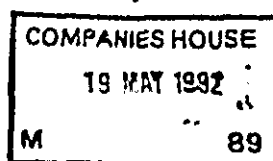


BERENDSEN FLUID POWER LIMITED  
(Formerly Sacol Hydraulics Limited)  
REPORTS AND ACCOUNTS  
FOR THE YEAR ENDED 31st MARCH, 1991

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Registered No. 926679

BERENDSEN FLUID POWER LIMITED  
(Formerly Sacol Hydraulics Limited)  
REPORT OF THE DIRECTORS

The Directors present their report and accounts of the company for the year ended 31st March, 1991.

PRINCIPAL ACTIVITY

The company's principal activity in the year under review was the design, manufacture, assembly and distribution of hydraulic equipment.

REVIEW OF BUSINESS

A summary of the results of the year's trading is given on page 4 of the accounts. On the 21st November 1990, under a reorganisation of the Sacol Group, the shares of the Company were transferred to Switchfocus Limited.

On the 27th March 1991, Sophus Berendsen AS of Denmark acquired the share capital of Switchfocus Limited. On the 23rd December 1991, the shares of the company were transferred to S. Berendsen Limited.

On the 1st January 1992, the company changed its name to Berendsen Fluid Power Limited, and it acquired the assets and liabilities of Double D Hydraulics Limited and Angus & Crichton Sales Limited.

The Directors consider that the state of affairs of the company is satisfactory.

DIVIDENDS

The Directors recommend that no dividend be paid (1990 - £150,000) and that the loss of £80,974 be deducted from retained profits.

DIRECTORS

The following Directors held office during the period:-

J. Ajslev (Appointed 27th March, 1991)  
G. Balle (Appointed 27th March, 1991)  
D. Brown (Resigned 16th January, 1992)  
D. Hepburn (Appointed 128th June, 1991)  
P. Hill (Resigned 31st December, 1991)  
R. Knott (Appointed 31st December, 1991)  
A.J.W. Stancomb (Resigned 27th March, 1991)  
I.T. Tucker (Resigned 31st December, 1991)

No Directors have held any beneficial interests in the ordinary shares of the company.

Messrs. D. Brown and A.J.W. Stancomb were Directors of Sacol Group Limited, the holding company up to 21st November 1990, and their shareholdings therein are disclosed in the Director's Report of that company. Mr. P. Hill had a beneficial interest in 500 shares in Sacol Group Limited at the 1st April, 1990.

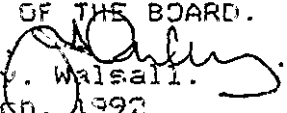
FIXED ASSETS

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the accounts.

AUDITORS

During the course of the year Lyon Pilcher resigned as Auditors and have been replaced by KPMG Peat Marwick. In accordance with Section 385 of the Companies Act 1985, a resolution proposing the reappointment of KPMG Peat Marwick as Auditors to the company will be put forward at the Annual General Meeting.

BY ORDER OF THE BOARD.

J. Duley,   
Secretary, Walsall.  
13th March, 1992

Dukes Keep  
Marsh Lane  
Southampton  
Hampshire SO1 1EX

Report of the auditors to the directors of Berendsen Fluid Power Limited pursuant to paragraph 8 of schedule 8 to the Companies Act 1985.

We have examined the abbreviated accounts on pages 4 to 12, together with the full accounts of Berendsen Fluid Power Limited for the year ended 31 March 1991. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 5 and that the abbreviated accounts have been properly prepared from the full accounts.

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Part 11 of schedule 8 to that Act in respect of the year ended 31 March 1991, and the abbreviated accounts on pages 4 to 12 have been properly prepared in accordance with that schedule.

On 13 March 1992 we reported, as auditors of Berendsen Fluid Power Limited, to the members on the full accounts prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1991, and our audit report was as follows:

"We have audited the accounts on pages 4 to 12 in accordance with Auditing Standards, except that the scope of our work was limited by the matters referred to below.

