

Registered No. 671388

CASTELL SAFETY INTERNATIONAL LIMITED

DIRECTORS' REPORT AND ACCOUNTS

1ST APRIL 1995



CASTELL SAFETY INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 1ST APRIL 1995

The Directors present their annual report and the audited accounts for the 52 weeks ended 1st April 1995.

PROFITS AND DIVIDENDS

The Profit and Loss account shows a profit before taxation of £nil. The Directors do not recommend the payment of a dividend.

ACTIVITIES

With effect from 3rd April 1994 the business, assets and liabilities of the Company were transferred to another Group Company, for whom the Company has since acted as agent in the selling of industrial safety interlocking equipment and electrical power supplies.

REVIEW OF BUSINESS

The level of business activity in the period was satisfactory and the Directors expect prospects to remain favourable in the coming year.

FIXED ASSETS

On 3rd April 1994 the fixed assets were transferred to another Group Company. Note 7 to the Accounts sets out the movements which have occurred during the period.

DIRECTORS

The Directors of the Company during the period and at the period end were as follows:

N J Young (Chairman)
D A Milner
R McKerracher (Secretary)
J A Smith
K A Cooper

Mr R J Foyle resigned from the Board on 6th October 1994.

Liability insurance has been provided for the Directors of the Company as permitted by the Companies Act 1985.

CASTELL SAFETY INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 1ST APRIL 1995

DIRECTORS' INTERESTS

The Company is a wholly-owned subsidiary of Halma p.l.c.. In accordance with Schedule 2 paragraph 7 of the 1985 Companies Act, the interests of the Directors at 1st April 1995, who were not also Directors of Halma p.l.c., in the Ordinary shares of that Company were as follows:

	<u>At 2nd April 1994</u>		<u>At 1st April 1995</u>		<u>During the 52 weeks</u>	
	Shares	Options	Shares	Options	Options	
					Granted	Exercised
N J Young	37,733	158,899	31,033	198,999	40,100	-
D A Milner	-	82,966	-	91,366	8,400	-
R McKerracher	-	14,933	-	22,133	7,200	-
J A Smith	-	14,000	9,000	7,100	7,100	14,000
K A Cooper	360	10,000	360	5,000	5,000	10,000

The Directors held the above options under the share option schemes approved by Halma p.l.c. shareholders in 1983 and 1990, exercisable by 2004 at prices between 77.1p and 222p 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 accounts 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 14, 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.

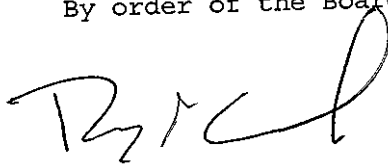
CASTELL SAFETY INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 1ST APRIL 1995

AUDITORS

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

By order of the Board



R McKerracher
Secretary

28th July 1995

Kingsbury Road
London NW9 8UR

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF CASTELL SAFETY INTERLOCKS LIMITED

We have audited the financial statements on pages 5 to 14 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 Directors of the Company 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 1 April 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Chartered Accountants
and Registered Auditors

28 July 1995

Offices at Aberdeen, Birmingham, Bristol, Cardiff, Edinburgh, Glasgow, Hull, Leeds, Leicester, Liverpool, London, Manchester, Middlesbrough, Newcastle, Nottingham, Redhill, St. Albans, Southampton and Windsor.

The partnership's principal place of business is at Southwark Towers, 32 London Bridge Street, London SE1 9SY where a list of the partners' names is available for inspection.

The firm is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

CASTELL SAFETY INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ENDED 1ST APRIL 1995

52 weeks ended
2nd April 1994

£5,444,633	TURNOVER (Note 2)	£5,274,028
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911,112	TRADING PROFITS (Note 3)	-
	INTEREST	
(7,162)	Bank Overdraft interest payable	-
8,219	Group Loan interest receivable	-
4	Other	-
<hr/>		<hr/>
1,061		-
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912,173	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	-
(293,488)	Tax on profit on ordinary activities (Note 6)	-
<hr/>		<hr/>
618,685	PROFIT FOR THE FINANCIAL YEAR	-
(750,000)	Dividends - Ordinary interim paid	-
<hr/>		<hr/>
(131,315)	LOSS TRANSFERRED FROM RESERVES	-
392,062	Retained profit brought forward	260,747
<hr/>		<hr/>
£ 260,747	Retained profit carried forward	£ 260,747
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The Company has no recognised gains or losses during the period other than those reflected in the above Profit and Loss account.

