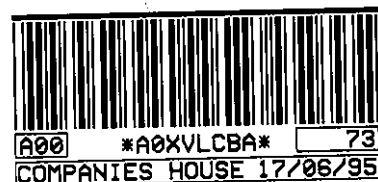


Registrar

COMPANY NO: 2079310

P.D.Q. ENGINEERING LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 28TH FEBRUARY 1995

R.Tait Walker & Co.
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS



BULMAN HOUSE
REGENT CENTRE
GOSFORTH
NEWCASTLE UPON TYNE
NE3 3LS

AUDITORS REPORT TO THE DIRECTORS OF P.D.Q. ENGINEERING LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 6 together with the full financial statements of P.D.Q. Engineering Limited prepared under Section 226 of the Companies Act 1985 for the year ended 28th February 1995.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of our report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 28th February 1995, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

On 31 May 1995 we reported, as auditors of P.D.Q. Engineering Limited, to the shareholders on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 28th February 1995, and our audit report was as follows:

- " We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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.

BULMAN HOUSE
REGENT CENTRE
GOSFORTH
NEWCASTLE UPON TYNE
NE3 3LS

AUDITORS REPORT TO THE DIRECTORS OF P.D.Q. ENGINEERING LIMITED (continued)

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

BASIS OF OPINION (continued)

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 28th February 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985. "

R. Tait Walker & Co.

R. Tait Walker & Co.

Chartered Accountants
Registered Auditors

31st May 1995

P.D.Q. ENGINEERING LIMITED

ABBREVIATED BALANCE SHEET

At 28th February 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Tangible Assets	2	1,026,115	849,950
CURRENT ASSETS			
Stocks and Work in Progress		14,225	11,170
Debtors		253,605	168,920
Cash at Bank and in Hand		625	512
		<u>268,455</u>	<u>180,602</u>
CREDITORS: amounts falling due within one year	3	(535,219)	(395,477)
NET CURRENT LIABILITIES		<u>(266,764)</u>	<u>(214,875)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>759,351</u>	<u>635,075</u>
CREDITORS: amounts falling due after more than one year	3	(308,923)	(231,068)
		<u>450,428</u>	<u>404,007</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Taxation		(75,816)	(65,324)
Grant Reserve		(114,632)	(143,133)
NET ASSETS		<u>£ 259,980</u>	<u>£ 195,550</u>
CAPITAL AND RESERVES			
Called up Share Capital	4	73,000	73,000
Capital Redemption Reserve		38,000	27,000
Profit and Loss Account		148,980	95,550
SHAREHOLDERS FUNDS (INCLUDING NON-EQUITY INTERESTS)		<u>£ 259,980</u>	<u>£ 195,550</u>

Advantage is taken of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act 1985 with respect to the delivery of individual accounts. In the opinion of the directors, the company is entitled to those exemptions on the grounds that it has met the qualifications for a small company specified in Sections 246 and 247 of the Companies Act 1985.

D. G. McGuire

P. Jackson

Directors

31st May 1995

P.D.Q. ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For The Year Ended 28th February 1995

1. ACCOUNTING POLICIES

—Accounting Convention—

The financial statements have been prepared under the historical cost convention.

—Depreciation—

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset, over its expected useful life, on a reducing balance basis unless otherwise stated:

Freehold Buildings	2% Straight Line
Plant and Machinery	15%
Fixtures and Fittings	15%
Motor Vehicles	25%

—Deferred Government Grants—

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual amounts.

Grants of a revenue nature are credited to income in the period to which they relate.

—Stocks and Work in Progress—

Stocks are stated at the lower of cost or net realisable value as follows:

Cost incurred in bringing each product to its present location and condition

Raw Materials and Consumables	—	purchase cost on a first in, first out basis
Work in Progress	—	cost of direct materials and labour plus attributable overheads based on normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

—Deferred Taxation—

Deferred taxation is provided under the liability method on all short term timing differences. Provision is also made for long term timing differences except for those which are not expected to reverse in the future.

—Leasing and Hire Purchase Commitments—

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

—Pension Costs—

The company operates a defined contribution pension scheme for selected employees and directors. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

P.D.Q. ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS For The Year Ended 28th February 1995

2. TANGIBLE ASSETS

	Total
Cost	£
At 1st March 1994	1,279,929
Additions	282,333
Disposals	(22,264)
At 28th February 1995	<u>1,539,998</u>
Depreciation	
At 1st March 1994	429,979
Charge for Year	96,030
Disposals	(12,126)
At 28th February 1995	<u>513,883</u>
Net Book Value	
At 28th February 1995	£ 1,026,115
At 28th February 1994	<u>£ 849,950</u>

3. CREDITORS

Included in creditors is a bank overdraft amounting to £192,056 (1994 £133,091) which is secured by a legal mortgage over the company's land and buildings at Industrial Road, Washington, and a bank loan amounting to £173,585 (1994 £193,040) which is secured on the company's land and factory at Industrial Road, Washington.

Obligations under finance leases and hire purchase contracts are secured by related assets and bear finance charges at commercial rates of interest.

4. CALLED UP SHARE CAPITAL

	1995	1994
Authorised	£	£
100,000 Ordinary Shares of £1 each	100,000	100,000
38,000 Cumulative Redeemable Non-voting Preference Shares of £1 each.	38,000	38,000
	<u>£ 138,000</u>	<u>£ 138,000</u>
Allotted, Called up and Fully Paid		
73,000 Ordinary Shares of £1 each	73,000	62,000
11,000 Cumulative Redeemable Non-voting Preference Shares of £1 each.	—	11,000
	<u>£ 73,000</u>	<u>£ 73,000</u>

On 17th June 1994 11,000 cumulative redeemable non-voting preference shares were redeemed at par and 11,000 ordinary shares were issued at par.

The transactions were carried out in order to rationalise the capital structure of the company.

P.D.Q. ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For The Year Ended 28th February 1995

5. TRANSACTIONS WITH DIRECTORS

Included in other debtors are loans to directors:

Amount outstanding at end of the year

Amount outstanding at beginning of the year

Maximum outstanding during the year

T. Gibson	P. Jackson	Total
£	£	£
£0	£2,143	2,143
£6,130	£2,007	8,137
£10,236	£2,143	12,379