

A.W. HARDY & CO. LIMITED
AND
SUBSIDIARY COMPANIES
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2002



A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH APRIL 2002

The directors present their report and the financial statements for the year ended 30th April 2002.

Principal Activities and Review of Business

The group's principal activities during the year were in the construction and civil contracting industries.

The directors of the group companies are pleased to report that the group has continued to report a net profit for this financial year and has continued to secure major contract work for the forthcoming year. The directors look forward to continued growth and profitable trading.

Results and Dividends

The results for the year are set out on page 3.

The directors recommend payment of dividends of £60,000.

It is proposed that the profit of £128,248 is transferred to reserves.

Fixed Assets

Details of movements in fixed assets are set out in notes 8 and 9 to the financial statements.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated as below.

	Class of Share	Number of Shares	
		2002	2001
M.L. Hardy	Ordinary shares	98,530	87,445
J.P. Little	Ordinary shares	-	-
	Non-voting ordinary 'B'	100	100
D.M. Hardy	Ordinary shares	1,955	1,955
	Non-voting ordinary 'B'	100	100

Statement of 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 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 apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts,
- 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 at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Barrons be reappointed as auditors of the company will be put to the Annual General Meeting.

Signed on behalf of the board of directors 24/2/03

M.L. Hardy
Director



A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

Report of the Auditors

We have audited the financial statements on pages 3 to 18 which have been prepared under the historical cost convention and the accounting policies set out on page 7 and 8.

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 directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements.

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.

Basis of 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 judgement made by the directors in preparation of the financial statements, and 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 have 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 the company's and group's affairs at 30th April 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BARRONS

Chartered Accountants
Registered Auditor
Monometer House
Rectory Grove
Leigh on Sea
Essex SS9 2HN

24th February 2003

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES**GROUP PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30TH APRIL 2002**

	Notes	2002 £	2001 £
Turnover	2	7,353,135	4,509,018
Cost of sales		6,496,902	3,796,164
Gross profit		856,233	712,854
Administrative expenses		723,046	742,829
		133,187	(29,975)
Other operating income		100,466	91,389
Operating profit	3	233,653	61,414
Other interest receivable and similar income	5	37,469	28,685
Interest payable and similar charges	6	16,269	16,887
Profit on ordinary activities before taxation		254,853	73,212
Taxation	7	66,605	11,605
Profit on ordinary activities after taxation		188,248	61,607
Dividends - Non Equity		60,000	-
Retained profit for the year	18	128,248	61,607

All amounts relate to continuing activities.

The group has no recognised gains or losses other than the profit or loss for the above two financial years.

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

GROUP AND COMPANY BALANCE SHEET

AS AT 30TH APRIL 2002

	Notes	Group		Company	
		2002	2001	2002	2001
		£	£	£	£
Fixed Assets					
Tangible Assets	8	542,806	519,475	165,546	171,072
Investment in subsidiary undertakings	9	-	-	12,210	12,210
		542,806	519,475	177,756	183,282
Current Assets					
Stocks	10	314,110	337,209	173,469	239,755
Debtors	11	1,494,426	1,567,816	1,667,633	1,933,504
Cash at Bank and in Hand		1,719,036	1,150,798	1,477,921	1,015,766
		3,527,572	3,055,823	3,319,023	3,189,025
Creditors : amounts falling due within one year	12	2,138,232	1,652,045	1,510,865	1,457,995
Net Current Assets		1,389,340	1,403,778	1,808,158	1,731,030
Total Assets Less Current Liabilities		1,932,146	1,923,253	1,985,914	1,914,312
Creditors : amounts falling due after one year	13	162,217	282,985	159,375	192,985
Provisions for liabilities and charges	14	15,488	14,075	-	-
Net assets		1,754,441	1,626,193	1,826,539	1,721,327
Capital and Reserves					
Called up share capital - Equity	15	129,514	129,514	129,514	129,514
Called up share capital - Non Equity	15	200	200	200	200
Share premium account	16	25,617	25,617	25,617	25,617
Other reserves - Equity	17	34,245	34,245	32,025	32,025
Profit and loss account	18	1,564,865	1,436,617	1,639,183	1,533,971
Shareholders' funds - Equity		1,754,241	1,625,993	1,826,339	1,721,127
Shareholders' funds - Non Equity		200	200	200	200
Shareholders' Funds - Total	19	1,754,441	1,626,193	1,826,539	1,721,327

The financial statements were approved by the Board on 24th February 2003

M.L. Hardy
Director



A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES**GROUP CASHFLOW STATEMENT****FOR THE YEAR ENDED 30TH APRIL 2002**