The annexed notes form part of these accounts.

CASTELL SAFETY INTERNATIONAL LIMITED

BALANCE SHEET AS AT 1ST APRIL 1995

2nd April 1994

675,251	FIXED ASSETS Tangible Assets (Note 7)	-
	CURRENT ASSETS	
442,829	Stocks (Note 8)	-
1,481,168	Debtors (Note 9)	1,747,352
98,159	Cash at bank and in hand	48,923
<u>2,022,156</u>		<u>1,796,275</u>
	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	
288,800	Corporation Tax	-
<u>2,122,711</u>	Creditors (Note 10)	<u>1,525,528</u>
<u>2,411,511</u>		<u>1,525,528</u>
(389,355)	NET CURRENT (LIABILITIES)/ASSETS	<u>270,747</u>
285,896	TOTAL ASSETS LESS CURRENT LIABILITIES	270,747
(15,149)	PROVISIONS FOR LIABILITIES AND CHARGES (Note 11)	-
<u>£270,747</u>		<u>£270,747</u>
	CAPITAL AND RESERVES	
	CALLED UP SHARE CAPITAL	
10,000	Ordinary shares of £1 each (Authorised, Issued and Fully Paid)	10,000
260,747	PROFIT AND LOSS ACCOUNT	260,747
<u>£270,747</u>	SHAREHOLDERS' FUNDS	<u>£270,747</u>

Approved by the Board of Directors
on 28th July 1995

D A Milner

Directors:

R McKerracher

The annexed notes form part of these accounts.

CASTELL SAFETY INTERNATIONAL LIMITED

MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE 52 WEEKS ENDED 1ST APRIL 1995

52 weeks ended
2nd April 1994

618,685	PROFITS FOR THE FINANCIAL YEAR	-
(750,000)	Dividends	-
<hr/>		<hr/>
(131,315)	LOSS TRANSFERRED FROM RESERVES	-
402,062	SHAREHOLDERS' FUNDS BROUGHT FORWARD	270,747
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£270,747	SHAREHOLDERS' FUNDS CARRIED FORWARD	£270,747
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CASTELL SAFETY INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts set out on pages 5 to 14 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

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% to 20%
Motor Vehicles	20%
Short Life Tooling	33 1/3%

Research and Development

Expenditure on Research and Development is written off in the financial period in which it is 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 tangible fixed assets over the corresponding depreciation charged in the accounts.

CASTELL SAFETY INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (Continued)

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.

Stocks

Stocks and Work in Progress are included at the lower of cost and net realisable value. Cost includes 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

Contributions to the Halma Group Pension Plan are assessed by a qualified actuary, based on the cost of providing pensions across all participating Halma Group companies. Costs are not determined for each individual company hence contributions are charged to the profit and loss account in the period in respect of which they become payable.

2. TURNOVER

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

	1995	1994
United Kingdom	3,955,563	4,238,456
United States of America	340,719	283,393
Europe excluding UK	520,811	595,956
Far East and Australasia	210,925	180,767
Other	246,010	146,061
	<hr/>	<hr/>
	£ 5,274,028	£ 5,444,633
	<hr/>	<hr/>

CASTELL SAFETY INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (Continued)

3. TRADING PROFITS

	1995	1994
Trading profits arise wholly from continuing activities and comprise:		
Turnover	5,274,028	5,444,633
Cost of Sales	(5,274,028)	(3,788,239)
	<hr/>	<hr/>
Gross Profit	-	1,656,394
Distribution Costs	-	(118,589)
Administrative Expenses	-	(626,693)
	<hr/>	<hr/>
	£ -	£ 911,112
	<hr/>	<hr/>
Trading Profits are arrived at after charging:		
Depreciation	-	158,868
Research and Development	-	117,329
Auditors' Remuneration - audit fees	-	10,335
- non audit fees	-	2,625

In 1995, the auditors' remuneration was borne by another Group Company.

