

HARDY UK LIMITED

ABBREVIATED ACCOUNTS

FOR THE PERIOD ENDED

28 OCTOBER 2006



Stonebridge Stewart
Chartered Accountants & Registered Auditors
Daryl House
76a Pensby Road
Heswall
Wirral
CH60 7RF

HARDY UK LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 28 OCTOBER 2006

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HARDY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 8, together with the financial statements of the company for the year ended 28 October 2006 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

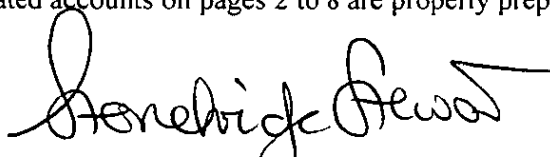
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (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 8 are properly prepared in accordance with those provisions.



STONEBRIDGE STEWART
Chartered Accountants
& Registered Auditors

Daryl House
76a Pensby Road
Heswall
Wirral
CH60 7RF

27 February 2007

HARDY UK LIMITED**ABBREVIATED BALANCE SHEET****28 OCTOBER 2006**

	Note	2006 £	2005 £
FIXED ASSETS	2		
Tangible assets		121,915	129,227
CURRENT ASSETS			
Stocks		151,404	158,468
Debtors		729,667	639,171
Cash at bank and in hand		36,885	38,760
		<u>917,956</u>	<u>836,399</u>
CREDITORS. Amounts falling due within one year	3	<u>305,441</u>	<u>338,213</u>
NET CURRENT ASSETS		<u>612,515</u>	<u>498,186</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>734,430</u>	<u>627,413</u>
CREDITORS: Amounts falling due after more than one year	4	9,512	14,583
PROVISIONS FOR LIABILITIES AND CHARGES		<u>19,721</u>	<u>18,486</u>
		<u>705,197</u>	<u>594,344</u>
CAPITAL AND RESERVES			
Called-up equity share capital	6	2	2
Profit and loss account		<u>705,195</u>	<u>594,342</u>
SHAREHOLDER'S FUNDS		<u>705,197</u>	<u>594,344</u>

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

These abbreviated accounts were approved by the directors on 27 February 2007 and are signed on their behalf by



N L MONKS

The notes on pages 3 to 7 form part of these abbreviated accounts

HARDY UK LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 28 OCTOBER 2006****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 January 2005)

Turnover

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

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

Fixed assets

All fixed assets are initially recorded at cost

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 ACCOUNTS****YEAR ENDED 28 OCTOBER 2006****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

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold. 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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. FIXED ASSETS

	Tangible Assets £
COST	
At 29 October 2005	620,004
Additions	9,032
At 28 October 2006	629,036
DEPRECIATION	
At 29 October 2005	490,777
Charge for year	16,344
At 28 October 2006	507,121

HARDY UK LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 28 OCTOBER 2006****2. FIXED ASSETS** *(continued)***NET BOOK VALUE**

At 28 October 2006

121,915

At 29 October 2005

129,227**3. CREDITORS: Amounts falling due within one year**

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2006 £	2005 £
Other creditors including taxation and social security	<u>11,344</u>	<u>24,086</u>

4 CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2006 £	2005 £
Other creditors including taxation and social security	<u>9,512</u>	<u>14,583</u>

HARDY UK LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 28 OCTOBER 2006****5. RELATED PARTY TRANSACTIONS**

During the year the company had the following transactions with related parties

	2006	2005
Purchases from L Hardy Company	<u>£ 30,003</u>	<u>£ 48,584</u>
Amounts owed to L Hardy Company on trade creditors at 28 October 2006	<u>£ 11,308</u>	<u>£ 9,281</u>
Sales to L Hardy Company	<u>£ 57,642</u>	<u>£ 165,294</u>
Amounts owed by L Hardy Company on trade debtors at 28 October 2006	<u>£224,211</u>	<u>£166,568</u>
Sales to Hardy Polska	<u>£ 66,079</u>	<u>£ 55,973</u>
Amounts owed by Hardy Polska on trade debtors at 28 October 2006	<u>£ 101,766</u>	<u>£ 89,446</u>
Amounts owed by L Hardy Company on loans and other advances at 28 October 2006	<u>£ 93,323</u>	<u>£ Nil</u>
Amounts owed by Hardy Polska on loans and other advances at 28 October 2006	<u>£ 2,469</u>	<u>£ 5,864</u>
Rent paid to NL Monks Esq, a Director of the Company and its parent undertaking	<u>£ 42,467</u>	<u>£ 23,439</u>

6 SHARE CAPITAL**Authorised share capital**

	2006 £	2005 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2006 No	£	2005 No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

HARDY UK LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 28 OCTOBER 2006

7. 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

The ultimate controlling party is N L Monks Esq, who holds 90% of the issued capital in L Hardy Company, Inc