

R. TAIT WALKER



CHARTERED ACCOUNTANTS

P.D.Q. ENGINEERING LIMITED
COMPANY NUMBER 2079310

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 1998



Adding Value to Business

P.D.Q. ENGINEERING LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 28th FEBRUARY 1998

CONTENTS	PAGES
Auditors' report to the company	1
Abbreviated balance sheet	2 to 3
Notes to the abbreviated financial statements	4 to 7

P.D.Q. ENGINEERING LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 7, together with the financial statements of the company for the year ended 28th February 1998 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 7 are properly prepared in accordance with those provisions.

R. Tait Walker & Co.

Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

R. TAIT WALKER & CO.
Chartered Accountants
& Registered Auditors

10 December 1998.

P.D.Q. ENGINEERING LIMITED**ABBREVIATED BALANCE SHEET****28th FEBRUARY 1998**

	Note	1998	1997
		£	£
FIXED ASSETS	2		
Tangible assets		1,010,540	1,163,570
CURRENT ASSETS			
Stocks		13,690	11,554
Debtors		342,237	328,247
Cash at bank and in hand		9,977	2,846
		<u>365,904</u>	<u>342,647</u>
CREDITORS: Amounts falling due within one year	3	<u>(625,203)</u>	<u>(755,351)</u>
NET CURRENT LIABILITIES		(259,299)	(412,704)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>751,241</u>	<u>750,866</u>
CREDITORS: Amounts falling due after more than one year	4	(75,073)	(106,152)
PROVISIONS FOR LIABILITIES AND CHARGES		(75,303)	(84,493)
GOVERNMENT GRANTS		<u>(23,060)</u>	<u>(27,129)</u>
		<u>577,805</u>	<u>533,092</u>

The balance sheet continues on the following page.

The notes on pages 4 to 7 form part of these financial statements.

P.D.Q. ENGINEERING LIMITED

ABBREVIATED BALANCE SHEET *(continued)*

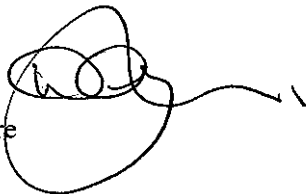
28th FEBRUARY 1998

	Note	1998 £	1997 £
CAPITAL AND RESERVES			
Called-up equity share capital	6	73,000	73,000
Revaluation reserve		75,690	75,690
Other reserves		38,000	38,000
Profit and loss account		391,115	346,402
SHAREHOLDERS' FUNDS		<u>577,805</u>	<u>533,092</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the10-12.....19⁹⁸ and are signed on their behalf by:

D G McGuire
Director



P Jackson
Director



The notes on pages 4 to 7 form part of these financial statements.

P.D.Q. ENGINEERING LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 28th FEBRUARY 1998

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of value added tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% straight line
Plant and Equipment	- 15% reducing balance
Fixtures and Fittings	- 15% reducing balance
Motor Vehicles	- 25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

P.D.Q. ENGINEERING LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 28th FEBRUARY 1998

1. ACCOUNTING POLICIES *(continued)*

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 amounts.

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

2. FIXED ASSETS

	Tangible Fixed Assets £
COST OR VALUATION	
At 1st March 1997	1,925,788
Additions	3,445
Disposals	(65,748)
At 28th February 1998	<u>1,863,485</u>
DEPRECIATION	
At 1st March 1997	762,218
Charge for year	121,677
On disposals	(30,950)
At 28th February 1998	<u>852,945</u>
NET BOOK VALUE	
At 28th February 1998	<u>1,010,540</u>
At 28th February 1997	<u>1,163,570</u>

P.D.Q. ENGINEERING LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 28th FEBRUARY 1998

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	1998 £	1997 £
Bank loans and overdrafts	337,765	295,774
Hire purchase agreements	2,319	179,551
	<u>340,084</u>	<u>475,325</u>

The bank overdraft is secured by a legal mortgage, dated 25th January 1991, over the company's land and buildings at Industrial Road, Washington and a mortgage debenture dated 5th September 1991.

The bank loan is repayable by monthly instalments of £2,937 at an interest rate of 3.125% above base rates. The loan 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. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	1998 £	1997 £
Bank loans and overdrafts	75,073	97,977
Hire purchase agreements	-	8,175
	<u>75,073</u>	<u>106,152</u>

The bank loan is repayable by monthly instalments of £2,937 at an interest rate of 3.125% above base rates. The loan 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.

P.D.Q. ENGINEERING LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 28th FEBRUARY 1998

5. TRANSACTIONS WITH THE DIRECTORS

Included in other debtors is a loan to P. Jackson :

	1998 £	1997 £
Amount outstanding at end of year	<u>10,164</u>	<u>11,338</u>
Amount outstanding at beginning of year	<u>11,338</u>	<u>-</u>
Maximum outstanding during the year	<u>11,338</u>	<u>11,338</u>

6. SHARE CAPITAL

Authorised share capital:

	1998 £	1997 £
100,000 Ordinary shares of £1 each	100,000	100,000
38,000 Preference shares of £1 each	<u>38,000</u>	<u>38,000</u>
	<u>138,000</u>	<u>138,000</u>

Allotted and called up:

	1998		1997	
	No.	£	No.	£
Ordinary shares fully paid	<u>73,000</u>	<u>73,000</u>	<u>73,000</u>	<u>73,000</u>