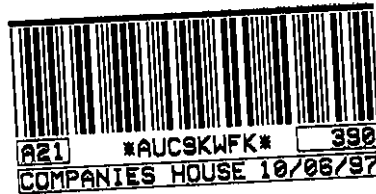


ANORD CONTROL SYSTEMS (U.K.) LIMITED

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ANORD CONTROL SYSTEMS (U.K.) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to :

- (A) select suitable accounting policies and then apply them consistently;
- (B) make judgements and estimates that are reasonable and prudent;
- (C) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ON BEHALF OF THE BOARD:

N [Signature] DIRECTOR
A [Signature] DIRECTOR

Dated this the 9 May 1997

AUDITORS' REPORT TO THE DIRECTORS OF
ANORD CONTROL SYSTEMS (U.K.) LIMITED
PURSUANT TO SCHEDULE 8 OF THE COMPANIES ACT 1985

On the 9 May 1997 we reported as auditors of Anord Control Systems (U.K.) Limited to the directors of the company on the abridged financial statements for the year ended 31 December 1996 on pages 5 to 7 and our report was as follows:

'We have examined

1. the abridged financial statements for the year ended 31 December 1996 on pages 5 to 7 which the directors of Anord Control Systems (U.K.) Ltd propose to annex to the annual return of the company: and
2. the financial statements to be laid before the annual general meeting which form the basis for those abridged financial statements.

Respective responsibilities of directors and auditors

It is your responsibility properly to prepare the abridged financial statements. It is our responsibility to form an independent opinion on those abridged financial statements and to report our opinion to you.

Basis of Opinion

The scope of our work for the purpose of this report was limited to confirming that the directors are entitled to annex abridged financial statements to the annual return and that those abridged financial statements have been properly prepared pursuant to Schedule 8 of the Companies Act 1985, from the financial statements to be laid before the Annual General Meeting. 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 directors are entitled under sections 246 and 247 of the Companies Act 1985 to annex to the annual return of the company the abridged financial statements and those abridged financial statements have been properly prepared pursuant to the provisions of section 235 of that Act (exemptions available to small and medium-sized companies).'

On the 9 May 1997 we reported, as auditors of Anord Control Systems (U.K.) Ltd, to the members on the company's financial statements for the year ended 31 December 1996 to be laid before its Annual General Meeting, and our report was as follows:

'We have audited the financial statements on pages 7 to 14 which have been prepared under the historical cost convention and the accounting policies on page 10.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are 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.

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
ANORD CONTROL SYSTEMS (U.K.) LIMITED

Basis of opinion

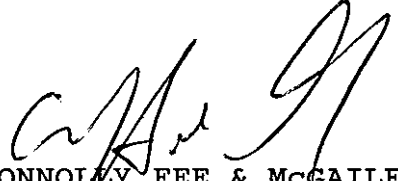
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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.

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 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Acts 1985.

14 THE CRESCENT
DUNDALK


CONNOLLY FEE & MCGAILEY
REGISTERED AUDITORS

Dated this the 9 May 1997

We certify that this is a true copy of the Auditor's Report to the directors of Anord Control Systems (U.K.) Ltd for the purpose of schedule 8 of the Companies Act 1985.

X  DIRECTOR
Y  DIRECTOR

ANORD CONTROL SYSTEMS (U.K.) LIMITED

BALANCE SHEET AS AT 31st DECEMBER 1996

	<u>NOTE</u>	1996 <u>£</u>	1995 <u>£</u>
<u>ASSETS EMPLOYED</u>			
<u>FIXED ASSETS</u>			
Tangible Assets	2.	37,043	35,829
<u>CURRENT ASSETS</u>			
Debtors		458,004	588,037
Cash at bank and in hand		-	184,827
		458,004	772,864
<u>CREDITORS (amounts falling due within one year)</u>		479,574	796,064
<u>NET CURRENT LIABILITIES</u>		(21,570)	(23,200)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		15,473	12,629
<u>CREDITORS (amounts falling due after one year)</u>		7,213	5,644
		8,260	6,985
<u>CAPITAL AND RESERVES</u>			
Called up share capital	3.	2	2
Profit and loss account		8,258	6,983
		8,260	6,985

We have relied on specified exemptions contained in ss.246-247 of the Companies Act 1985 on the grounds that the Company is entitled to the benefit of those exemptions as a small company.

Approved by the Board on 9 May 1997

On behalf of the Directors

X  DIRECTOR

X  DIRECTOR

ANORD CONTROL SYSTEMS (U.K.) LIMITED

NOTES ON AND FORMING PART OF THE ACCOUNTS FOR THE
YEAR ENDED 31st DECEMBER 1996

1. ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention.

(b) Depreciation

The cost of fixed assets including leased assets is written off by equal instalments over their expected useful lives as follows:-

Fixtures and Fittings	8 years
Motor Vehicles	5 years

(c) Leased Assets

Assets held under leasing arrangements that transfer substantially all the risks and rewards of ownership to the company are capitalised. The capital element of the rental obligations is included in creditors. The interest element of the rental obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge.

Rentals in respect of all other leases are charged to the profit and loss account.

(d) Pension benefits

Pension benefits are funded over the employees' period of service by way of contributions to a Defined Contribution Scheme. The company's annual premiums are paid in accordance with the rules of the Scheme and are charged to the profit and loss account in the period in which they are payable.

ANORD CONTROL SYSTEMS (U.K.) LIMITED

NOTES ON THE ACCOUNTS YEAR ENDED 31st DECEMBER 1996

2. TANGIBLE FIXED ASSETS

	<u>Total</u> £	<u>Total</u> £
<u>COST</u>		
At 1st January	101,944	86,704
Additions	24,691	15,241
Disposals	(17,400)	-
	<u>109,235</u>	<u>101,945</u>
 <u>DEPRECIATION</u>		
At 1st January	66,116	49,583
Charge for year	16,516	16,533
Disposals	(10,440)	-
	<u>72,192</u>	<u>66,116</u>
 <u>NET BOOK AMOUNTS</u>		
At 31st December 1996	<u>37,043</u>	<u>35,829</u>

3. CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised		
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
 Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>