	£	30.9.99 £
Fixed assets				
Tangible assets	6		26,714	26,918
				<hr/>
Current assets				
Debtors	7	160,085		247,338
Cash at bank and in hand		350		23,130
		<hr/>		<hr/>
		160,435		270,468
Creditors: Amounts falling due within one year	8	92,693		204,148
		<hr/>		<hr/>
Net current assets			67,742	66,320
			<hr/>	<hr/>
Total assets less current liabilities			£ 94,456	£ 93,238
			<hr/>	<hr/>
Capital and reserves				
Called up share capital	9		2	2
Profit and loss account			94,454	93,236
			<hr/>	<hr/>
			£ 94,456	£ 93,238
			<hr/>	<hr/>

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 (effective March 2000).

Approved on behalf of the Board by:

R M Cleminson

Date 17th August 2001

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

KINLEIGH FOLKARD AND HAYWARD LIMITED
NOTES TO THE ACCOUNTS
For the 15 months ended 31 December 2000

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 in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and in compliance with the requirements of the Companies Act 1985.

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 period 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 15 months ended 31 December 2000 (continued)

		Year ended 30.9.99
	£	£
3. OPERATING PROFIT		
This is stated after charging/(crediting):		
Total directors' emoluments	139,617	152,187
Pension costs	-	1,915
Depreciation of tangible fixed assets	10,027	8,482
Auditors' remuneration	3,750	4,200
Rents receivable	(10,725)	(8,525)
Bad debts	48,967	10,937
	<u> </u>	<u> </u>
4. INTEREST PAYABLE		
Bank interest	£ -	£ 849
	<u> </u>	<u> </u>
5. TAX ON PROFIT ON ORDINARY ACTIVITIES		
Based on the profit for the period:		
UK corporation tax at 20% (1999: 20.5%)	£ -	£ 9,000
	<u> </u>	<u> </u>

No charge to corporation tax arises, due to the availability of group relief from other group companies.

KINLEIGH FOLKARD AND HAYWARD LIMITED

NOTES TO THE ACCOUNTS

For the 15 months ended 31 December 2000 (continued)

6. TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Office equipment £	Total £
Cost:			
At 1 October 1999	5,701	37,655	43,356
Additions	-	9,823	9,823
	<hr/>	<hr/>	<hr/>
At 31 December 2000	5,701	47,478	53,179
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1 October 1999	2,510	13,928	16,438
Charge for the year	997	9,030	10,027
	<hr/>	<hr/>	<hr/>
At 31 December 2000	3,507	22,958	26,465
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31 December 2000	£ 2,194	£ 24,520	£ 26,714
	<hr/>	<hr/>	<hr/>
At 30 September 1999	£ 3,191	£ 23,727	£ 26,918
	<hr/>	<hr/>	<hr/>

7. DEBTORS

		30.9.99 £
Trade debtors	92,650	195,988
Amounts due from ultimate parent undertaking	27,881	-
Other debtors	39,554	51,350
	<hr/>	<hr/>
	£ 160,085	£ 247,338
	<hr/>	<hr/>

8. CREDITORS: Amounts falling due within one year

Bank overdraft (unsecured)	19,702	-
Trade creditors	5,850	5,235
Amount owed to ultimate parent undertaking	-	78,068
Amounts owed to related undertakings	6,974	10,076
Corporation tax	-	9,000
Other taxes and social security costs	44,030	47,394
Other creditors	16,137	54,375
	<hr/>	<hr/>
	£ 92,693	£ 204,148
	<hr/>	<hr/>

KINLEIGH FOLKARD AND HAYWARD LIMITED
NOTES TO THE ACCOUNTS
For the 15 months ended 31 December 2000 (continued)

9. SHARE CAPITAL		30.9.99
	£	£
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 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:-

	Land & buildings 30.9.99		Motor vehicles 30.9.99	
	£	£	£	£
Within one year	-	-	2,798	5,850
Between two and five years	15,600	-	20,858	14,358
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	£ 15,600	£ -	£ 23,656	£ 20,208
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

11. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Kinleigh Limited.