

Signed copy

REGISTERED NUMBER: 4121973 (England and Wales)

3

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2003
FOR
HEARN KENT LIMITED**



HEARN KENT LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2003**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7
Profit and Loss Account	10

HEARN KENT LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 JULY 2003**

DIRECTORS:

B Cook
R H Lampon
Mrs S Birrell
R C E Hearn

SECRETARY:

Mrs S Birrell

REGISTERED OFFICE:

Unit 6, Kingsnorth Industrial Estate
Wotton Road
Ashford
Kent
TN23 6LL

REGISTERED NUMBER:

4121973 (England and Wales)

AUDITORS:

Phipps & Co
Chartered Accountants
& Registered Auditors
Strangford House
Church Road
Ashford
Kent
TN23 1RD

HEARN KENT LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2003

The directors present their report with the financial statements of the company for the year ended 31 July 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company.

DIRECTORS

The directors during the year under review were:

B Cook
R H Lampon
Mrs S Birrell
R C E Hearn

The beneficial interests of the directors holding office on 31 July 2003 in the issued share capital of the company were as follows:

	31.7.03	1.8.02
Ordinary 'A' £1 shares		
B Cook	125	125
R H Lampon	33	33
Mrs S Birrell	175	175
R C E Hearn	175	175
Ordinary 'B' £1 shares		
B Cook	100	100
R H Lampon	59	59
Mrs S Birrell	100	100
R C E Hearn	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 of the company 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with 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

The auditors, Phipps & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has 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:



.....
B Cook - Director

Date: 6-1-04.....

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
HEARN KENT LIMITED**

We have audited the financial statements of Hearn Kent Limited for the year ended 31 July 2003 on pages five to nine. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

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 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 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 two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 Report of the Directors 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 Report of the Directors 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 directors 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Phipps & Co
Chartered Accountants
& Registered Auditors
Strangford House
Church Road
Ashford
Kent
TN23 1RD

Date: 6/1/04

HEARN KENT LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2003**

	Notes	31.7.03 £	31.7.02 £
TURNOVER		-	-
Administrative expenses		11	4,897
		(11)	(4,897)
Other operating income		37,044	57,227
OPERATING PROFIT	2	37,033	52,330
Interest receivable and similar income		3	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		37,036	52,330
Tax on profit on ordinary activities	3	-	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		37,036	52,330
Dividends	4	37,044	38,537
(DEFICIT)/RETAINED PROFIT FOR THE YEAR		(8)	13,793

The notes form part of these financial statements

	Notes	31.7.03 £	£	31.7.02 £	£
FIXED ASSETS					
Investments	5		320,600		320,600
CURRENT ASSETS					
Debtors	6	857,136		858,640	
Cash at bank		403		400	
		<u>857,539</u>		<u>859,040</u>	
CREDITORS					
Amounts falling due within one year	7	37,044		38,537	
		<u>37,044</u>		<u>38,537</u>	
NET CURRENT ASSETS			820,495		820,503
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,141,095</u>		<u>1,141,103</u>
CAPITAL AND RESERVES					
Called up share capital	8		1,000		1,000
Profit and loss account	9		1,140,095		1,140,103
			<u>1,141,095</u>		<u>1,141,103</u>
SHAREHOLDERS' FUNDS			<u>1,141,095</u>		<u>1,141,103</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



B Cook - Director

Approved by the Board on 6-1-04

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2003

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).

Consolidation

The accounts contain information about Hearn Kent Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small group.

Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the results from ordinary activities.

2. OPERATING PROFIT

The operating profit is stated after charging:

	31.7.03 £	31.7.02 £
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 July 2003 nor for the year ended 31 July 2002.

4. DIVIDENDS

	31.7.03 £	31.7.02 £
600 Ordinary 'A' shares of £1 each Final	13,044	14,537
400 Ordinary 'B' shares of £1 each Final	24,000	24,000
	<u>37,044</u>	<u>38,537</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2003

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST:	
At 1 August 2002 and 31 July 2003	320,600
NET BOOK VALUE:	
At 31 July 2003	320,600
At 31 July 2002	320,600

The company's investments at the balance sheet date in the share capital of companies include the following:

Sunray Engineering Limited

Nature of business: Engineering

	% holding	31.7.03	31.7.02
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		165,166	97,733
Profit for the year		67,433	37,795

The value of the company's investment in Sunray Engineering Limited as at 31st July 2003 is £320,000.

Hearn Engineering Limited

Nature of business: Engineering

	% holding	31.7.03	31.7.02
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		26,385	26,452
Loss for the year		(66)	(805)

The value of the company's investment in Hearn Engineering Limited as at 31st July 2003 is £600.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.03	31.7.02
	£	£
Amounts owed by group undertakings	820,092	820,103
Other debtors	37,044	38,537
	857,136	858,640

HEARN KENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2003**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.03	31.7.02
	£	£
Other creditors	<u>37,044</u>	<u>38,537</u>

8. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.03	31.7.02
			£	£
600	Ordinary 'A'	£1	600	600
400	Ordinary 'B'	£1	400	400
			<u>1,000</u>	<u>1,000</u>

9. RESERVES

	Profit and loss account £
At 1 August 2002	1,140,103
Deficit for the year	<u>(8)</u>
At 31 July 2003	<u>1,140,095</u>

10. RELATED PARTY DISCLOSURES

At the balance sheet date the company was due an amount from Sunray Engineering Limited, a subsidiary of Hearn Kent Limited, a total of £820,092 (2002 £820,103).