

Company Registration Number 2534664

HARDY UK LIMITED
ABBREVIATED FINANCIAL STATEMENTS
26TH OCTOBER 1996

HARRINGTON LAWRENCE LIMITED
Chartered Accountants & Registered Auditors
1 Claremount Drive
Bebington
Wirral
L63 3BX



HARDY UK LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 5, together with the financial statements of the company prepared under Section 226 of the Companies Act 1985 for the year ended 26th October 1996.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 26th October 1996, and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 7 March 1997 we reported, as auditors of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 26th October 1996, and the full text of our audit report is reproduced on page 2 of these financial statements.

1 Claremount Drive
Bebington
Wirral
L63 3BX

March 7 1997

Harrington Lawrence Limited

HARRINGTON LAWRENCE LIMITED
Chartered Accountants
Registered Auditor

HARDY UK LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 26TH OCTOBER 1996

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described in the directors' report, the directors of the company are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

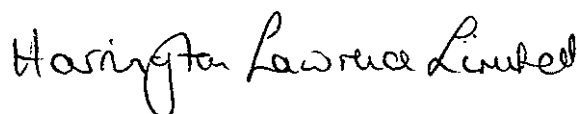
BASIS OF OPINION

We conducted our audit in accordance with 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 circumstances of the company, 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 26th October 1996 and of its profit for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



1 Claremount Drive
Bebington
Wirral
Merseyside
L63 3BX

HARRINGTON LAWRENCE LIMITED
Chartered Accountants
Registered Auditor

March 7 1997


HARDY UK LIMITED**ABBREVIATED BALANCE SHEET****26TH OCTOBER 1996**

	Note	1996		1995	
		£	£	£	£
FIXED ASSETS					
Tangible assets	2		296,955		322,348
CURRENT ASSETS					
Stocks		178,019		136,027	
Debtors		224,790		279,177	
Cash at bank and in hand		7,482		297	
		<u>410,291</u>		<u>415,501</u>	
CREDITORS: Amounts falling due within one year		<u>(336,600)</u>		<u>(403,683)</u>	
NET CURRENT ASSETS			73,691		11,818
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>370,646</u>		<u>334,166</u>
CREDITORS: Amounts falling due after more than one year			<u>(193,914)</u>		<u>(218,438)</u>
			176,732		115,728
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation			(22,777)		-
GOVERNMENT GRANTS			<u>(52,000)</u>		<u>(58,500)</u>
NET ASSETS			<u>101,955</u>		<u>57,228</u>
CAPITAL AND RESERVES					
Equity share capital	3		2		2
Profit and loss account			101,953		57,226
SHAREHOLDERS' FUNDS			<u>101,955</u>		<u>57,228</u>

The directors have taken advantage of the abbreviated disclosure exemptions conferred by section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

In preparing the annual accounts, the directors have taken advantage of the special accounting exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in the opinion of the directors, the company qualifies as a small company.

These financial statements were approved by the directors on the Feb 28 1997, and are signed on their behalf by:



 N L MONKS

HARDY UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 26TH OCTOBER 1996

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer systems	- 33% straight line
Property improvements	- 10% straight line
Plant and machinery	- 10% - 25% straight line
Fixtures and fittings	- 25% straight line
Motor vehicles	- 33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

HARDY UK LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****YEAR ENDED 26TH OCTOBER 1996****2. FIXED ASSETS**

	Tangible Fixed Assets £
COST	
At 29th October 1995	406,096
Additions	33,978
Disposals	(350)
At 26th October 1996	<u>439,724</u>
DEPRECIATION	
At 29th October 1995	83,748
Charge for year	59,021
On disposals	-
At 26th October 1996	<u>142,769</u>
NET BOOK VALUE	
At 26th October 1996	<u>296,955</u>
At 28th October 1995	<u>322,348</u>

3. SHARE CAPITAL**Authorised share capital:**

	1996 £	1995 £
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	1996 £	1995 £
Ordinary share capital	<u>2</u>	<u>2</u>