	Notes	2002 £	2001 £
Cash flow from operating activities	1	810,175	654,928
Returns on investments and servicing of finance	2	(38,800)	11,798
Taxation		(9,339)	(9,905)
Capital expenditure and financial investment	2	(162,035)	(150,733)
Cash inflow before use of liquid resources and financing		600,001	506,088
Financing			
- Decrease in debt	2	(29,493)	(69,343)
Increase in cash for the year		570,508	436,745

Reconciliation of net cash flow to movement in net funds

Increase in cash in the year	570,508	436,745
Cash outflow from decrease in debt and lease financing	29,493	19,168
Movement in net funds in the period	600,001	455,913
Net funds as at 1st May 2001	1,008,061	552,148
Net funds as at 30th April 2002	1,608,062	1,008,061

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE GROUP CASHFLOW STATEMENT

FOR THE YEAR ENDED 30TH APRIL 2002

1.	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2002 £	2001 £
	Operating profit	233,653	61,414
	Depreciation charges	147,589	141,285
	Profit on sale of assets	(8,887)	(11,797)
	(Increase)/Decrease in stocks and WIP	23,099	(82,302)
	(Increase)/Decrease in debtors	74,365	(16,728)
	Increase in creditors	340,356	563,056
	Net cash inflow from operating activities	810,175	654,928

2.	Analysis for cash flow headings netted in the cash flow statement	2002 £	2001 £
	Returns on investments and servicing of finance		
	Interest received	37,469	28,685
	Interest paid	(14,033)	(13,703)
	Interest element of finance lease payments	(2,236)	(3,184)
	Dividends paid	(60,000)	-
	Net cash outflow for returns on investments and servicing of finance	-38,800	11,798
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(220,613)	(185,106)
	Sale of tangible fixed assets	58,578	34,373
	Net cash outflow for capital expenditure and financial investment	(162,035)	(150,733)
	Financing		
	Issue of shares	-	200
	Purchase of own shares	-	(50,375)
	Capital element of finance leases	(29,493)	(19,168)
	Net cash outflow from financing	(29,493)	(69,343)

3.	Analysis of net funds	At 1st May 2001 £	Cash flow £	Other non cash changes £	At 30th April 2002 £
	Cash at bank and in hand	1,150,798	568,238	-	1,719,036
	Overdrafts	(6,238)	2,270	(90,000)	(93,968)
			570,508		
	Debt due after 1 year	(90,000)	-	90,000	-
	Finance leases	(46,499)	29,493	-	(17,006)
			29,493		
		1,008,061	600,001	-	1,608,062

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2002

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards and include the results of the group's operations as indicated in the directors' report.

1.2 Turnover and profits

Turnover represents amounts receivable for goods and services provided in the U.K. net of V.A.T., trade discounts and associated property selling costs and, in the case of long term contracts, the value of work that has achieved practical completion during the year.

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty.

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:-

Leasehold properties	- over the lease term
Plant and machinery	- over 5 to 10 years
Garage equipment	- over 5 to 10 years
Fixtures and fittings	- over 6 to 10 years
Plant and equipment	- over 3 to 4 years
Motor vehicles	- over 6 to 10 years

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated in accordance with the policy stated above. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the term of the lease.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

1.7 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2002

1. Accounting Policies (cont.)

1.8 Pension costs

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with applicable accounting standards.

1.9 Deferred taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing difference reverses, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

1.10 Basis of consolidation

The group financial statements incorporate the financial statements of A.W. Hardy & Co. Ltd and all its subsidiary undertakings for the year to 30th April 2002. No profit and loss account is presented for A.W. Hardy & Co. Ltd as provided by Section 230 Companies Act 1985.

2. Turnover

The total turnover of the group for the year has been derived from its principal activities wholly undertaken in the U.K. as follows:

	2002 £	2001 £
Construction and civil contracting	7,327,999	4,497,874
Plant and vehicle hire	25,136	11,144
	<u>7,353,135</u>	<u>4,509,018</u>

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2002

3. Operating Profit	2002 £	2001 £
(a) Operating profit is stated after charging:-		
Auditors remuneration	19,372	23,404
Depreciation of tangible fixed assets	147,589	141,285
Hire of plant and machinery	175,527	154,938
Operating lease rentals		
Land and buildings	74,541	67,741
and after crediting:		
Rents receivable	22,931	31,949
(b) Directors' remuneration		
Remuneration	212,707	184,483
Retirement benefits were accruing to directors under schemes as follows:-		
Money purchase schemes	3	3

