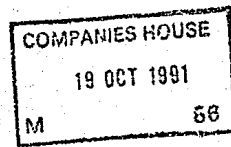


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ANORD CONTROL SYSTEMS (U.K.) LIMITED

FINANCIAL STATEMENTS

1990

ANORD CONTROL SYSTEMS (U.K.) LIMITED

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ANORD CONTROL SYSTEMS (U.K.) LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS: Mr. Anthony Nordon.
Mr. Kevin Finegan.
Mr. Mike O'Connor.
Mr. Mike Skelton.

SECRETARY: Mr. Mike Skelton.

SOLICITORS: Heath Buckeridge,
23 Queen Street,
Maidenhead,
Berkshire.

AUDITORS: Connolly, Fee & McGailey,
Auditors and Accountants,
14, The Crescent,
Dundalk,
Co. Louth.
Ireland.

BANKERS: National Westminster Bank,
Maidenhead,
Berkshire.

REGISTERED OFFICE: St. Andrews House,
St. Marys Walk,
Maidenhead,
Berkshire.

ANDRD CONTROL SYSTEMS (U.K.) LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31st DECEMBER 1990

The directors submit their report together with the audited financial statements for the year ended 31st December, 1990.

RESULTS AND DIVIDENDS

The Profit for the year after taxation was £
1,786
=====

The Directors do not recommend payment of a dividend.

REVIEW OF THE BUSINESS

The company's principal activity is the design and sale of electrical switchgear for generating stations, industrial, marine and petro-chemical applications, with specialisation in process control for water and sewage operations.

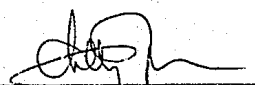
IMPORTANT EVENTS SINCE THE YEAR END

There have been no significant events affecting the company since the year end.

AUDITORS

A resolution proposing the re-appointment of Connolly, Fee and McGailey as Auditors will be put to the annual general meeting.

ON BEHALF OF THE BOARD:



Michael's S

DIRECTOR.
DIRECTOR.

Dated the 6th March 1991.

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

We have audited the financial statements on pages 6-14 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December, 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

14, THE CRESCENT,
DUNDALK.

Conolly Fee & McGailey
CONNOLLY, FEE & MCGAILEY
AUDITORS AND ACCOUNTANTS.

Dated this the 7th March 1991.

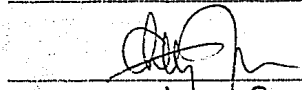

ANORD CONTROL SYSTEMS (U.K.) LIMITED

PROFIT STATEMENT FOR THE YEAR ENDED 31st DECEMBER 1990.

	<u>NOTE</u>	1990 £	1989 £
Gross Profit		95,510	1,534
Commissions Received		125,750	190,992
Staff Costs	2.	(125,674)	(83,702)
Administration Costs		(84,874)	(97,077)
Depreciation		(5,717)	(6,819)
Income from financial assets	3.	384	2,961
Interest Payable	4.	(3,593)	(4,439)
Profit before taxation	3.	1,786	3,450
Taxation	5.	-	718
Profit for the financial year		1,786	2,732
Profit carried forward at 1st January		3,641	909
Profit brought forward at 31st December		5,427	3,641
		=====	=====

Approved by the Board on 6th March 1991.

On behalf of the Directors

 DIRECTOR
 DIRECTOR

ANORD CONTROL SYSTEMS (U.K.) LIMITED

BALANCE SHEET AS AT 31st DECEMBER 1990

	<u>NOTE</u>	1990 £	1989 £
<u>ASSETS EMPLOYED</u>			
<u>FIXED ASSETS</u>			
Tangible Assets	6.	39,213 =====	38,707 =====
<u>CURRENT ASSETS</u>			
Stock and work in progress	7.	14,574	103,466
Debtors	8.	663,092	765,988
Cash at bank and in hand		1,241	1,803
		-----	-----
		678,907	871,259
CREDITORS (amounts falling due within one year)	9.	712,691	906,323
		-----	-----
NET CURRENT ASSETS/(LIABILITIES)		(33,784)	(35,064)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		5,429	3,643
		=====	=====