We were not appointed auditors of the company until March 1991 and in consequence did not report on the accounts for the year ended 31 March 1990. At 31 March 1991, the company established a provision for slow moving and obsolete stock of £124,225. There were no satisfactory audit procedures that we could adopt to ascertain to what extent the amount provided should have been dealt with in prior years. Any part of this provision that should have been so dealt with would have reduced the profit of prior years and also reduced the loss for the year ended 31 March 1991 by a like amount.

The company did not carry out a physical count of stock at 31 March 1990 and there were no practicable alternative auditing procedures that we could apply to confirm quantities. Accordingly, we have been unable to obtain all the information and explanations considered necessary to satisfy ourselves as to the existence of stock valued at £570,546 at 31 March 1990. Any adjustment to this figure would affect the loss for the year ended 31 March 1991.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 March 1991 but, because of the possible material effect of the matters referred to above, we are unable to form an opinion as to whether the accounts give a true and fair view of the loss and source and application of funds for the year then ended. In all other respects, in our opinion, the accounts have been properly prepared in accordance with the Companies Act 1985."

*KPMG Peat Marwick*

Chartered Accountants  
Registered Auditor

13 March 1992

BERENDSEN FLUID POWER LIMITED  
 (Formerly Sacol Hydraulics Limited)  
PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH, 1991

	Notes	1991 £	1990 £
GROSS PROFIT		1,109,869	1,212,492
Administrative expenses		(279,950)	(123,184)
Other operating charges		(743,701)	(763,904)
Exceptional Item	6	(124,225)	-
		(1,147,876)	(887,088)
OPERATING (LOSS)/PROFIT	2	(38,007)	325,404
Interest payable	4	(56,759)	(40,428)
Interest receivable	5	239	75
(LOSS)/PROFIT on ordinary activities before taxation		(94,527)	285,051
TAXATION	7	13,553	(113,475)
(LOSS)/PROFIT on ordinary activities after taxation		(80,974)	171,576
Dividend Payable		-	(150,000)
(Loss)/Profit for the Financial year		(80,974)	21,576
RETAINED RESERVES as at 1st April 1990		300,952	279,376
RETAINED RESERVES as at 31st March 1991		£219,978 =====	£300,952 =====

The notes on pages 7 to 12 form part of these accounts.

BERENDSEN FLUID POWER LIMITED  
(Formerly Sacol Hydraulics Limited)  
BALANCE SHEET 31ST MARCH, 1991

	Notes	1991 £	1990 £
FIXED ASSETS			
Tangible assets	8	181,522	112,403
CURRENT ASSETS			
Stocks and work in progress	9	429,696	570,546
Debtors	10	684,101	771,425
Cash in hand		3,168	129,409
		<u>1,116,965</u>	<u>1,471,380</u>
CREDITORS			
Amounts falling due within one year	11	(1,070,732)	(1,266,928)
		<u>46,233</u>	<u>204,452</u>
NET CURRENT ASSETS			
		<u>227,755</u>	<u>316,855</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one Year	13	(7,677)	(2,250)
		<u>220,078</u>	<u>314,605</u>
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Taxation	15	-	13,553
		<u>£220,078</u>	<u>£301,052</u>
		=====	=====
CAPITAL AND RESERVES			
Share capital	16	100	100
Profit and loss account		219,978	300,952
		<u>£220,078</u>	<u>£301,052</u>
		=====	=====

Statement by the Directors:

The Directors have taken advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a medium sized company.

The accounts were approved by the Board of Directors on 13 March 1992 and are signed on its behalf by:

..... D. HEPBURN - Director

The notes set out on pages 7 to 12 form part of these accounts.