4. Staff Costs	2002 £	2001 £
Wages and salaries	1,295,072	1,339,707
Social security costs	114,697	119,219
Pension costs	53,614	58,050
Other costs	-	30,000
	1,463,383	1,546,976

The average number of employees (including executive directors) during the year was as follows:-

	Number	Number
Office and management	16	16
Site workers	53	56
	69	72

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2002

5. Interest Receivable	2002	2001
	£	£
Bank deposit interest	37,469	28,685
	<u>37,469</u>	<u>28,685</u>

6. Interest Payable	2002	2001
	£	£
On bank loans and overdrafts and other loans :		
Repayable within five years, not by instalments	5,014	4,703
Repayable within five years, by instalments	2,236	3,184
Not wholly repayable in less than five years, by instalments	9,000	9,000
On overdue taxation	19	-
	<u>16,269</u>	<u>16,887</u>

7. Taxation	2002	2001
	£	£
The tax charge for the year is based on the taxable profit for the year and comprises :		
U.K. Corporation tax at Marginal rates (2001 - Marginal rates)	66,172	9,413
Deferred taxation charge	1,412	2,153
Overprovision in prior year	(979)	39
	<u>66,605</u>	<u>11,605</u>

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2002

8. Tangible Fixed Assets - Group

	Land and Buildings £	Plant and Machinery £	Garage Equipment £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost						
At 1st May 2001	256,598	514,468	2,200	69,456	432,235	1,274,957
Additions	-	143,761	-	3,866	72,986	220,613
Disposals	-	(106,080)	-	-	(98,305)	(204,386)
At 30th April 2002	<u>256,598</u>	<u>552,149</u>	<u>2,200</u>	<u>73,322</u>	<u>406,916</u>	<u>1,291,185</u>
Depreciation						
At 1st May 2001	59,553	371,715	665	58,161	265,390	755,484
Charge for the Year	2,622	86,957	220	3,253	54,537	147,589
On Disposals	-	(78,097)	-	-	(76,597)	(154,695)
At 30th April 2002	<u>62,175</u>	<u>380,575</u>	<u>885</u>	<u>61,414</u>	<u>243,330</u>	<u>748,379</u>
Net Book Values						
At 30th April 2002	<u>194,423</u>	<u>171,574</u>	<u>1,315</u>	<u>11,908</u>	<u>163,586</u>	<u>542,806</u>
At 30th April 2001	<u>197,045</u>	<u>142,753</u>	<u>1,535</u>	<u>11,295</u>	<u>166,845</u>	<u>519,473</u>

	Group		Company	
The net book value of land and buildings comprises:	2002 £	2001 £	2002 £	2001 £
Freehold property	40,553	41,177	40,553	41,177
Long leasehold property	<u>153,870</u>	<u>155,868</u>	<u>-</u>	<u>-</u>

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2002

8. Tangible Fixed Assets - Group (cont.)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Group		Company	
	Net book value £	Dep'n charge £	Net book value £	Dep'n charge £
Plant and machinery	7,575	2,525	-	-
Motor vehicles	20,175	6,725	-	-
	<u>27,750</u>	<u>9,250</u>	<u>-</u>	<u>-</u>

Tangible Fixed Assets - Company

	Land and Buildings £	Plant and Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost					
At 1st May 2001	61,766	211,227	65,166	177,826	515,985
Additions		58,477	2,634	26,591	87,702
Disposals		(15,978)	-	(22,527)	(38,505)
At 30th April 2002	<u>61,766</u>	<u>253,726</u>	<u>67,800</u>	<u>181,890</u>	<u>565,182</u>
Depreciation					
At 1st May 2001	20,589	174,491	55,007	94,826	344,913
On disposals	624	53,925	2,893	24,607	82,049
Charge for the Year	-	(15,978)	-	(11,348)	(27,326)
At 30th April 2002	<u>21,213</u>	<u>212,438</u>	<u>57,900</u>	<u>108,085</u>	<u>399,636</u>
Net Book Values					
At 30th April 2002	<u>40,553</u>	<u>41,288</u>	<u>9,900</u>	<u>73,805</u>	<u>165,546</u>
At 30th April 2001	<u>41,177</u>	<u>36,736</u>	<u>10,159</u>	<u>83,000</u>	<u>171,072</u>

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2002

9. Investments - Company	2002 £	2001 £
Subsidiary undertakings	<u>12,210</u>	<u>12,210</u>
Investment in subsidiary undertakings		
Cost and net book value:	2002 £	2001 £
As at 1st May 2001		
and as at 30th April 2002	<u>12,210</u>	<u>12,210</u>

The following, all registered and incorporated in England, were subsidiaries at 30th April 2002

