

**REGISTRAR OF
COMPANIES**

3850821

Harkess-Ord (USA) Limited

Report and Financial Statements

Year Ended

30 June 2001



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BDO Stoy Hayward
Chartered Accountants

HARKESS-ORD (USA) LIMITED

Annual report and financial statement for the year ended 30 June 2001

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Director

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Director

G Ord

Secretary and registered office

A L Ord, Walbrook Building, Thames Quay, 195 Marsh Wall, London, E14 9SG.

Company number

3850821

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

HARKESS-ORD (USA) LIMITED

Report of the director for the year ended 30 June 2001

The director presents his annual report and financial statements for the year ended 30 June 2001.

Principal activities and trading review

The company did not trade during the financial year and accordingly no profit and loss account has been prepared.

Director and directors' interests

The director of the company during the financial year was G Ord.

G Ord does not hold any interest in the issued share capital of the company.

Director's responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board

G Ord



Director

19 December 2001

HARKESS-ORD (USA) LIMITED

Report of the independent auditors

To the shareholders of Harkess-Ord (USA) Limited

We have audited the financial statements of Harkess-Ord (USA) Limited for the year ended 30 June 2001 on pages 4 and 5 which have been prepared under the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities.

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 Director's 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.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 judgements made by the director in the preparation of the financial statements, and of 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 also evaluated the overall adequacy of the presentation of information in the financial statements.

HARKESS-ORD (USA) LIMITED

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2001 and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward.

BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

19 December 2001

HARKESS-ORD (USA) LIMITED

Balance sheet at 30 June 2001

	Note	2001 £	2000 £
Current assets - debtors			
Amount owed by parent undertaking		1	1
		<u>1</u>	<u>1</u>
Represented by:			
Capital and reserves			
Called up share capital	3	1	1
		<u>1</u>	<u>1</u>

The financial statements were approved by the Director on 19 December 2001

G Ord
Director



The notes on page 5 form part of these financial statements.

HARKESS-ORD (USA) LIMITED

Notes forming part of the financial statements for the year ended 30 June 2001

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policy has been applied:

Group financial statements

Group financial statements have not been prepared as advantage has been taken of the exemption conferred by section 248 of the Companies Act 1985.

Harkess-Ord (USA) Limited and its subsidiary company form a group located within the EU which fulfil the small and medium sized group exemptions criteria.

2 Investments

The company is the parent undertaking of Harkess-Ord LLC, a company registered and operating in the USA. The principal activity of this company is design and implementation of corporate image.

In the year ended 30 June 2001 the unaudited financial statements include:

	Year ended 30 June 2001 US\$	Year ended 30 June 2001 £	Nine months ended 30 June 2000 US\$	Nine months ended 30 June 2000 £
Loss for the year	(352,428)	(249,949)	(176,250)	(116,421)
Aggregate called up share capital and reserves	(528,678)	(374,949)	(176,250)	(116,421)

3 Share capital

	2001 £	2000 £
<i>Authorised</i> 1,000 ordinary shares of £1 each		
<i>Allotted, called up and fully paid</i> 1 ordinary share of £1 each	1	1

4 Ultimate parent company

At 30 June 2001, the company's ultimate parent company was Harkess-Ord Jersey Limited which is the parent of the smallest and largest groups of which the company is a member.