

COMPANY REGISTRATION NUMBER 2534664

HARDY UK LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
26 OCTOBER 2002



STONEBRIDGE STEWART
Chartered Accountants & Registered Auditors

Daryl House
76a Pensby Road
Heswall
Wirral
CH60 7RF

HARDY UK LIMITED

ABBREVIATED FINANCIAL STATEMENTS

PERIOD FROM 28 OCTOBER 2001 TO 26 OCTOBER 2002

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HARDY UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the period from 28 October 2001 to 26 October 2002 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

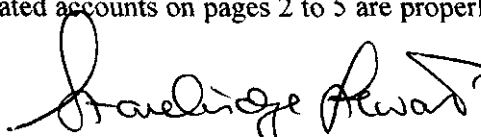
BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

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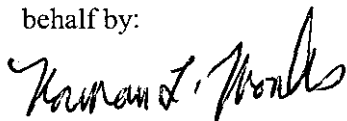
17 February 2003

HARDY UK LIMITED**ABBREVIATED BALANCE SHEET****PERIOD FROM 28 OCTOBER 2001 TO 26 OCTOBER 2002**

	Note	26 Oct 02 £	27 Oct 01 £
FIXED ASSETS	2		
Tangible assets		2,714	39,841
CURRENT ASSETS			
Stocks		135,633	245,665
Debtors		595,718	319,736
Cash at bank and in hand		132,597	91,678
		863,948	657,079
CREDITORS: Amounts falling due within one year		(255,517)	(198,217)
NET CURRENT ASSETS		608,431	458,862
TOTAL ASSETS LESS CURRENT LIABILITIES		611,145	498,703
GOVERNMENT GRANTS	3	(13,000)	(19,500)
		598,145	479,203
CAPITAL AND RESERVES			
Called-up equity share capital	4	2	2
Profit and Loss Account		598,143	479,201
SHAREHOLDER'S FUNDS		598,145	479,203

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 17 February 2003 and are signed on their behalf by:



N. L. MONKS

HARDY UK LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****26 OCTOBER 2002****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention,, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, 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:

Buildings expense	-	10% straight line
Plant & Machines	-	10% to 25% straight line
Fixtures & Fittings	-	25% straight line
Motor Vehicles	-	33% straight line
Computer Systems	-	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 on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

HARDY UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

26 OCTOBER 2002

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

Deferred government grants

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

HARDY UK LIMITED**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS****26 OCTOBER 2002****2. FIXED ASSETS**

	Tangible Assets £
COST	
At 28 October 2001 and 26 October 2002	<u>475,221</u>
DEPRECIATION	
At 28 October 2001	435,380
Charge for period	<u>37,127</u>
At 26 October 2002	<u>472,507</u>
NET BOOK VALUE	
At 26 October 2002	<u>2,714</u>
At 27 October 2001	<u>39,841</u>

3. GOVERNMENT GRANTS

	26 Oct 02 £	27 Oct 01 £
Received and receivable	65,000	65,000
Amortisation	<u>(52,000)</u>	<u>(45,500)</u>
	<u>13,000</u>	<u>19,500</u>

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

	26 Oct 02 £	27 Oct 01 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

	26 Oct 02 £	27 Oct 01 £
Ordinary share capital	<u>2</u>	<u>2</u>

5. ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking is L Hardy Company, Inc., incorporated in the United States of America, whose offices are at Worcester, Massachusetts.