	Nature of business	Class of Equity	Percentage equity held	Capital & reserves	Profit/loss for year
H.D. Blackgate Limited	Property developers	Ordinary	100%	£3,295	(£707)
W.&H. (Roads) Limited	Road construction	Ordinary	100%	£136,052	£70,148
W.&H. (Plant Services) Limited	Letting property	Ordinary	100%	(£199,320)	£3,558
Nyearni Limited	Dormant	Ordinary	100%	(£98)	-

The company continues to have a 50% shareholding in Iceinfo Limited, a company incorporated in the United Kingdom. The cost of this investment was £40 which has previously been written off. The financial statements of Iceinfo Limited have not been included in these financial statements on the grounds of immateriality. The company operates as a property rental company.

10. Stock	Group		Company	
	2002 £	2001 £	2002 £	2001 £
Raw materials and consumables	11,124	23,035	10,981	21,161
Long term contracts:				
Net cost less foreseeable losses	2,702,036	2,380,720	2,181,761	2,229,512
Payments on account	(2,399,050)	(2,066,546)	(2,019,273)	(2,010,918)
	<u>314,110</u>	<u>337,209</u>	<u>173,469</u>	<u>239,755</u>

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2002

11. Debtors

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	597,899	656,952	517,815	577,588
Amounts owed by group undertakings	-	-	348,331	528,156
Amounts owed by participating interests	24,407	24,407	24,407	24,407
Corporation tax	973	-	-	-
Other debtors	808,890	851,748	749,702	788,890
Prepayments and accrued income	62,257	34,709	27,378	14,463
	<u>1,494,426</u>	<u>1,567,816</u>	<u>1,667,633</u>	<u>1,933,504</u>

Amounts falling due after more than one year and included in the debtors above are:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Other debtors	<u>558,532</u>	<u>571,874</u>	<u>515,753</u>	<u>515,753</u>

The directors of A.W. Hardy & Co Limited have given an undertaking to Hardy Developments Limited that the monies shown above will not be required to be repaid within a period of one year.

12. Creditors: Amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank overdraft and other loans	93,968	6,238	-	-
Payments received on account	226,765	375,695	226,765	375,695
Net obligations under finance lease and hire purchase contracts	14,164	46,499	-	46,499
Trade creditors	1,513,140	1,076,999	1,112,461	951,302
Corporation tax	66,215	9,389	41,842	7,405
Other taxes and social security costs	103,438	79,323	40,729	36,590
Other creditors	92,058	37,032	66,550	25,150
Accruals and deferred income	28,484	20,870	22,518	15,354
	<u>2,138,232</u>	<u>1,652,045</u>	<u>1,510,865</u>	<u>1,457,995</u>

The bank facilities of A.W. Hardy & Co. Limited are secured by a legal charge dated 31st October 1972 over the company's leasehold property, known as 13 Stock Road, Southend on Sea, Essex. There is also a composite accounting agreement between the company's subsidiaries, Hardy Developments (Suffolk) Limited and Hardy Developments Limited dated 28th September 1992.

The bank facilities of the subsidiary companies are secured by the above mentioned composite agreement together with charges over assets particular to each company.

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2002

13. Creditors: amounts falling due after one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Loans	-	90,000	-	-
Other creditors	159,375	192,985	159,375	192,985
Net obligations under finance lease and hire purchase contracts	2,842	-	-	-
	<u>162,217</u>	<u>282,985</u>	<u>159,375</u>	<u>192,985</u>

Other Creditors

The other creditor represents the amount payable to Hardy Developments (Suffolk) Limited, a company under common control. The loan has no fixed repayment period and the directors of Hardy Developments (Suffolk) Limited have given an undertaking that the monies will not be required to be repaid within a period of one year.

Loans

As at 1st May 2001	90,000	90,000	-	-
Transferred to current liabilities	(90,000)	-	-	-
As at 30th April 2002	<u>-</u>	<u>90,000.00</u>	<u>-</u>	<u>-</u>
Net obligations under finance lease and hire purchase contracts				
Repayable within one year	15,032	47,067	-	47,067
Repayable between one and five years	2,842	-	-	-
	<u>17,874</u>	<u>47,067</u>	<u>-</u>	<u>47,067</u>
Finance charges and interest allocated to future accounting periods	(868)	(568)	-	(568)
	<u>17,006</u>	<u>46,499</u>	<u>-</u>	<u>46,499</u>
Included in current liabilities	(14,164)	(46,499)	-	(46,499)
	<u>2,842</u>	<u>-</u>	<u>-</u>	<u>-</u>