BERENDSEN FLUID POWER LIMITED  
 (Formerly Sacol Hydraulics Limited)  
SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST MARCH, 1991

	1991 £	1990 £
	<hr/>	<hr/>
<b>SOURCE OF FUNDS</b>		
Funds utilised in operations:		
(Loss)/Profit before taxation	(94,527)	285,051
Adjustment for items not involving the movement of funds:		
Depreciation	38,781	29,876
(Profit) on disposal of fixed assets	(1,090)	(289)
<b>FUNDS (ABSORBED BY)/GENERATED FROM OPERATIONS</b>	<hr/> (56,836) <hr/>	<hr/> 314,638 <hr/>
Funds from other sources:		
Proceeds on disposal of fixed assets	16,481	16,313
	<hr/> (40,355) <hr/>	<hr/> 330,951 <hr/>
<b>APPLICATION OF FUNDS</b>		
Purchase of tangible fixed assets	123,291	32,578
(Increase)/Reduction in hire purchase liability	(18,736)	(1,734)
Group loss relief	-	115,294
Taxation paid	102	2,741
Dividend paid	150,000	-
	<hr/> 254,657 <hr/>	<hr/> 148,879 <hr/>
<b>NET MOVEMENT IN WORKING CAPITAL</b>	<hr/> £(295,012) <hr/>	<hr/> £ 182,082 <hr/>
<b>COMPONENTS OF MOVEMENT IN WORKING CAPITAL</b>		
Stock (Decrease)/Increase	(140,850)	48,587
Debtors (Decrease)/Increase	(87,324)	(3,749)
Creditors Decrease/(Increase)	702,269	206,439
	<hr/> 174,095 <hr/>	<hr/> 251,277 <hr/>
<b>Movement in net liquid funds:</b>		
Cash and bank balances (Decrease)	(126,241)	(69,245)
Bank overdraft (Increase)	(642,866)	-
	<hr/> (769,107) <hr/>	<hr/> (69,245) <hr/>
	<hr/> £(295,012) <hr/>	<hr/> £182,082 <hr/>
	=====	=====

The notes on pages 7 to 12 form part of these accounts

BERENDSEN FLUID POWER LIMITED  
(Formerly Sacol Hydraulics Limited)  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST MARCH, 1991

1. ACCOUNTING POLICIES

**Basis of Accounting:**

The accounts have been prepared under the historical cost convention and have been prepared in accordance with applicable accounting standards.

**Tangible Fixed Assets:**

Depreciation is provided by reducing the written down values at the following annual rates which are relative to their estimated useful lives:

Plant and machinery	15% on written down values
Motor vehicles	25% on written down values
Office equipment	15% on written down values

except for the undermentioned assets which are charged on the straight line basis over the periods stated:

Short term leasehold properties	Over remaining period of lease
Specialised equipment	5 years

**Leases:**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "Finance Lease". The asset is recorded in the Balance Sheet as a Tangible Fixed Asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'Operating Leases', and the rental charges are charged to the Profit and Loss Account on a straight line basis over the life of a lease.

**Stocks:**

Stock and work in progress is valued on an average cost basis after making due allowance for obsolete and slow moving items.

The cost of products manufactured by the company consists of direct materials and labour costs. Cost is calculated using the first-in first-out method.

**Deferred Taxation:**

The company provides at current rates of tax for taxation deferred in respect of all material timing differences, except to the extent that, in the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future.

**BERENDSEN FLUID POWER LIMITED**  
**(Formerly Sacol Hydraulics Limited) NOTES TO THE ACCOUNTS (CONT.)**

<b>2. OPERATING (LOSS)/PROFIT</b>	<b>£</b>	<b>£</b>
The operating (loss)/profit is stated after charging:		
Derreciation of tangible fixed assets	33,731	24,276
Hire of equipment	6,695	5,639
Staff costs (note 4)	567,454	488,474
Auditors' remuneration	6,835	3,575
Operating leases - Vehicle contract hire	25,350	20,907
- Property rent	52,586	37,357
Profit on disposal of fixed assets	(1,090)	(289)
	<hr/>	<hr/>
<b>3. STAFF COSTS</b>		
Wages and salaries	508,272	437,970
Social security costs	40,851	35,696
Other pension costs	18,331	14,808
	<hr/>	<hr/>
	£567,454	£438,474
	=====	=====

