

REGISTERED NUMBER: 01538814 (England and Wales)

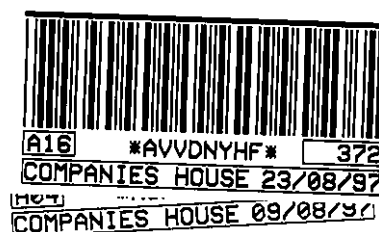
ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST JANUARY 1997

FOR

P C G HYDRAULICS LIMITED



P C G HYDRAULICS LIMITED

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for the Year Ended 31st January 1997

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P C G HYDRAULICS LIMITED

COMPANY INFORMATION
for the Year Ended 31st January 1997

DIRECTOR: F W Pulley

SECRETARY: Mrs B M Degg

REGISTERED OFFICE: Dutton Road
Aldermans Green Industrial Estate
Coventry
CV2 2LE

REGISTERED NUMBER: 01538814 (England and Wales)

AUDITORS: Chaplin Hall & Co
Accountants
Registered Auditors
329/333 Broadgate House
Coventry
CV1 1NH

P C G HYDRAULICS LIMITED

REPORT OF THE AUDITORS TO
P C G HYDRAULICS LIMITED

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

We have examined the abbreviated financial statements on pages four to seven together with the full financial statements of P C G Hydraulics Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st January 1997.

Respective responsibilities of director and auditors

The director is responsible for preparing the abbreviated financial statements 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 director's statement on page four and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this 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 31st January 1997, and the abbreviated financial statements on pages four to seven have been properly prepared in accordance with that Schedule.

Other information

On 31ST JULY 1997 we reported, as auditors of P C G Hydraulics Limited, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st January 1997, and our audit report was as follows:

"We have audited the financial statements on pages four to thirteen which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of director and auditors

As described on page two the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 judgments made by the director 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.

P C G HYDRAULICS LIMITED

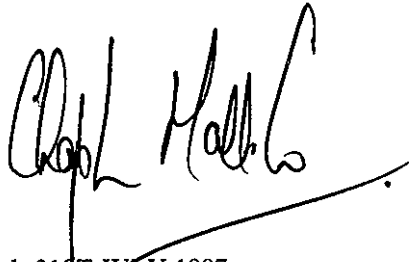
REPORT OF THE AUDITORS TO
P C G HYDRAULICS LIMITED

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st January 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

Chaplin Hall & Co
Accountants
Registered Auditors
329/333 Broadgate House
Coventry
CV1 1NH

A handwritten signature in black ink, appearing to read 'Chaplin Hall & Co', with a long horizontal line extending from the end of the signature.

Dated: 31ST JULY 1997

P C G HYDRAULICS LIMITED

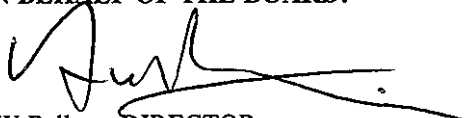
ABBREVIATED BALANCE SHEET

31st January 1997

		1997		1996	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	2		265,431		281,587
Investments	3		26,000		26,000
			<u>291,431</u>		<u>307,587</u>
CURRENT ASSETS:					
Stocks		42,407		16,089	
Debtors		221,034		176,645	
Cash at bank and in hand		84,617		30,960	
		<u>348,058</u>		<u>223,694</u>	
CREDITORS: Amounts falling due within one year	4	291,283		212,087	
		<u>291,283</u>		<u>212,087</u>	
NET CURRENT ASSETS:			56,775		11,607
TOTAL ASSETS LESS CURRENT LIABILITIES:			348,206		319,194
CREDITORS: Amounts falling due after more than one year	4		44,000		67,479
			<u>£304,206</u>		<u>£251,715</u>
CAPITAL AND RESERVES:					
Called up share capital	5		50		50
Capital redemption reserve			50		50
Profit and loss account			304,106		251,615
			<u>£304,206</u>		<u>£251,715</u>
Shareholders' funds			<u>£304,206</u>		<u>£251,715</u>

These abbreviated financial statements have 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:


F W Pulley - DIRECTOR

Approved by the Board on 31ST JULY 1997

The notes form part of these financial statements

P C G HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31st January 1997

1. ACCOUNTING POLICIES

Accounting convention

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

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 15% reducing balance basis
Fixtures and fittings	- 15% reducing balance basis
Motor vehicles	- 25% reducing balance basis
Office furniture and equipment	- 15% reducing balance basis

No depreciation is provided on leasehold property.

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pension costs

Retirement benefits for certain employees are funded by either contributions from the company or from the employee and the Company. Contributions are charged to profit and loss account for the year in which they are payable.

P C G HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31st January 1997

2. TANGIBLE FIXED ASSETS

	Total
	£
COST:	
At 1st February 1996 and 31st January 1997	401,913
DEPRECIATION:	
At 1st February 1996	120,326
Charge for year	16,156
At 31st January 1997	136,482
NET BOOK VALUE:	
At 31st January 1997	265,431
At 31st January 1996	281,587

3. FIXED ASSET INVESTMENTS

	£
COST:	
At 1st February 1996 and 31st January 1997	26,000
NET BOOK VALUE:	
At 31st January 1997	£26,000
At 31st January 1996	£26,000

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

Tebunus Limited

Nature of business: Safety systems and equipment

	%
Class of shares:	holding
Ordinary	65.00

	1997	1996
	£	£
Aggregate capital and reserves	74,729	101,694
Profit/(Loss) for the year	11,809	(4,517)

The company is exempt from preparing group accounts in accordance with section 249 of the Companies Act 1985 as it is the parent of a small or medium group as defined by section 248 of the Companies Act 1985.

P C G HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31st January 1997

4. CREDITORS

The following secured debts are included within creditors:

	1997	1996
	£	£
Other loans	56,000	139,351
Hire purchase contracts	7,479	28,300
	<u>63,479</u>	<u>167,651</u>

5. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	1997	1996
			£	£
100	Ordinary	£1	100	100
			<u> </u>	<u> </u>
Allotted and issued:				
Number:	Class:	Nominal value:	1997	1996
			£	£
50	Called up share capital	£1	50	50
			<u> </u>	<u> </u>

6. TRANSACTIONS WITH DIRECTOR

PCG Hydraulics Limited has a 65% shareholding and Mr F W Pulley (the Director of PCG Hydraulics Limited) has a 35% shareholding in Tebunus Limited to which the company sold a quantity of goods during the year. These sales were made on a normal commercial trading basis. Apart from the above no director either during or at the financial year end was materially interested in any contract that was significant in relation to the Company's business.