

2070632

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

On the 15th October 1996 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 1995 on pages 2 to 4 and our report was as follows:

'We have examined

1. the abridged financial statements for the year ended 31 December 1995 on pages 2 to 4 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.

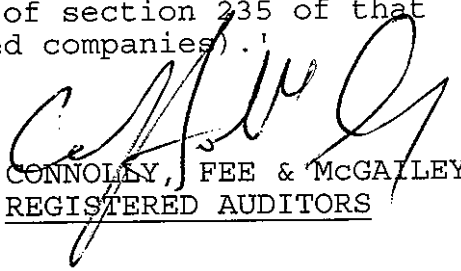
Basis of Opinion

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.

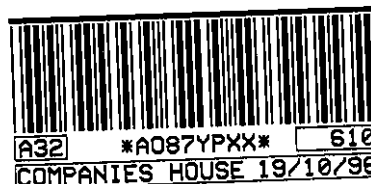
Opinion

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).

14, THE CRESCENT,  
DUNDALK.

  
CONNOLLY, FEE & MCGAILEY  
REGISTERED AUDITORS

Dated this the 15th October 1996



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

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

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.

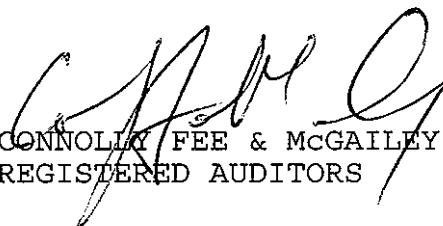
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Acts 1985.

14 THE CRESCENT  
DUNDALK

Dated this the 30th April 1996

  
CONNOLLY FEE & MCGAILEY  
REGISTERED AUDITORS

ANORD CONTROL SYSTEMS (U.K.) LIMITED

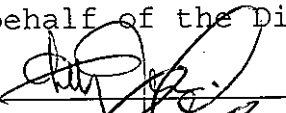
BALANCE SHEET AS AT 31st DECEMBER 1995

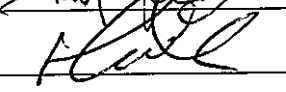
	<u>NOTE</u>	1995 <u>£</u>	1994 <u>£</u>
<u>ASSETS EMPLOYED</u>			
<u>FIXED ASSETS</u>			
Tangible Assets	2.	35,829	37,121
		<u>          </u>	<u>          </u>
<u>CURRENT ASSETS</u>			
Debtors		588,037	894,377
Cash at bank and in hand		184,827	6,902
		<u>          </u>	<u>          </u>
		772,864	901,279
<u>CREDITORS (amounts falling due within one year)</u>		796,064	931,283
		<u>          </u>	<u>          </u>
<u>NET CURRENT LIABILITIES</u>		(23,200)	(30,004)
		<u>          </u>	<u>          </u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		12,629	7,117
		<u>          </u>	<u>          </u>
<u>CREDITORS (amounts falling due after one year)</u>		5,644	-
		<u>          </u>	<u>          </u>
		6,985	7,117
		<u>          </u>	<u>          </u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	3.	2	2
Profit and loss account		6,983	7,115
		<u>          </u>	<u>          </u>
		6,985	7,117
		<u>          </u>	<u>          </u>

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 15th October 1996

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 1995

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) Stocks and Work in Progress

Stocks are valued on an average cost basis at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overhead to the extent that they relate to normal production.

Net realisable value comprises the actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing, selling and distribution.

(d) 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.

(e) 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 1995

2. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u> £	<u>Fixtures &amp; Fittings</u> £	<u>Total</u> £
<u>COST</u>			
At 1st January	35,100	51,604	86,704
Additions	14,800	441	15,241
At 31st December	<u>49,900</u>	<u>52,045</u>	<u>101,945</u>
 <u>DEPRECIATION</u>			
At 1st January	18,884	30,699	49,583
Charge for year	9,970	6,563	16,533
At 31st December	<u>28,854</u>	<u>37,262</u>	<u>66,116</u>
 <u>NET BOOK AMOUNTS</u>			
At 31st December 1995	<u>21,046</u>	<u>14,783</u>	<u>35,829</u>
At 31st December 1994	<u>16,216</u>	<u>20,905</u>	<u>37,121</u>

3. CALLED UP SHARE CAPITAL

	1995 £	1994 £
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>