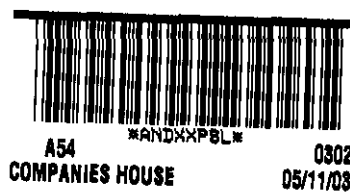


REGISTERED NUMBER: 2694092 (England and Wales)

Abbreviated Financial Statements  
for the Year Ended 31 December 2002  
for  
Pearson Harper Ltd



**Pearson Harper Ltd**

**Contents of the Abbreviated Financial Statements**  
**for the Year Ended 31 December 2002**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Abbreviated Balance Sheet</b>	<b>2</b>
<b>Notes to the Abbreviated Financial Statements</b>	<b>4</b>

**Pearson Harper Ltd**  
**Company Information**  
**for the Year Ended 31 December 2002**

**DIRECTORS:** Mr S J Pearson  
Mr D Harper

**SECRETARY:** Ms A Hayward

**REGISTERED OFFICE:** 14 Colemans Nook  
Belasis Hall Technology Park  
Billingham  
TS23 4EG

**REGISTERED NUMBER:** 2694092 (England and Wales)

**ACCOUNTANTS:** Benson Wood & Co.  
Chartered Accountants  
10 Yarm Road  
Stockton-on-Tees  
TS18 3NA

**Pearson Harper Ltd**

**Abbreviated Balance Sheet**  
**31 December 2002**

		2002		2001	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	2		39,985		131,668
<b>CURRENT ASSETS:</b>					
Stock of consumables		1,000		1,000	
Debtors		96,455		232,911	
Cash at bank and in hand		15,887		292,759	
		113,342		526,670	
<b>CREDITORS: Amounts falling due within one year</b>	3	74,400		61,606	
<b>NET CURRENT ASSETS:</b>			38,942		465,064
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			78,927		596,732
<b>CREDITORS: Amounts falling due after more than one year</b>	3		66,667		-
			£12,260		£596,732
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	4		100		100
Profit and loss account			12,160		596,632
<b>SHAREHOLDERS' FUNDS:</b>			£12,260		£596,732

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2002.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2002 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.


Pearson Harper Ltd

Abbreviated Balance Sheet

31 December 2002

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**



.....  
Mr D Harper - DIRECTOR



.....  
Mr S J Pearson - DIRECTOR

Approved by the Board on 29.10.03..

**Pearson Harper Ltd**

**Notes to the Abbreviated Financial Statements**  
**for the Year Ended 31 December 2002**

**1. ACCOUNTING POLICIES**

**Accounting convention**

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**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 33% on cost and 15% on reducing balance
Motor vehicles	- 25% on reducing balance and cost

**Stocks**

Stock is valued at the lower cost and net realisable value.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**Pensions**

The company operates a defined staff contribution pension scheme. Contributions payable for the year are charged in the profit and loss account. The directors operate an executive pension scheme and contributions payable are charged through the profit and loss account.

**Going Concern**

The nature of the company's business is such that there can be considerable unpredictable variation in the timing of cash inflows. Also the postponement of a large sales contract created a difficult situation in 2001. On the basis of cash flow information and sales and profitability forecasts, the directors consider that the Company will continue to operate within the banking facility currently agreed until spring 2003 when it will need to negotiate a small uplift to the current facility. The directors believe that the bank would grant that uplift. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the Company's bankers. The directors are however pleased to note that the previous significant inward investment made by the company is now generating a return in that orders have been placed with the company for several pilot schemes which it is anticipated will generate significant turnover and profits in the short term. Orders and interest in the company products and services have been registered from all over the world.

**Pearson Harper Ltd**

**Notes to the Abbreviated Financial Statements**  
**for the Year Ended 31 December 2002**

**2. TANGIBLE FIXED ASSETS**

	Total
	£
<b>COST:</b>	
At 1 January 2002	306,096
Disposals	(112,478)
At 31 December 2002	<u>193,618</u>
<b>DEPRECIATION:</b>	
At 1 January 2002	174,430
Charge for year	35,292
Eliminated on disposals	(56,089)
At 31 December 2002	<u>153,633</u>
<b>NET BOOK VALUE:</b>	
At 31 December 2002	<u>39,985</u>
At 31 December 2001	<u>131,668</u>

**3. CREDITORS**

The following secured debts are included within creditors:

	2002	2001
	£	£
Bank loans	<u>100,000</u>	<u>-</u>

**4. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal	2002	2001
		value:	£	£
1,000	Ordinary Shares	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	2002	2001
		value:	£	£
100	Ordinary Shares	£1	<u>100</u>	<u>100</u>

**5. TRANSACTIONS WITH DIRECTORS**

Included in legal and professional fees are monies totalling £500 for consultancy services payable to Peter Davison, who was a director of the company until 2 September 2002.

**6. DEFERRED GOVERNMENT GRANTS**

During the year to 31 December 2000 the Company received £21000 RSA Grant. The policy has been to write back to the Profit and Loss Account over a three year period