4. DIRECTORS' REMUNERATION

	1995	1994
Remuneration (including pension contributions)	£ -	£ 216,138
	<hr/>	<hr/>
Remuneration (excluding pension contributions):		
Chairman	£ NIL	£ NIL
	<hr/>	<hr/>
Highest Paid Director	£ -	£ 58,041
	<hr/>	<hr/>
	Number	Number
Other Directors		
£ 0 - £ 5,000	4	-
£25,001 - £30,000	-	1
£30,001 - £35,000	-	1
£40,001 - £45,000	-	2

CASTELL SAFETY INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (Continued)

5. EMPLOYEE INFORMATION

	1995	1994
The average number of persons employed by the Company during the period was:		
Full-time	-	115
Part-time	-	5
	<u>-</u>	<u>120</u>

Employee costs of the Company comprised:

Wages and salaries	-	1,733,870
Social security costs	-	154,921
Other pension costs	-	75,590
	<u>-</u>	<u>1,964,381</u>
	£ -	£ 1,964,381

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995	1994
Corporation Tax at 33%	-	288,800
Charge for depreciation in excess of capital allowances	-	4,776
Prior-year adjustments	-	(88)
	<u>-</u>	<u>293,488</u>
	£ -	£ 293,488

Comprising:-

Current taxation	-	288,712
Deferred taxation	-	4,776
	<u>-</u>	<u>293,488</u>
	£ -	£ 293,488

CASTELL SAFETY INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (Continued)

7. TANGIBLE ASSETS

	Plant, Equipment Vehicles, Etc.
COST	
At 2nd April 1994	1,155,351
Disposals	(1,155,351)
	<hr/>
At 1st April 1995	£ -
	<hr/>
DEPRECIATION	
At 2nd April 1994	480,100
Disposals	(480,100)
	<hr/>
At 1st April 1995	£ -
	<hr/>
NET BOOK VALUE	
At 1st April 1995	£ -
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At 2nd April 1994	£ 675,251
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Capital expenditure authorised and outstanding at 1st April 1995 amounted to £nil (1994: £51,660). Contracts placed against these authorisations, so far as not provided for in these accounts amounted to £nil (1994:£21,925)

8. STOCKS

	1995	1994
Raw materials and consumables	-	267,987
Work in progress	-	167,307
Finished goods and goods for resale	-	7,535
	<hr/>	<hr/>
	£ -	£ 442,829
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CASTELL SAFETY INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (Continued)

9. DEBTORS

	1995	1994
Trade debtors	1,281,584	1,330,158
Amounts due from Group companies	373,387	122,498
Other debtors	92,381	-
Prepayments and accrued income	-	28,512
	<hr/>	<hr/>
	£ 1,747,352	£ 1,481,168

10. CREDITORS

	1995	1994
Trade creditors	-	356,008
Taxation and social security	-	95,746
Amounts due to Group companies	1,525,528	1,575,576
Accruals and deferred income	-	95,381
	<hr/>	<hr/>
	£ 1,525,528	£ 2,122,711

11. PROVISIONS FOR LIABILITIES AND CHARGES
DEFERRED TAXATION

	1995	1994
Comprises timing differences due to:		
Fixed assets	£ -	£ 15,149
	<hr/>	<hr/>
The potential amount for all timing differences is:		
Fixed assets	£ -	£ 50,499
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12. PENSIONS

The Company participates in the Halma Group Pension Plan. This scheme is of the defined benefit type providing benefits to certain employees within the Halma Group and the assets are held separately from the Group's assets.

The latest actuarial valuation of the Halma Group Pension Plan was carried out as at 1st December 1993. Details of this valuation are contained in the financial statements of the Halma Group. The total pension cost of the Company was £nil (1994:£75,590).

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.

CASTELL SAFETY INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS (Continued)

14. ULTIMATE PARENT COMPANY

The ultimate parent company of Castell Safety International Limited is Halma p.l.c., a company registered in England. The accounts of Halma p.l.c. can be obtained from the Company Secretary, Misbourne Court, Rectory Way, Amersham, Bucks, HP7 0DE.