

Company Registration No. 2965708 (England and Wales)

KINLEIGH FOLKARD AND HAYWARD LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003



KINLEIGH FOLKARD AND HAYWARD LIMITED

COMPANY INFORMATION

Directors	R M Cleminson P L Coling S L Robbins (Appointed 18 July 2003)
Secretary	K P Allerton
Company number	2965708
Registered office	KFH House Norstead Place London SW15 3SA
Auditors	Warrener Stewart Harwood House 43 Harwood Road London SW6 4QP
Business address	KFH House Norstead Place London SW15 3SA

KINLEIGH FOLKARD AND HAYWARD LIMITED

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KINLEIGH FOLKARD AND HAYWARD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and financial statements for the year ended 31 December 2003.

Principal activities

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

Directors

The following directors have held office since 1 January 2003:

R M Cleminson

P L Coling

S L Robbins

(Appointed 18 July 2003)

Directors' interests

The directors 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 interests of the directors who were in office at the year end in the share capital of Kinleigh Limited are disclosed in that company's report.

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.

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

24/8/04
.....
Date

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 8 for the year ended 31 December 2003. 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 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.

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 misstatements within it.

Basis of audit 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.

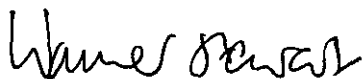
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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 of the state of the company's affairs as at 31 December 2003 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

Registered Auditor

25 August 2004

Harwood House
43 Harwood Road
London
SW6 4QP

KINLEIGH FOLKARD AND HAYWARD LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Turnover		1,938,199	1,596,910
Staff costs		891,014	911,893
Depreciation and amortisation		14,990	13,742
Other operating charges		1,001,533	636,175
		1,907,537	1,561,810
Profit on ordinary activities before taxation	2	30,662	35,100
Tax on profit on ordinary activities	3	(8,000)	(10,171)
Profit on ordinary activities after taxation	8	22,662	24,929
Accumulated reserves brought forward		233,686	208,757
Accumulated reserves carried forward		£256,348	£233,686

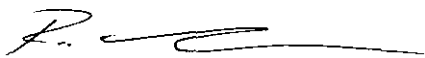
KINLEIGH FOLKARD AND HAYWARD LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	4		55,484		49,572
Current assets					
Debtors	5	453,612		341,539	
Cash at bank and in hand		-		3,467	
		453,612		345,006	
Creditors: amounts falling due within one year	6	(252,746)		(160,890)	
Net current assets			200,866		184,116
Total assets less current liabilities			£256,350		£233,688
Capital and reserves					
Called up share capital	7		2		2
Profit and loss account	8		256,348		233,686
Shareholders' funds			£256,350		£233,688

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 June 2002).

The financial statements were approved by the Board on 24/5/04



R M Cleminson
Director

KINLEIGH FOLKARD AND HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

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 June 2002).

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.

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:

Office equipment	25% on written down value
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1.4 Pensions

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.

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.

2 Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	14,990	13,742
Auditors' remuneration	5,750	4,396
Directors' emoluments	250,460	139,387

3 Taxation

	2003	2002
	£	£
Domestic current year tax		
U.K. corporation tax	£8,000	£10,171
Current tax charge	£8,000	£10,171

KINLEIGH FOLKARD AND HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

4 Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost			
At 1 January 2003	-	94,452	94,452
Additions	8,829	12,073	20,902
At 31 December 2003	8,829	106,525	115,354
Depreciation			
At 1 January 2003	-	44,880	44,880
Charge for the year	1,203	13,787	14,990
At 31 December 2003	1,203	58,667	59,870
Net book value			
At 31 December 2003	£7,626	£47,858	£55,484
At 31 December 2002	-	£49,572	£49,572

5 Debtors

	2003 £	2002 £
Trade debtors	390,099	228,467
Amounts owed by group undertakings	27,424	76,599
Other debtors	36,089	36,473
	£453,612	£341,539

6 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	5,500	-
Trade creditors	14,743	8,726
Amounts owed to group undertakings	1,751	3,575
Taxation and social security	153,260	94,202
Other creditors	77,492	54,387
	£252,746	£160,890

KINLEIGH FOLKARD AND HAYWARD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

7	Share capital	2003 £	2002 £
	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>

8	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 January 2003	233,686
	Retained profit for the year	<u>22,662</u>
	Balance at 31 December 2003	<u>£256,348</u>

9 Financial commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Expiry date:		
Within one year	24,529	5,589
Between two and five years	<u>64,560</u>	<u>60,513</u>
	<u>£89,089</u>	<u>£66,102</u>

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.