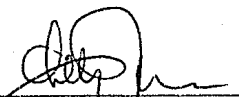
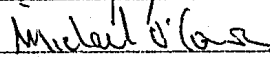
ANORD CONTROL SYSTEMS (U.K.) LIMITED

BALANCE SHEET AS AT 31st DECEMBER 1990 (Continued)

	NOTE	1990 £	1989 £
<u>FINANCED BY</u>			
CAPITAL AND RESERVES			
Called up share capital	10.	2	2
Profit and loss account		5,427	3,641
		-----	-----
		5,429	3,643
		=====	=====

Approved by the Board on 6th March 1991.

On behalf of the Directors

 DIRECTOR
 DIRECTOR

ANORD CONTROL SYSTEMS (U.K.) LIMITED

NOTES ON AND FORMING PART OF THE ACCOUNTS FOR THE
YEAR ENDED 31st DECEMBER 1990.

1. ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention, modified by the revaluation of freehold property. Subsequent additions are included at cost.

(b) Depreciation

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

Fixtures and fittings	5 years
Motor Vehicles	4 years

(c) Stocks and Work in Progress

Stocks are valued on a first in first out (FIFO) 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 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) Commission

From 1st July 1990 the company is no longer in receipt of any commission from the group company. As and from that date the company is charged a reduced purchase price by the group company with the result it is now earning gross profit.

ANORD CONTROL SYSTEMS (U.K.) LIMITED

NOTES ON THE ACCOUNTS YEAR ENDED 31st DECEMBER 1990 (CONTINUED)

2. EMPLOYEES AND REMUNERATION

The average number of persons employed by the company in the financial year was 7.

	1990 £	1989 £
The staff costs are comprised of:-		
Wages and salaries	113,944	75,793
Social Welfare costs	11,730	7,909
	=====	=====
	125,674	83,702

3. PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	1990 £	1989 £
The profit (loss) on ordinary activities before taxation is stated after charging (crediting):-		
Income from financial assets:		
Depcsit interest received	(384)	(2,961)
Auditors' remuneration	600	420
Operating lease rentals	-	3,975
	=====	=====
	216	1,434

4. INTEREST PAYABLE AND SIMILAR CHARGES

	1990 £	1989 £
Bank overdraft	3,593	4,439
	=====	=====

ANDRD CONTROL SYSTEMS (U.K.) LIMITED

NOTES ON THE ACCOUNTS YEAR ENDED 31st DECEMBER 1990 (CONTINUED)

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1990 £	1989 £
The charge based on profit on ordinary activities comprises:-		
Corporation tax Underprovision In Previous Year	-	718
	-----	-----
	-	718
	=====	=====

6. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u> £	<u>Fixtures & Fittings</u> £	<u>Total</u> £
COST OR VALUATION			
At 1st January	19,666	29,409	49,075
Additions	6,500	4,026	10,526
Disposals	(4,400)	(895)	(5,295)
	-----	-----	-----
At 31st December	21,766	32,540	54,306
	=====	=====	=====
DEPRECIATION			
At 1st January	3,933	6,435	10,368
Charge for year	4,375	1,342	5,717
Disposals	(880)	(112)	(992)
	-----	-----	-----
At 31st December	7,428	7,665	15,093
	=====	=====	=====
NET BOOK AMOUNTS			
At 31st December 1990	14,338	24,875	39,213
	=====	=====	=====
At 31st December 1989	15,733	22,974	38,707
	=====	=====	=====

ANORD CONTROL SYSTEMS (U.K.) LIMITED

NOTES ON THE ACCOUNTS YEAR ENDED 31st DECEMBER 1990 (CONTINUED)

7. STOCKS and WORK IN PROGRESS

	1990 £	1989 £
Finished goods	14,574	103,466
	-----	-----
	14,574	103,466
	=====	=====

8. DEBTORS

Amounts falling due within one year	1990 £	1989 £
Trade debtors and prepayments	663,092	765,988
Sundry Debtors	-	-
	-----	-----
	663,092	765,988
	=====	=====

