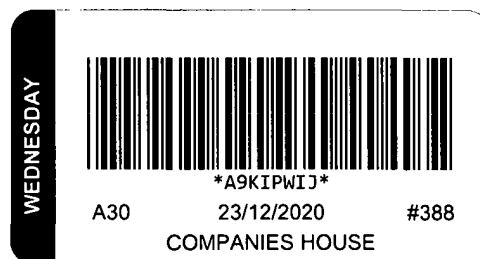


Registered number: 02965708

KINLEIGH FOLKARD & HAYWARD LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



KINLEIGH FOLKARD & HAYWARD LIMITED

COMPANY INFORMATION

Directors

R M Cleminson
L Hawkins
R H Johnson
N J Swinburne

Company secretary

K P Allerton

Registered number

02965708

Registered office

KFH House
5 Compton Road
Wimbledon
London
SW19 7QA

Independent auditors

Warrener Stewart
Chartered Accountants & Statutory Auditors
Harwood House
43 Harwood Road
London
SW6 4QP

KINLEIGH FOLKARD & HAYWARD LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 15

KINLEIGH FOLKARD & HAYWARD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors

The directors who served during the year were:

R M Cleminson
L Hawkins
R H Johnson
N J Swinburne

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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.

Principal activity

The Company's principal activity is that of Chartered Surveyors and Valuers.

Results and dividends

The profit for the year, after taxation, amounted to £625,456 (2018 - £889,943).

The directors do not recommend the payment of a dividend and the profit for the year will be transferred to reserves.

Future developments

The directors maintain management policies that continue to support sustained organic growth across the Group.

KINLEIGH FOLKARD & HAYWARD LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

Details of the effect of the coronavirus pandemic on the business are provided in note 14.


Auditors

The auditors, Warrener Stewart, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


.....
K P Allerton
Secretary

Date: 16 December 2020

KINLEIGH FOLKARD & HAYWARD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINLEIGH FOLKARD & HAYWARD LIMITED

Opinion

We have audited the financial statements of Kinleigh Folkard & Hayward Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

KINLEIGH FOLKARD & HAYWARD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINLEIGH FOLKARD & HAYWARD LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

KINLEIGH FOLKARD & HAYWARD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KINLEIGH FOLKARD & HAYWARD LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.



Colin Edney (Senior Statutory Auditor)

for and on behalf of
Warrener Stewart

Chartered Accountants
Statutory Auditors

Harwood House
43 Harwood Road
London
SW6 4QP

16 December 2020

KINLEIGH FOLKARD & HAYWARD LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	3	6,434,506	6,724,610
Other external charges		(1,232,749)	(1,379,712)
Staff costs		(4,426,763)	(4,243,564)
Depreciation and amortisation		(4,123)	(3,197)
Operating profit		770,871	1,098,137
Tax on profit	6	(145,415)	(208,194)
Profit for the financial year		625,456	889,943

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 9 to 15 form part of these financial statements.

KINLEIGH FOLKARD & HAYWARD LIMITED

REGISTERED NUMBER: 02965708

**BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	7	25,316	11,873
		<u>25,316</u>	<u>11,873</u>
Current assets			
Debtors: amounts falling due within one year	8	2,490,746	3,333,520
Cash at bank and in hand	9	3,312,894	1,703,043
		<u>5,803,640</u>	<u>5,036,563</u>
Creditors: amounts falling due within one year	10	(647,257)	(492,193)
Net current assets		<u>5,156,383</u>	<u>4,544,370</u>
Net assets		<u><u>5,181,699</u></u>	<u><u>4,556,243</u></u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account		5,181,697	4,556,241
		<u><u>5,181,699</u></u>	<u><u>4,556,243</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
L Hawkins
Director

Date: 16 December 2020

The notes on pages 9 to 15 form part of these financial statements.

KINLEIGH FOLKARD & HAYWARD LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	2	3,666,298	3,666,300
Profit for the year	-	889,943	889,943
At 1 January 2019	2	4,556,241	4,556,243
Profit for the year	-	625,456	625,456
At 31 December 2019	2	5,181,697	5,181,699

The notes on pages 9 to 15 form part of these financial statements.

