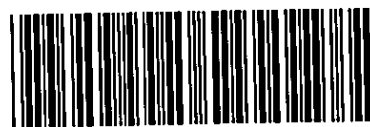


Company Registration No. 02965708 (England and Wales)

KINLEIGH FOLKARD AND HAYWARD LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2009

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KINLEIGH FOLKARD AND HAYWARD LIMITED

COMPANY INFORMATION

Directors	R M Cleminson P L Coling S Robbins A Chambers
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 MARCH 2009

The directors present their report and financial statements for the year ended 31 March 2009.

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 April 2008:

R M Cleminson
P L Coling
S Robbins
A Chambers

Auditors

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

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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.

Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any 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 of Part VII of the Companies Act 1985 relating to small companies.

By order of the board


K P Allerton
Secretary

1 July 2009

KINLEIGH FOLKARD AND HAYWARD LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF KINLEIGH FOLKARD AND HAYWARD LIMITED

We have audited the financial statements of Kinleigh Folkard and Hayward Limited on pages 4 to 9 for the year ended 31 March 2009. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), 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 the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards, (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 or 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 misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

KINLEIGH FOLKARD AND HAYWARD LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF KINLEIGH FOLKARD AND HAYWARD LIMITED


Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

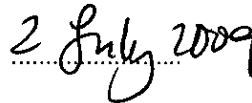
Emphasis of matter - going concern

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.



Warrenner Stewart

Chartered Accountants
Registered Auditor



Harwood House
43 Harwood Road
London
SW6 4QP

KINLEIGH FOLKARD AND HAYWARD LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2009

		Year ended 31 March 2009 £	15 months ended 31 March 2008 £
	Notes		
Turnover		2,743,814	7,326,552
Staff costs		2,515,258	5,352,514
Depreciation and amortisation		20,250	33,947
Other operating charges		1,103,548	2,568,493
		3,639,056	7,954,954
Operating loss	2	(895,242)	(628,402)
Other interest receivable and similar income	3	-	5,693
Loss on ordinary activities before taxation		(895,242)	(622,709)
Tax on loss on ordinary activities	4	9,427	(2,069)
Loss for the year	9	(£885,815)	(£624,778)

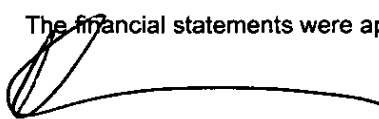
KINLEIGH FOLKARD AND HAYWARD LIMITED

BALANCE SHEET AS AT 31 MARCH 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	5		50,590		69,030
Current assets					
Debtors	6	494,913		1,108,718	
Cash at bank and in hand		150		12,968	
		<u>495,063</u>		<u>1,121,686</u>	
Creditors: amounts falling due within one year	7	<u>(1,887,573)</u>		<u>(1,646,821)</u>	
Net current liabilities			<u>(1,392,510)</u>		<u>(525,135)</u>
Total assets less current liabilities			<u>(£1,341,920)</u>		<u>(£456,105)</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		<u>(1,341,922)</u>		<u>(456,107)</u>
Shareholders' funds			<u>(£1,341,920)</u>		<u>(£456,105)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved for release by the board on 1 July 2009 and signed on its behalf by



S Robbins
Director

KINLEIGH FOLKARD AND HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

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 January 2007).

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.

Basis of preparation

The company reported a loss for the year of £885,815 (2008: loss £624,778). The company now has a balance sheet deficit of £1,341,920 (2008: deficit £456,105). At the balance sheet date £1,125,031 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.

KINLEIGH FOLKARD AND HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2009

2	Operating loss	Year ended 31 March 2009 £	15 months ended 31 March 2008 £
	Operating loss is stated after charging:		
	Depreciation of tangible assets	20,250	33,947
	Auditors' remuneration	6,000	5,800
	Directors' emoluments	274,906	410,573
		<u> </u>	<u> </u>
3	Investment income	Year ended 31 March 2009 £	15 months ended 31 March 2008 £
	Other interest	-	£5,693
		<u> </u>	<u> </u>
4	Taxation	Year ended 31 March 2009 £	15 months ended 31 March 2008 £
	Domestic current year tax		
	U.K. corporation tax	(13,000)	-
	Adjustment for prior years	3,573	2,069
		<u> </u>	<u> </u>
	Current tax charge	(£9,427)	£2,069
		<u> </u>	<u> </u>

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

At the balance sheet date there are unrelieved trading losses of approximately £800,000 which are available for offset against future trading profits subject to agreement from HM Revenue & Customs.

The maximum potential deferred tax asset of approximately £224,000, 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.

KINLEIGH FOLKARD AND HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2009

5 Tangible fixed assets

	Computer equipment £	Office equipment £	Total £
Cost			
At 1 April 2008	99,903	134,974	234,877
Additions	1,810	-	1,810
At 31 March 2009	101,713	134,974	236,687
Depreciation			
At 1 April 2008	60,591	105,256	165,847
Charge for the year	12,859	7,391	20,250
At 31 March 2009	73,450	112,647	186,097
Net book value			
At 31 March 2009	£28,263	£22,327	£50,590
At 31 March 2008	£39,312	£29,718	£69,030

6 Debtors

	2009 £	2008 £
Trade debtors	441,411	1,050,395
Amounts owed by group undertakings	-	1,320
Other debtors	53,502	57,003
	£494,913	£1,108,718

7 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	18,653	-
Trade creditors	26,899	53,138
Amounts owed to group undertakings	1,128,606	1,258,655
Taxation and social security	119,442	265,131
Other creditors	593,973	69,897
	£1,887,573	£1,646,821

KINLEIGH FOLKARD AND HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2009

8	Share capital	2009 £	2008 £
	Authorised		
	1,000 Ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £1 each	<u>£2</u>	<u>£2</u>

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2008	(456,107)
Retained loss for the year	<u>(885,815)</u>
Balance at 31 March 2009	<u>(£1,341,922)</u>

10 Financial commitments

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as follows:

	2009 £	2008 £
Expiry date:		
Within one year	17,750	5,000
Between two and five years	<u>19,500</u>	<u>10,500</u>

11 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.