9. CREDITORS

Amounts falling due within one year	1990 £	1989 £
Trade and other creditors	589,261	783,302
Bank loans and overdrafts	18,775	21,328
Taxation	-	-
Intercompany loan account	104,655	101,693
	-----	-----
	712,691	906,323
	=====	=====

ANORD CONTROL SYSTEMS (U.K.) LIMITED

NOTES ON THE ACCOUNTS YEAR ENDED 31st DECEMBER 1990 (CONTINUED)

10. CALLED UP SHARE CAPITAL

	1990 £	1989 £
Authorised		
Ordinary shares of f1 each	500,000 =====	500,000 =====
Allotted, called up and fully paid		
At 1st January		
Ordinary shares of f1 each	2	2
Issued during the year	-	-
	-----	-----
At 31st December	2 =====	2 =====

ANORD CONTROL SYSTEMS (U.K.) LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31st DECEMBER 1990

	1990 £	1989 £
SOURCE OF FUNDS		
Profit before taxation	1,786	3,450
 ADJUSTMENT FOR ITEMS NOT INVOLVING FLOW OF FUNDS		
Depreciation	5,717	6,697
Loss on disposal of fixed assets	524	-
	-----	-----
TOTAL GENERATED FROM OPERATIONS	8,027	10,147
 OTHER FUNDS		
Sale of fixed assets	3,779	-
 APPLICATION OF FUNDS		
Purchase of fixed assets	(10,526)	(34,390)
Taxation Paid	-	(1,318)
	-----	-----
	1,280	(25,561)
	=====	=====
 MOVEMENTS IN WORKING CAPITAL		
Increase/(Decrease) in stock	(88,892)	(41,723)
Increase/(Decrease) in debtors	(102,896)	375,888
Increase/(Decrease) in creditors	191,079	(239,105)
	-----	-----
	(709)	95,060
 MOVEMENT IN NET LIQUID FUNDS		
Increase/(Decrease) in cash balances	1,989	(120,621)
	-----	-----
	1,280	(25,561)
	=====	=====

ANORD CONTROL SYSTEMS (U.K.) LIMITED

SUPPLEMENTARY INFORMATION
RELATING TO THE ACCOUNTS
FOR THE YEAR ENDED

31st DECEMBER 1990

ANORD CONTROL SYSTEMS (U.K.) LIMITED

TRADING AND PROFIT LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1990

	<u>SCHEDULE</u>	1990 £	1989 £
Sales		1,983,604	1,043,394
Cost of Sales	1.	1,888,094	1,041,860
		-----	-----
Gross Profit		95,510	1,534
Commissions Received		125,750	190,992
Overhead Expenses	2.	(219,858)	(192,037)
		-----	-----
Net Profit		1,402	489
		=====	=====

ANORD CONTROL SYSTEMS (U.K.) LIMITED

SCHEDULE 1: COST OF SALES

	1990 £	1989 £
Opening stock	103,466	145,189
Purchases	1,799,202	1,000,137
	-----	-----
	1,902,668	1,145,326
Closing stock	14,574	103,466
	-----	-----
	1,888,094	1,041,860
	=====	=====

ANORD CONTROL SYSTEMS (U.K.) LIMITED

SCHEDULE 2: OVERHEAD EXPENSES

	1990 £	1989 £
Salaries	125,674	83,702
Casual Wages	1,601	14,971
Pension Costs	2,733	1,592
Light and Heat	1,710	861
Insurance	-	1,040
Postage, telephone and telex	14,247	12,415
Printing and stationery	3,572	4,924
Advertising	884	4,342
Motor and travel expenses	24,212	20,614
Audit fees	600	420
Rent and rates	26,570	24,512
Leasing	-	3,975
Repairs	708	1,112
Bank Charges	3,593	4,439
Legal Fees	1,214	711
Canteen & Cleaning Expenses	2,807	1,794
Sundry expenses	4,016	3,916
Depreciation	5,717	6,697
	-----	-----
	219,858	192,037
	=====	=====