The average weekly number of employees during the year was as follows:-

	Number	Number
Administration	4	2
Sales and Service	33	30
Warehouse	9	7
	<hr/>	<hr/>
	46	40
	==	==

Directors' emoluments which are included in the above staff costs are as follows:-

	1991	1990
	£	£
Emoluments including pension contributions	£61,050	£66,221
	=====	=====
Emoluments of chairman	nil	nil
	==	==
Emoluments of highest paid Director	£37,106	£35,926
	=====	=====
Number of other Directors whose emoluments were within the ranges £ 0 - £ 3,000	3	1
£25,001 - £30,000	1	1
	==	==

All emoluments include taxable benefits.



**BERENDSEN FLUID POWER LIMITED**  
**(Formerly Sacol Hydraulics Limited) NOTES TO THE ACCOUNTS (CONT.)**

	1991 £	1990 £
4. INTEREST PAYABLE		
Bank overdraft	53,434	38,658
Hire purchase agreements	3,075	1,470
	<u>£56,759</u>	<u>£40,428</u>
	=====	=====
5. INTEREST RECEIVABLE		
Interest received from customers	£239	£75
	==	==
6. EXCEPTIONAL ITEM		
Provision for stock write down	£124,225	-
	=====	=====
7. TAXATION		
Corporation Tax on the results for the year	-	-
Underprovision in previous years	-	270
Group losses surrendered	-	115,284
Deferred tax release	(13,553)	(2,079)
	<u>£(13,553)</u>	<u>£113,475</u>
	=====	=====

**8. TANGIBLE FIXED ASSETS**

	Short term leasehold properties £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<b>COST</b>					
At 1.4.90	34,078	37,471	80,052	87,625	239,226
Additions	4,198	2,445	53,315	61,768	121,726
Disposals	(1,334)	(1,358)	(31,804)	(12,228)	(47,324)
Inter-group transfers	-	-	3,823	-	3,823
	<u>36,342</u>	<u>33,558</u>	<u>105,386</u>	<u>137,165</u>	<u>317,451</u>
At 31.3.91	36,342	33,558	105,386	137,165	317,451
<b>DEPRECIATION</b>					
At 1.4.90	18,720	19,130	41,496	47,477	126,823
Disposals	(334)	(1,078)	(23,605)	(6,915)	(31,933)
Charge for year	1,424	2,881	17,305	17,171	38,781
Inter-group transfers	-	-	2,258	-	2,258
	<u>19,810</u>	<u>20,933</u>	<u>37,454</u>	<u>57,732</u>	<u>135,929</u>
At 31.3.91	19,810	20,933	37,454	57,732	135,929
<b>WRITTEN DOWN VALUES</b>					
At 31.3.91	£16,532	£17,625	£67,932	£79,433	£181,522
	=====	=====	=====	=====	=====
At 31.3.90	£15,358	£18,341	£38,556	£40,148	£112,403
	=====	=====	=====	=====	=====

At 31st March 1991, there were no capital expenditure commitments (1990 - nil).

BERENDSEN FLUID POWER LIMITED

(Formerly Sacol Hydraulics Limited) NOTES TO THE ACCOUNTS (CONT.)

8. TANGIBLE FIXED ASSETS (CONTINUED)

Details of fixed assets held under finance leases and hire purchase contracts, which are included in the relevant headings above, are as follows:-

	1991	1990
Written down values: Motor vehicles	£56,695	£19,433
	=====	=====
Depreciation charge for year: Motor vehicles	£12,667	£4,929
	=====	=====

9. STOCKS

Work in progress	11,580	8,191
Finished products	418,116	562,355
	£429,696	£570,546
	=====	=====

10. DEBTORS

Trade debtors	636,180	746,380
Other debtors	6,813	933
Prepayments	41,108	24,112
	£684,101	£771,425
	=====	=====

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank overdraft (Note 13)	642,866	-
Hire purchase liability	20,825	7,516
Trade creditors	343,015	482,377
Amounts owed to group companies	-	546,498
Other creditors, including taxation and Social Security	18,168	44,759
Accruals	45,858	75,278

