

Registered No. 339451

OMAL GROUP LIMITED

29 MARCH 1997



OMAL GROUP LIMITED

DIRECTORS' REPORT FOR THE 39 WEEKS ENDED 29 MARCH 1997

The Directors present their annual report and the audited accounts for the 39 weeks ended 29 March 1997.

PROFITS AND DIVIDENDS

The Profit and Loss Account shows a loss before taxation of £120,193 and the loss after taxation amounts to £120,193. The Directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company during the period was the distribution of money weighing and counting machines. The trade and assets of the company were transferred to Volumatic Limited, a fellow subsidiary of the ultimate holding company, at net book value on 28 June 1996

DIRECTORS

The Directors of the Company who served during the period were as follows:

G F Currill	Resigned 21 June 1996
M J Cowling	
C G Currill	Resigned 21 June 1996
E M Thompson	Resigned 21 June 1996
H R P Thompson	Resigned 21 June 1996
S J Cowling	Resigned 21 June 1996
P A Tett	Appointed 21 June 1996
M P Hamilton	Appointed 21 June 1996
N Ashurst	Appointed 21 June 1996

Mr P A Tett was appointed a Director since the last Annual General Meeting. Being eligible he offers himself for re-election.

Mr M P Hamilton was appointed a Director since the last Annual General Meeting. Being eligible he offers himself for re-election.

Mr N Ashurst was appointed a Director since the last Annual General Meeting. Being eligible he offers himself for re-election.

OMAL GROUP LIMITED

DIRECTORS REPORT FOR THE 39 WEEKS ENDED 29 MARCH 1997(continued)

DIRECTORS' INTERESTS

The Company is a wholly owned subsidiary of Halma p.l.c. In accordance with paragraph 2 of schedule 7 to the Companies Act 1985, the interests of the Directors at 29 March 1997, who were not also Directors of Halma p.l.c., in the Ordinary Shares of that Company were as follows:

	at 21 June 1996		29 March 1997		during the 39 weeks	
	Shares	Options	Shares	Options	Options Granted	Exercised
M P HAMILTON	2,888	62,565	2,888	94,865	32,300	-
N ASHURST	8,646	29,244	8,646	29,244	-	-

The Directors held the above options under the share option schemes approved by Halma p.l.c. shareholders in 1983 and 1990, exercisable by 2006 at prices between 73.1p and 171p per share.

Apart from these interests, no such director had during the period any other interests in the shares of that Company.

DIRECTORS' RESPONSIBILITIES

It is the responsibility of the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period.

The Directors have responsibility for ensuring that proper accounting records are maintained which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors consider that, in preparing the financial statements on pages 5 to 12, appropriate accounting policies have been used, which have been consistently applied and supported by reasonable and prudent judgements and estimates, that all accounting standards which they consider to be applicable have been followed, and that it is appropriate to use a going concern basis.

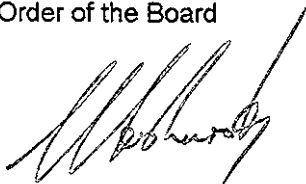
OMAL GROUP LIMITED

DIRECTORS' REPORT FOR THE 39 WEEKS ENDED 29 MARCH 1997 (Continued)

AUDITORS

Price Waterhouse have expressed their willingness to continue in office and a resolution will be submitted to the Annual General Meeting for their re-appointment as Auditors.

By Order of the Board

A handwritten signature in black ink, appearing to read 'N Ashurst', written over a horizontal line.

N ASHURST
Secretary

25 July 1997

Taurus House
Endemere Road
Coventry
West Midlands

Price Waterhouse



AUDITORS' REPORT TO THE SHAREHOLDERS OF OMAL GROUP LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 2 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 affairs of the company as at 29 March 1997 and its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Chartered Accountants and
Registered Auditors

25 July 1997

OMAL GROUP LIMITED

52 Weeks Ended
31 May 1996

**PROFIT AND LOSS ACCOUNT
FOR THE 39 WEEKS ENDED 29 MARCH 1997**

<u>£1,472,736</u>	TURNOVER (Note 2)	<u>£70,750</u>
21,779	TRADING PROFITS (Note 3)	(119,518)
	INTEREST	
	(3) Bank Overdraft interest payable	0
<u>(3,925)</u>	<u>(3,922)</u> Hire purchase & lease contracts	<u>(675)</u>
		<u>(675)</u>
17,854	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(120,193)
<u>(581)</u>	Tax on profit on ordinary activities (Note 6)	<u>0</u>
17,273	PROFIT FOR THE FINANCIAL YEAR	(120,193)
216,840	Retained profits brought forward	234,113
<u>£234,113</u>	Retained profits carried forward	<u>£113,920</u>

The Company had no recognised gains or losses during the year other than those reflected in the above Profit and Loss account and operations ceased on 28 June 1996. ▪

The annexed notes form part of these accounts.