14. Provision for Liabilities and Charges

	Fully Provided Group		Fully Provided Company	
	2002	2001	2002	2001
	£	£	£	£
Deferred taxation is provided at 20% (2000 20%) analysed over the following timing differences :				
Accelerated capital allowances	<u>15,488</u>	<u>14,075</u>	<u>-</u>	<u>-</u>

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2002

15. Share Capital

	Company	
	2002	2001
	£	£
Authorised		
Equity Shares		
495,000 Ordinary shares of £1 each	495,000	495,000
Non Equity Shares		
1,000 Non voting Ordinary 'B' shares of £1 each	1,000	1,000
5,000 6% Redeemable Preference shares of £1 each	5,000	5,000
	<u>501,000</u>	<u>501,000</u>
 Allotted, called up and fully paid		
Equity Shares		
129,514 Ordinary shares of £1 each	129,514	129,514
Non Equity Shares		
200 Non voting Ordinary 'B' shares of £1 each	200	200
	<u>129,714</u>	<u>129,714</u>

16. Share Premium

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Balance at 1st May 2001 and at 30th April 2002	<u>25,617</u>	<u>25,617</u>	<u>25,617</u>	<u>25,617</u>

17. Other reserves

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Balance at 1st May 2001 and at 30th April 2002	<u>34,245</u>	<u>34,245</u>	<u>32,025</u>	<u>32,025</u>

18. Profit and Loss Account

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
At 1st May 2001	1,436,617	1,425,385	1,533,971	1,490,558
Retained profit for year	128,248	61,607	105,212	93,788
Repurchase of shares	-	(50,375)	-	(50,375)
At 30th April 2002	<u>1,564,865</u>	<u>1,436,617</u>	<u>1,639,183</u>	<u>1,533,971</u>

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2002

19. Reconciliation of Movements on Shareholders Funds

	Group		Company	
	2002 £	2001 £	2002 £	2001 £
Profit for the financial year after taxation	128,248	61,607	105,212	93,788
Issue of share capital	-	200	-	200
Purchase of own shares	-	(50,375)	-	(50,375)
	128,248	11,432	105,212	43,613
Opening shareholders' funds at 1st May 2001	1,626,193	1,614,761	1,721,327	1,677,714
Closing shareholders' funds at 30th April 2002	1,754,441	1,626,193	1,826,539	1,721,327

20. Contingent Liabilities

Company

At 30th April 2002 the company had contingent liabilities of £111,111 (2001 £186,589) in connection with guarantees relating to bank borrowings of group and connected companies.

Group

At 30th April 2002 the group had contingent liabilities of £107,143 (2001 £180,351) in connection with guarantees relating to bank borrowings of connected companies.

21. Other Financial Commitments

At 30th April 2002, there were annual commitments under non-cancellable operating lease agreements as set out below :

Group	Land and Buildings		Other	
	2002 £	2001 £	2002 £	2001 £
Operating leases which expire:				
Between two and five years	-	-	2,028	2,028
In over five years	28,200	28,200	-	-
	28,200	28,200	2,028	2,028
Company	Land and Buildings		Other	
	2002 £	2001 £	2002 £	2001 £
Operating leases which expire:				
Between two and five years	-	-	2,028	2,028
In over five years	10,750	10,750	-	-
	10,750	10,750	2,028	2,028

A.W. HARDY & CO. LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH APRIL 2002

22. Related Party Transactions - Group and Company

The related party transactions, as defined by FRS8, the nature of the relationships, the extent of the transactions between them and the balances outstanding at the balance sheet date are summarised below:-

Relationship:

1. Hardy Developments Limited
2. Hardy Developments (Suffolk) Limited

Both the above companies are controlled by Mr M.L. Hardy a director and controlling shareholder of A.W. Hardy & Co. Limited.

Transactions:

During the year A.W. Hardy & Co. Limited received management charges on normal trading terms from Hardy Developments Limited of £587 (2001: £587) and from Hardy Developments (Suffolk) Limited of £26,240 (2001: £26,240).

Amounts Due To/From Related Parties:

At the year end Hardy Developments Limited owed the company £499,821 (2001: £515,754) as included in other debtors in note 11, also the company owed Hardy Developments (Suffolk) Limited £159,375 (2001: £192,985) as included in other creditors in note 13.

The ultimate controlling party of the company and the group for this and the preceding year is Mr. M.L. Hardy by virtue of majority shareholding.

23. Pension costs

The company operates a money purchase pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The company contributes 15% of net earnings into the scheme.

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
The pension charge for the year was:	<u>53,614</u>	<u>58,050</u>	<u>40,209</u>	<u>39,458</u>