	£ 1,070,732	£1,116,928
	=====	=====

Dividend payable

	£1,070,732	£1,266,928
	=====	=====

Other Creditors including Taxation and Social Security:

Corporation Tax	-	102
Other Taxes and Social Security	16,129	44,593
	=====	=====
Taxation and Social Security	16,129	44,695
Other Creditors	2,039	64
	£18,168	£44,759
	=====	=====

12. BANK LOAN AND OVERDRAFT

The amount of the overdraft was as follows:-

Falling due within one year	£ 642,866	-
	=====	=====

The company's bank overdraft is secured by a fixed charge on the debtors and a floating charge over all the remaining assets of the company and its immediate holding company. At 31st March 1991 there was also an unlimited cross guarantee between Sacol Hydraulics Limited and Switchfocus Limited, and an unlimited Company Guarantee by Sacol Group 1990 Limited.

BERENDSEN FLUID POWER LIMITED  
(Formerly Sacol Hydraulics Limited) NOTES TO THE ACCOUNTS (CONT.)

13. CREDITORS DUE AFTER MORE THAN ONE YEAR

	1991	1990
Hire purchase	£7,677	£2,250
	=====	=====

All amounts are repayable within five years by instalments at varying rates of interest.

14. LEASE COMMITMENTS

1. Net obligation under finance leases and hire purchase contracts:

	1991 £	1990 £
Minimum payments due		
- within one year	24,264	8,802
- 1 - 2 years	8,938	2,644
	=====	=====
Gross obligations	33,202	11,446
Less: Finance charges allocated to future periods	(4,700)	(1,680)
	=====	=====
	£28,502	£9,766
	=====	=====

2. Operating Leases

Vehicle Contract Hire and Property Rent

Committed payments for the next year for operating leases due to expire:-

- within one year	3,317	1,200
- 1 - 5 years	25,779	46,716
- Over 5 years	55,830	19,180
	=====	=====
	£87,926	£67,096
	=====	=====

15. DEFERRED TAXATION

The amount provided at the rate of 13% and the total potential liability for deferred taxation is as follows:-

	1991		1990	
	Amount provided £	Potential liability £	Amount provided £	Potential liability £
Accelerated capital allowances	-	11,731	13,973	13,973
Other short term timing differences	-	-	(420)	(420)
Tax losses	-	(11,781)	-	-
	=====	=====	=====	=====
	-	-	£13,553	£13,553
	=====	=====	=====	=====

BERENDSEN FLUID POWER LIMITED  
(Formerly Sacol Hydraulics Limited) NOTES TO THE ACCOUNTS (CONT.)

16. CALLED UP SHARE CAPITAL

	Authorised		Allotted Issued and fully paid	
	1991 £	1990 £	1991 £	1990 £
	_____	_____	_____	_____
Ordinary shares of £1 each	£50,000	£50,000	£100	£100
	_____	_____	_____	_____

17. ULTIMATE HOLDING COMPANY

The ultimate holding company from the 27th March 1991 is Sophus Berendsen A.S. a company incorporated in Denmark.

The ultimate holding company for the period from 21st November 1990 until 27th March 1991 was Switchfocus Limited, a company incorporated in Great Britain.

The ultimate holding company for the period up to 21st November 1990 was Sacol Group Limited, a company incorporated in Great Britain.

18. PENSION

Eligible employees of the company were members of the Sacol Group 1990 Limited Retirement Benefits scheme until 31st December 1991. This was a defined benefit scheme, the assets of which are held separately from those of the company in an independently administered fund.

Employees have the right to transfer to a new scheme which has been set up from 1st January 1992 which will be a defined contribution scheme.

Actuaries are currently calculating the employees' transfer values.

The most recent valuation of the Sacol Group scheme was at 1st December 1988, at which time the assets exceeded the accrued benefits.

The charge for the period amounted to £18,331 (1990 - £14,803).