OMAL GROUP LIMITED

BALANCE SHEET AS AT 29 MARCH 1997

31 May 1996

FIXED ASSETS

50,617

Tangible Assets (Note 7)

21,900

Investments (Note 9)

21,900

CURRENT ASSETS

146,389 Stocks (Note 8)

0

502,904 Debtors (Note 10)

234,120

28,902 Cash at Bank and in Hand

0

678,195

234,120

CREDITORS: AMOUNTS FALLING DUE

WITHIN ONE YEAR

7,525 Corporation Tax

375,321 Creditors (Note 11)

21,900

382,846

21,900

295,349

NET CURRENT ASSETS

212,220

367,866

TOTAL ASSETS LESS CURRENT LIABILITIES

234,120

CREDITORS: AMOUNTS FALLING DUE

AFTER ONE YEAR

13,553

£354,313

£234,120

CAPITAL AND RESERVES

Issued and
fully paid

Authorised

CALLED UP SHARE CAPITAL

Authorised

Issued and
fully paid

270,000

Equity Capital (Ordinary shares of £1 each)

270,000

120,200

Equity Capital (Ordinary shares of £1 each)

120,200

234,113

PROFIT AND LOSS ACCOUNT

113,920

£354,313

SHAREHOLDERS' FUNDS - EQUITY INTEREST ONLY

£234,120

Approved by the Board of Directors
on 25 July 1997

M P HAMILTON

N ASHURST

The annexed notes form part of these accounts.

OMAL GROUP LIMITED

MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE 39 WEEKS ENDED 29 MARCH 1997

52 Weeks Ended
31 May 1996

17,273	PROFIT/(LOSS) FOR THE FINANCIAL YEAR	(120,193)
17,273	NET INCREASE/(DECREASE) IN SHAREHOLDERS' FUNDS	(120,193)
337,040	SHAREHOLDERS' FUNDS BROUGHT FORWARD	354,313
<u>£354,313</u>	SHAREHOLDERS' FUNDS CARRIED FORWARD	<u>£234,120</u>

OMAL GROUP LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts set out on pages 5 - 12 are prepared under the historical cost convention and in accordance with applicable UK Accounting Standards.

Turnover

Turnover represents sales less returns excluding value added tax.

Depreciation

(With the exception of freehold land,) depreciation is provided on all tangible fixed assets on the straight line method, each item being written off over its estimated life. The principal annual rates used for this purpose are:

Plant, machinery and equipment	8% - 20%
Motor Vehicles	20%

Research and Development

Expenditure on Research and Development is written off in the financial period in which it is incurred.

Leases

The costs of operating leases of property and other assets are charged as incurred.

Deferred Taxation

Provision is made for taxation deferred because of timing differences between profits as computed for taxation purposes and profits as stated in the accounts except to the extent that such taxation will not be payable in the foreseeable future. Timing differences are due primarily to the excess of tax allowances on fixed assets over the corresponding depreciation charged in the accounts.

Foreign Currency Translation

Transactions denominated in foreign currencies are translated at the exchange rate ruling on the date of the transaction. Balance Sheet items denominated in foreign currencies are translated at the exchange rate ruling on the Balance Sheet date. Foreign currency exchange differences are dealt with in arriving at the Profit on Ordinary Activities before Taxation.

Group Accounts

The accounts of the Company and its subsidiaries for the 39 weeks ending 29 March 1997 are included in the consolidated accounts of the parent undertaking Halma Plc.

OMAL GROUP LIMITED

NOTES TO THE ACCOUNTS (Continued)

1. ACCOUNTING POLICIES (Continued)

Stocks

Stocks are included at the lower of cost and net realisable value. Costs include the appropriate proportion of production and other overheads considered by the Directors to be attributable to bringing the stock to its location and condition at the period end.

Pensions

The Company operated a defined contribution pension scheme to provide retirement benefits for selected employees. Contributions have been charged to profit and loss account as paid.

