

COMPANY REGISTRATION NUMBER 2534664

HARDY UK LIMITED
ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED
30 OCTOBER 2004



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

HARDY UK LIMITED

ABBREVIATED ACCOUNTS

PERIOD FROM 26 OCTOBER 2003 TO 30 OCTOBER 2004

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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 6, together with the financial statements of the company for the period from 26 October 2003 to 30 October 2004 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 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

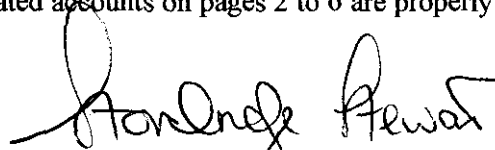
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and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



STONEBRIDGE STEWART
Chartered Accountants
& Registered Auditors

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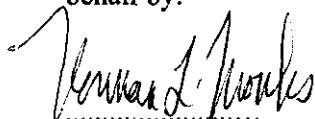
23 March 2005

HARDY UK LIMITED**ABBREVIATED BALANCE SHEET****30 OCTOBER 2004**

	Note	30 Oct 04 £	25 Oct 03 £
FIXED ASSETS	2		
Tangible assets		123,791	116,583
CURRENT ASSETS			
Stocks		186,829	149,049
Debtors		586,334	527,575
Cash at bank and in hand		45,634	32,806
		<u>818,797</u>	<u>709,430</u>
CREDITORS: Amounts falling due within one year	3	<u>341,143</u>	<u>327,625</u>
NET CURRENT ASSETS		<u>477,654</u>	<u>381,805</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>601,445</u>	<u>498,388</u>
CREDITORS: Amounts falling due after more than one year	4	15,753	32,938
PROVISIONS FOR LIABILITIES AND CHARGES		9,669	3,817
GOVERNMENT GRANTS	5	-	6,500
		<u>576,023</u>	<u>455,133</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7	2	2
Profit and loss account		576,021	455,131
SHAREHOLDER'S FUNDS		<u>576,023</u>	<u>455,133</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 22/3/05 and are signed on their behalf by:


N. L. MONKS

HARDY UK LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****PERIOD FROM 26 OCTOBER 2003 TO 30 OCTOBER 2004****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 June 2002).

Turnover

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

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****PERIOD FROM 26 OCTOBER 2003 TO 30 OCTOBER 2004****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 a discounted 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

Deferred 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 ACCOUNTS****PERIOD FROM 26 OCTOBER 2003 TO 30 OCTOBER 2004****2. FIXED ASSETS**

	Tangible Assets £
COST	
At 26 October 2003	597,124
Additions	<u>27,138</u>
At 30 October 2004	<u>624,262</u>
DEPRECIATION	
At 26 October 2003	480,541
Charge for period	<u>19,930</u>
At 30 October 2004	<u>500,471</u>
NET BOOK VALUE	
At 30 October 2004	<u>123,791</u>
At 25 October 2003	<u>116,583</u>

3. CREDITORS: Amounts falling due within one year

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

	30 Oct 04 £	25 Oct 03 £
Other creditors including taxation and social security	<u>17,185</u>	<u>17,185</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:

	30 Oct 04 £	25 Oct 03 £
Other creditors including taxation and social security	<u>15,753</u>	<u>32,938</u>

5. GOVERNMENT GRANTS

	30 Oct 04 £	25 Oct 03 £
Received and receivable	65,000	65,000
Amortisation	<u>(65,000)</u>	<u>(58,500)</u>
	<u>—</u>	<u>6,500</u>

HARDY UK LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****PERIOD FROM 26 OCTOBER 2003 TO 30 OCTOBER 2004****6. RELATED PARTY TRANSACTIONS**

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

	2004	2003
Purchases from L Hardy Company	<u>£ 65,605</u>	<u>£ 49,565</u>
Amounts owed to L Hardy Company on trade creditors at 30 October 2004	<u>£ 17,234</u>	<u>£ 11,935</u>
Sales to L Hardy Company	<u>£107,899</u>	<u>£ Nil</u>
Amounts owed by L Hardy Company on trade debtors at 30 October 2004	<u>£125,258</u>	<u>£ Nil</u>
Sales to Hardy Polska	<u>£ 50,941</u>	<u>£ 66,557</u>
Amounts owed by Hardy Polska on trade debtors at 30 October 2004	<u>£ 97,287</u>	<u>£ 106,693</u>
Amounts owed by L Hardy Company on loans and other advances at 30 October 2004	<u>£ Nil</u>	<u>£ Nil</u>
Amounts owed by Hardy Polska on loans and other advances at 30 October 2004	<u>£ 9,567</u>	<u>£ Nil</u>

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

	30 Oct 04	25 Oct 03
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	30 Oct 04		25 Oct 03	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

8. 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.