KINLEIGH FOLKARD & HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General Information

Kinleigh Folkard and Hayward Limited is a company limited by shares incorporated in England. The registered office is KFH House, 5 Compton Road, London, SW19 7QA.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The financial statements are prepared in Sterling, which is the functional currency of the Company.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue from survey, valuation and professional fees is recognised in full at the invoice date net of refunds.

Revenue from commercial property sales is recognised in respect of all transactions exchanged in the accounting period.

All revenue is stated net of VAT.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

KINLEIGH FOLKARD & HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

KINLEIGH FOLKARD & HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Office equipment	- 25% - 33% reducing balance
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

3. Turnover

The whole of the turnover is attributable to the Company's principal activity.

All turnover arose within the United Kingdom.

KINLEIGH FOLKARD & HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Auditors' remuneration

Audit fees are borne by the Company's parent undertaking.

5. Employees

The average monthly number of employees, including directors, during the year was 69 (2018 - 66).

6. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	144,839	208,000
Adjustments in respect of previous periods	576	194
Total current tax	145,415	208,194

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	770,871	1,098,137
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	146,465	208,646
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,668	38
Capital allowances for year in excess of depreciation	(3,294)	(734)
Overprovision	-	193
Adjustments to tax charge in respect of prior periods	576	194
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	-	(272)
Other differences leading to an increase (decrease) in the tax charge	-	129
Total tax charge for the year	145,415	208,194

KINLEIGH FOLKARD & HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

6. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2019	267,769
Additions	17,567
At 31 December 2019	<u>285,336</u>
Depreciation	
At 1 January 2019	255,896
Charge for the year on owned assets	4,124
At 31 December 2019	<u>260,020</u>
Net book value	
At 31 December 2019	<u>25,316</u>
At 31 December 2018	<u>11,873</u>

8. Debtors

	2019 £	2018 £
Trade debtors	912,282	1,110,770
Amounts owed by group undertakings	1,495,122	2,158,285
Other debtors	3,693	-
Prepayments and accrued income	79,649	64,465
	<u>2,490,746</u>	<u>3,333,520</u>

KINLEIGH FOLKARD & HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>3,312,894</u>	<u>1,703,043</u>

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	113,476	31,576
Corporation tax	144,839	-
Other taxation and social security	274,507	372,695
Other creditors	15,975	4,616
Accruals and deferred income	98,460	83,306
	<u>647,257</u>	<u>492,193</u>

11. Financial Instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	3,312,894	1,703,043
Financial assets that are debt instruments measured at amortised cost	2,411,097	3,269,055
	<u>5,723,991</u>	<u>4,972,098</u>

Financial liabilities

Financial liabilities measured at amortised cost	<u>227,435</u>	<u>119,498</u>
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Financial assets measured at fair value through profit or loss comprise cash and cash equivalents

Financial assets that are debt instruments measured at amortised cost comprise trade and other receivables.

Financial liabilities measured at amortised cost comprise trade and other amounts payable..

KINLEIGH FOLKARD & HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2 (2018 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

13. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £66,799 (2018: £39,158).

14. Post balance sheet events

The Company has remained profitable since the year end. However, the COVID-19 pandemic and national lockdown had an unprecedented impact on its operations in the spring of 2020.

Immediate steps were taken to put in place measures to protect the Company both financially and operationally. Those measures included:

- Enabling those employees who could work from home to do so;
- Use of the Coronavirus Job Retention Scheme (CJRS) to furlough some employees in order to safeguard their positions for the future; and
- Monitoring of cash flows and costs in order to limit financial exposure.

Since reopening the branch network in June 2020, the Company has adopted COVID-secure working practices to help ensure the protection of its staff and clients.

As a result the Company has minimised the impact of the pandemic and remains in a strong financial position.

15. Controlling party

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

L T Watts is the controlling shareholder of Kinleigh Limited.