2. TURNOVER

The geographical analysis of the Company's turnover is as follows:

	1997	1996
United Kingdom	70,750	1,325,736
Europe	0	147,000
	<u>70,750</u>	<u>1,472,736</u>

3. TRADING PROFITS AND LOSSES

Trading profits and losses arise wholly from discontinued activities, and comprise:

	1997	1996
Turnover	70,750	1,472,736
Cost of Sales	<u>135,154</u>	<u>827,357</u>
Gross Profit/(Loss)	(64,404)	645,379
Administration Expenses	55,114	625,923
Other Operating Income		2,323
	<u>(£119,518)</u>	<u>£21,779</u>
Trading profits and losses are arrived at after charging:		
	£	£
Depreciation	6,138	19,431
Research and Development	3,850	0
Auditors Remuneration - audit fees	0	3,000
- non-audit fees	255	0
Operating Lease Rents: property	1,333	19,352
Profit on disposal of fixed assets	0	6,105

OMAL GROUP LIMITED

NOTES TO THE ACCOUNTS (Continued)

4. DIRECTORS' REMUNERATION

	1997	1996
Remuneration (including pension contributions)	<u>£5,386</u>	<u>£49,979</u>
Remuneration (excluding pension contributions)	£4,690	£46,526
Chairman	£247	nil
Highest paid Director	£3,803	£49,979
Other Directors		
£0- £5,000	4	4

Compensation for loss of office of £30,000 was pay during the period (1996 Nil)

5. EMPLOYEE INFORMATION

The average number of persons employed by the Company during the period was:

	1997	1996
Full-time	<u>18</u>	<u>22</u>
	18	22

Employee costs of the Company comprised:

Wages and Salaries	39,188	275,432
Social Security Costs	3,706	32,160
Other Pension Costs	1,302	9,548
	<u>£44,196</u>	<u>£317,140</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES •

	1996	1996
UK corporation tax at 33%	<u>0</u>	<u>7,526</u>
Deferred tax	0	(6,945)
	<u>£0</u>	<u>£581</u>

OMAL GROUP LIMITED

NOTES TO THE ACCOUNTS (Continued)

7. TANGIBLE ASSETS

	Plant, Equipment Vehicles, etc
Cost	
At 31 May 1996	116,851
Additions	0
Transfer	(116,851)
Disposals	
At 29 March 1997	<u>0</u>
Depreciation	
At 31 May 1996	66,234
Charge for the Period	6,138
Transfer	(72,372)
Disposals	
At 29 March 1997	<u>0</u>
NET BOOK VALUE 29 March 1997	£0
NET BOOK VALUE 31 May 1996	£50,617

COMMITMENTS UNDER OPERATING LEASES

At 29 March 1997 the Company had commitments under non-cancellable operating leases expiring as follows:

	Land and Buildings		Other	
	1997	1996	1997	1996
Within one year	0	-	0	1,275
Within two to five years	0	19,352	0	55,570
After five years	0	0	0	-
	<u>0</u>	<u>19,352</u>	<u>0</u>	<u>56,845</u>

8. STOCKS

	1997	1996
Finished goods	0	146,389

9. INVESTMENTS

Shares in subsidiary companies	1997	1996
Omal Moneycheckers Limited	18,600	18,600
Omal Universal Limited	<u>3,300</u>	<u>3,300</u>
	<u>21,900</u>	<u>21,900</u>

OMAL GROUP LIMITED

NOTES TO THE ACCOUNTS(Continued)

10. DEBTORS

	1997	1996
Trade debtors	0	463,175
Amounts due from Group companies	234,120	16,772
Corporation tax	0	2,088
Prepayments and accrued income	0	20,869
	<u>£234,120</u>	<u>£502,904</u>

11. CREDITORS

	1997	1996
Trade creditors	0	169,548
Taxation and social security	0	13,154
Amount due to Group companies	21,900	21,900
Accruals and deferred income	0	178,244
	<u>£21,900</u>	<u>£382,846</u>

12. PENSIONS

The Company operated a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The pension contributions paid by the company to the fund amounted to £1,302 (1996:£14,557)

13. CASH FLOW STATEMENT

The Company is not required to produce a Cash Flow Statement. Such a statement is prepared on a group basis and is disclosed in the accounts of the ultimate parent company.

14. RELATED PARTY TRANSACTIONS

As permitted by FRS8 the Company has not disclosed related party transactions with fellow Group companies.

15. ULTIMATE PARENT COMPANY

The ultimate parent company of Omal Group Limited is Halma p.l.c., The accounts of Halma p.l.c., can be obtained from the Company Secretary, Misbourne Court, Rectory Way, Amersham, Bucks HP7 ODE.