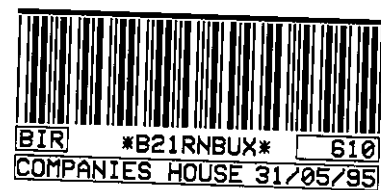


HYDRAULIC INDUSTRIAL SERVICES
(YORKSHIRE) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER, 1994



DIRECTORS AND OFFICERS

DIRECTORS

D.G. Hill
S.P. Thomas

SECRETARY

S.P. Thomas

AUDITORS

Farmiloes,
Winston Churchill House,
Ethel Street,
Birmingham, B2 4BG.

REGISTERED OFFICE

Winston Churchill House,
Ethel Street,
Birmingham, B2 4BG.

COMPANY NUMBER

1402986

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31st October, 1994.

REVIEW OF THE BUSINESS

The company has not traded during the year.

DIRECTORS AND THEIR SHARE INTERESTS

A list of directors is given on page 1. There have been no changes during the year.

S.P. Thomas retires in accordance with the company's articles of association and, being eligible, offers himself for re-election.

None of the directors at the balance sheet date hold shares in the company. They do however hold shares in the ultimate holding company, and their interests are shown in that company's accounts.

HOLDING COMPANY

The company is a subsidiary of Hydraulic Industrial Services (Merseyside) Limited, and its ultimate holding company is Kingswood Fluid Power Group PLC. Both companies are incorporated in England.

REPORT OF THE DIRECTORS (CONTINUED)

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 :

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

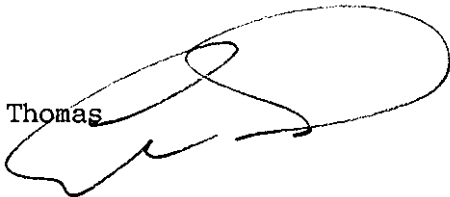
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act, 1985. They are also responsible for safeguarding the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

AUDITORS

The auditors, Messrs. Farmiloes, having indicated their willingness, will be proposed for reappointment at the forthcoming annual general meeting.

BY ORDER OF THE BOARD

S.P. Thomas



SECRETARY

Winston Churchill House,
Ethel Street,
Birmingham, B2 4BG.

25th May, 1995.

AUDITORS REPORT TO THE MEMBERS OF

HYDRAULIC INDUSTRIAL SERVICES (YORKSHIRE) LIMITED

We have audited the financial statements on pages 5 and 6 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 3, 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 judgments 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.

The company did not trade during the year.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st October, 1994, and have been properly prepared in accordance with the Companies Act, 1985.



FARMILOES
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITOR

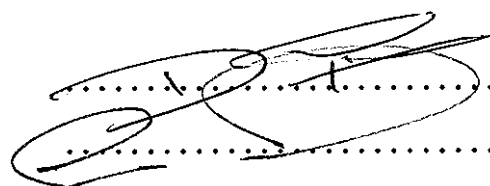
25th May, 1995.

BALANCE SHEET

AS AT 31ST OCTOBER, 1994

	Notes	1994	1993
CURRENT ASSETS			
Amount due from group company		£48,249 =====	£48,249 =====
CAPITAL AND RESERVES			
Called up share capital	2	3,000	3,000
Profit and loss account		45,249	45,249
TOTAL CAPITAL AND RESERVES		£48,249 =====	£48,249 =====

The financial statements were approved by the directors on 25th May, 1995.

) D.G. Hill
.....)
.....) S.P. Thomas

DIRECTORS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER, 1994

1. ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared in accordance with the historical cost convention. The accounts are prepared in accordance with applicable accounting standards.

2. CALLED UP SHARE CAPITAL

	Authorised	Allotted, issued and fully paid
Ordinary shares of £1 each	3,000 =====	3,000 =====