

Registered Number: 1670844

HARRIS FINANCE (GRAYS) LIMITED

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

FOR THE

YEAR ENDED

31ST MARCH 2001



HARRIS FINANCE (GRAYS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001

DIRECTORS:	D.E. Harris F.W. Harris (Deceased 6/7/01) N.S. Harris P.J. Greenyer F.D. Harris
SECRETARY:	P.J. Greenyer
REGISTERED NUMBER:	1670844
REGISTERED OFFICE:	601 London Road, West Thurrock, Essex. RM20 4AU
BANKERS:	Barclays Bank plc., 9 High Street, Grays, Essex. RM17 6NL
REGISTERED AUDITORS:	Rowland Hall, Chartered Accountants, 44/54 Orsett Road, Grays, Essex. RM17 5ED

CONTENTS

Page

Directors' Report	1 - 2
Auditors' Report	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6 - 7

The following page does not form part of the statutory financial statements

Computation of Operating Profit	8
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HARRIS FINANCE (GRAYS) LIMITED**DIRECTORS' REPORT**

The directors submit their report and the financial statements of the company for the year ended 31st March 2001.

PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of providing financial services.

REVIEW OF THE BUSINESS

A summary of the results for the year is given on page 4 of the financial statements.

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

RESULTS AND DIVIDENDS

The retained profit of the company for the year was £4,390 (2000 - £8,270).

The directors recommend that this be added to the retained earnings at the beginning of the year and that the balance of £44,109 be carried forward.

DIRECTORS

The directors of the company, none of whom had any interest in the shares of the company, were -

D.E. Harris

F.W. Harris (Deceased 6/7/01)

N.S. Harris

P.J. Greenyer

F.D. Harris

Mr. N.S. Harris and Mr. P.J. Greenyer retire at the Annual General Meeting and, being eligible, offer themselves for re-election.

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 judgments and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- 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.

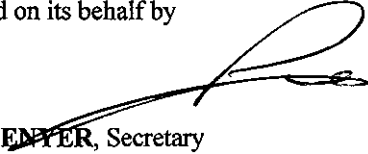
HARRIS FINANCE (GRAYS) LIMITED

DIRECTORS' REPORT
(Continued)

AUDITORS

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

Approved by the Board on 22nd November 2001
and signed on its behalf by



P.J. GREENYER, Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

HARRIS FINANCE (GRAYS) LIMITED

We have audited the financial statements on pages 4 to 7 of Harris Finance (Grays) Limited for the year ended 31st March 2001 which comprise of Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 in the Statement of Directors' Responsibilities 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 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement 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 judgments 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 31st March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

44/54 Orsett Road,
Grays, Essex

28th November 2001



ROWLAND HALL

Chartered Accountants
and Registered Auditors

HARRIS FINANCE (GRAYS) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2001

	<u>Note</u>	<u>2001</u> £	<u>2000</u> £
OPERATING INCOME	2	31,131	35,992
ADMINISTRATIVE EXPENSES		25,627	25,645
OPERATING PROFIT	3	5,504	10,347
INTEREST PAYABLE	5	17	9
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,487	10,338
TAXATION	6	1,097	2,068
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,390	8,270
RETAINED PROFITS BROUGHT FORWARD		39,719	31,449
RETAINED PROFITS CARRIED FORWARD		£44,109	£39,719

All the company's operations are classified as continuing.

The company has no recognised gains or losses other than the profits for the two years ended 31st March 2001.

The financial statements are prepared using the historical cost basis.

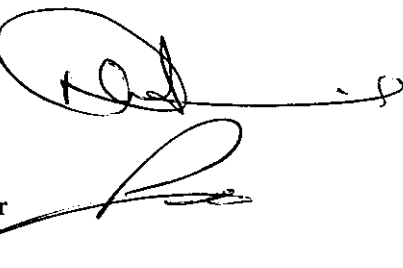
HARRIS FINANCE (GRAYS) LIMITED**BALANCE SHEET**
AS AT 31ST MARCH 2001

	<u>Note</u>	<u>2001</u>	<u>2000</u>
		£	£
CURRENT ASSETS			
Debtors	7	8,259	65,097
Cash at Bank		55,046	-
		<u>63,305</u>	<u>65,097</u>
CREDITORS - amounts falling due within one year			
	8	<u>18,196</u>	<u>24,378</u>
NET ASSETS		<u>£45,109</u>	<u>£40,719</u>
CAPITAL AND RESERVES			
Called up Share Capital	9	1,000	1,000
Profit and Loss Account		44,109	39,719
SHAREHOLDERS FUNDS	10	<u>£45,109</u>	<u>£40,719</u>

Approved by the Board on 22nd November 2001
and signed on its behalf by

D.E. HARRIS, Director

P.J. GREENYER, Director



HARRIS FINANCE (GRAYS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001

1. ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements are prepared under the historical cost convention.

b. Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

2. OPERATING INCOME

This consists solely of income from bank deposits.

3. OPERATING PROFIT

Operating profit is stated after charging -

	<u>2001</u>	<u>2000</u>
Auditors' Remuneration	£441	£793

4. STAFF COSTS

The only employees during the year, were the directors, none of whom received any remuneration during the year.

5. INTEREST PAYABLE

	<u>2001</u>	<u>2000</u>
Bank Interest	£17	£9

6. TAXATION

Taxation is based on the profit for the year and comprises -

U.K. Corporation Tax at 20% (2000 - 20%)	<u>£1,097</u>	<u>£2,068</u>
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7. DEBTORS

Amounts owed by Group undertakings	7,701	7,718
Sundry Debtors	558	57,379
	<u>£8,259</u>	<u>£65,097</u>

8. CREDITORS - amounts falling due within one year

Trade Creditors	472	3,561
Bank Overdraft	-	987
Amounts owed to Group undertakings	15,981	16,969
Other Creditors	646	793
Corporation Tax	1,097	2,068
	<u>£18,196</u>	<u>£24,378</u>

HARRIS FINANCE (GRAYS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2001

9. SHARE CAPITAL

	<u>2001</u>	<u>2000</u>
Authorised -		
50000 Ordinary Shares of £1 each	<u>£50,000</u>	<u>£50,000</u>
Allotted and Fully Paid -		
1000 Ordinary Shares of £1 each	<u>£1,000</u>	<u>£1,000</u>

10. SHAREHOLDERS FUNDS

Profit for the Year	4,390	8,270
Opening Shareholders Funds	<u>40,719</u>	<u>32,449</u>
Closing Shareholders Funds	<u>£45,109</u>	<u>£40,719</u>

11. ULTIMATE HOLDING COMPANY

The ultimate holding company is Harris Holdings (Grays) Limited a Company registered in England.

12. RELATED PARTY TRANSACTIONS

i) Ultimate Controlling Party

The company is a wholly owned subsidiary of Harris Holdings (Grays) Limited. That company is controlled by members of the Harris family who are regarded as being the ultimate controlling party of Harris Finance (Grays) Limited.

ii) Advantage is taken of FRS8 disclosure exemptions for inter-group transactions. All group companies are wholly owned by the parent company who prepares publicly available and consolidated financial statements.