

COMPANY NO: 2079310

P.D.Q. ENGINEERING LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 28TH FEBRUARY 1997

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



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REGENT CENTRE
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AUDITORS REPORT TO PDQ 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 financial statements of P.D.Q. Engineering Limited prepared under Section 226 of the Companies Act 1985 for the year ended 28th February 1997.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 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 1997, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

On ~~9 December~~ 1997 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 1997, and our audit report was as follows:

- " We have audited the financial statements on pages 3 to 13 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on page 6.

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.

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AUDITORS REPORT TO 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 1997 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.

9 December 1997.

R. Tait Walker & Co.

Chartered Accountants
Registered Auditors

P.D.Q. ENGINEERING LIMITED

ABBREVIATED BALANCE SHEET

At 28th February 1997

	Notes	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible Assets	2		1,163,570		1,264,674
CURRENT ASSETS					
Stocks and Work in Progress		11,554		13,683	
Debtors	5	328,247		306,642	
Cash at Bank and in Hand		2,848		3,326	
		<u>342,649</u>		<u>323,651</u>	
CREDITORS: amounts falling due within one year	3	(755,353)		(791,979)	
NET CURRENT LIABILITIES			<u>(412,704)</u>		<u>(468,328)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>750,866</u>		<u>796,346</u>
CREDITORS: amounts falling due after more than one year	3		(106,152)		(311,643)
			<u>644,714</u>		<u>484,703</u>
PROVISION FOR LIABILITIES					
Deferred Taxation		84,493		90,108	
Grant Reserve		27,129		31,917	
			<u>(111,622)</u>		<u>(122,025)</u>
NET ASSETS		£	<u>533,092</u>	£	<u>362,678</u>
CAPITAL AND RESERVES					
Called up Share Capital	4		73,000		73,000
Capital Redemption Reserve			38,000		38,000
Revaluation Reserve			75,690		-
Profit and Loss Account			346,402		251,678
SHAREHOLDERS FUNDS		£	<u>533,092</u>	£	<u>362,678</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.

X D. G. McGuire

X P. Jackson

} Directors

X The financial statements were approved by the Board of Directors on 8 December 1997

P.D.Q. ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For The Year Ended 28th February 1997

1. ACCOUNTING POLICIES

-Accounting Convention-

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of freehold property.

-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 and work in progress 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 and Finished Goods	-	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. Rentals paid under operating leases are charged to the profit and loss account as they occur.

-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 1997

2. TANGIBLE ASSETS

	Total
	£
Cost or Valuation	
At 1st March 1996	1,917,420
Surplus on Revaluation	42,503
Additions	3,169
Disposals	(37,304)
At 28th February 1997	1,925,788
Depreciation	
At 1st March 1996	652,746
On Revaluation	(33,187)
Charge for Year	151,985
On Disposals	(9,326)
At 28th February 1997	762,218
Net Book Value	
At 28th February 1997	£ 1,163,570
At 29th February 1996	£ 1,264,674

3. CREDITORS

Included in creditors is a bank overdraft amounting to £260,528 (1996 £191,450) secured by a legal mortgage over the company's land and buildings at Industrial Road, Washington and a mortgage debenture from PDQ Limited, and a bank loan amounting to £133,224 (1996 £154,805) which is secured on the company's land and factory at Industrial Road, Washington. There are also obligations under finance leases and hire purchase contracts, amounting to £187,726 (1996 £402,091) which are secured by related assets.

4. CALLED UP SHARE CAPITAL

	1997	1996
	£	£
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
	£ 138,000	£ 138,000
Allotted, Called up and Fully Paid		
73,000 ordinary shares of £1 each	73,000	73,000
	£ 73,000	£ 73,000

P.D.Q. ENGINEERING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For The Year Ended 28th February 1997

5. TRANSACTIONS WITH DIRECTORS

Included in other debtors is a loan to a director:

P. Jackson

£

Amount outstanding at end of the year

£ 11,338

Amount outstanding at beginning of the year

£ -

Maximum outstanding during the year

£ 11,338