

**NOVAR ELECTRICAL HOLDINGS  
LIMITED**  
(formerly Caradon Electrical Holdings  
Limited)  
**Report and Financial Statements**

**31 December 2000**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**



**NOVAR ELECTRICAL HOLDINGS LIMITED**  
**(formerly Caradon Electrical Holdings Limited)**

**REPORT AND FINANCIAL STATEMENTS 2000**

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**NOVAR ELECTRICAL HOLDINGS LIMITED**  
**(formerly Caradon Electrical Holdings Limited)**

**DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2000.

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity is that of a holding company. The Company's principal subsidiary companies and their activities are shown in note 4 to the financial statements.

**CHANGE OF NAME**

On 29 December 2000 the Company changed its name to Novar Electrical Holdings Limited.

**RESULTS AND DIVIDENDS**

The profit for the year after taxation amounted to £nil (1999: £26,000). The Directors do not recommend payment of a final dividend (1999: £nil). The retained profit for the year of £nil (1999: £26,000) has been transferred to reserves.

**DIRECTORS AND DIRECTORS' INTERESTS**

The composition of the Board of Directors throughout the year, and to the date of this report, was as follows:

B J Hintz

M Clark (resigned 29 February 2000)

P R Mainwaring (appointed 29 February 2000, resigned 29 September 2000)

M J E McKeon (appointed 29 September 2000)

None of the directors had any beneficial interests in shares in the Company during the year.

The interests of B J Hintz and M J E McKeon, who were also Directors of Novar plc at 31 December 2000, in the issued Ordinary shares of Novar plc, are disclosed in the financial statements of that company, being the ultimate parent undertaking, and are therefore not shown above.

No Director was or is interested in any transaction, arrangement or agreement with the Company which was material during or at the end of the year.

The Company has continued to provide liability insurance for its Directors and officers as permitted by the Companies Act 1985.

**AUDITORS**

In accordance with Section 386 of the Companies Act 1985, the Company has passed an elective resolution to dispense with the obligation to appoint auditors annually.

By Order of the Board



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K D Richardson

Secretary

17 September 2001

**NOVAR ELECTRICAL HOLDINGS LIMITED**  
**(formerly Caradon Electrical Holdings Limited)**

**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 as at the end of the financial year 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS  
NOVAR ELECTRICAL HOLDINGS LIMITED  
(formerly Caradon Electrical Holdings Limited)**

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 the Company's Directors are responsible for the preparation of financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte & Touche

Chartered Accountants and  
Registered Auditors  
Hill House  
1 Little New Street  
London EC4A 3TR

*3 October* 2001

**NOVAR ELECTRICAL HOLDINGS LIMITED**  
**(formerly Caradon Electrical Holdings Limited)**

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2000**

	Note	2000 £'000	1999 £'000
Profit on disposal of fixed asset investments		-	26
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	26
Tax on profit on ordinary activities	3	-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		-	26
<b>RETAINED PROFIT FOR THE YEAR</b>	10	-	26

The Company has no recognised gains or losses other than those passing through the profit and loss account. Accordingly, a statement of recognised gains and losses has not been prepared.

All of the Company's activities are continuing activities.

The notes on pages 6 to 9 form part of these financial statements.

**NOVAR ELECTRICAL HOLDINGS LIMITED**  
(formerly Caradon Electrical Holdings Limited)

**BALANCE SHEET**  
**31 December 2000**

	Note	2000 £'000	1999 £'000
<b>FIXED ASSETS</b>			
Investments	4	89,076	74,662
<b>CURRENT ASSETS</b>			
Debtors (amounts falling due within one year)	5	440	440
Debtors (amounts falling due after more than one year)	5	13,212	15,710
		13,652	16,150
<b>CREDITORS: amounts falling due within one year</b>	6	(971)	(660)
<b>NET CURRENT ASSETS</b>		12,681	15,490
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		101,757	90,152
<b>CREDITORS: amounts falling due after more than one year</b>	7	(11,748)	(143)
<b>NET ASSETS</b>		90,009	90,009
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	11,597	11,597
Share premium account	9	74,870	74,870
Profit and loss account	9	3,542	3,542
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10	90,009	90,009

These financial statements were approved by the Board of Directors on 17 September 2001.

Signed on behalf of the Board of Directors



M J E McKeon

Director

**NOVAR ELECTRICAL HOLDINGS LIMITED**  
**(formerly Caradon Electrical Holdings Limited)**

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**1. PRINCIPAL ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

**Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

**Investment in subsidiary undertakings**

Investments in subsidiary undertakings are stated at cost less provisions where in the opinion of the Directors there has been a permanent diminution in value.

**Foreign currencies**

Trading items are translated into sterling at average rates of exchange for the relevant accounting period. Balance sheet items in foreign currencies are translated into sterling at mid-market rates of exchange at the balance sheet date. All foreign currency gains and losses are taken to the profit and loss account.

**2. DIRECTORS' EMOLUMENTS**

Directors' emoluments amounted to £nil (1999: £nil). There were no employees (1999: none) and the auditors' remuneration was borne by the ultimate parent undertaking.

**3. TAX ON PROFIT ON ORDINARY ACTIVITIES**

There is no tax charge for the current year (1999: £nil).

**4. FIXED ASSET INVESTMENTS**

	Shares in subsidiary undertakings £'000	Shares in associated undertakings £'000	Total £'000
<b>Cost:</b>			
At 1 January 2000	74,613	49	74,662
Additions	14,414	-	14,414
	<hr/>	<hr/>	<hr/>
At 31 December 2000	89,027	49	89,076
	<hr/>	<hr/>	<hr/>
<b>Net Book value:</b>			
At 31 December 2000	89,027	49	89,076
	<hr/>	<hr/>	<hr/>
At 31 December 1999	74,613	49	74,662
	<hr/>	<hr/>	<hr/>



**NOVAR ELECTRICAL HOLDINGS LIMITED**  
**(formerly Caradon Electrical Holdings Limited)**

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**4. FIXED ASSET INVESTMENTS (continued)**

During the year the Company purchased the shares of Brand-Rex Limited at a cost of £11,157,782, a company engaged in the manufacture of Electrical Cabling. Also during the year the Company purchased the shares of Chloride Safety Systems Limited at a cost of £3,257,937.

<b>Name</b>	<b>Country of registration/incorporation</b>
Duraplug Electricals Limited*	England & Wales
Ega Holdings Limited*	England & Wales
Esser Austria GmbH	Austria
Esser Security Systems GmbH	Germany
FW Limited*	England & Wales
Friedland Limited*	England & Wales
Caradon Friedland SA	France
Gent Limited	England & Wales
Gilflex Limited*	England & Wales
Klaus Esser Nederland BV	Netherlands
MK Electric Limited*	England & Wales
MK Electric (China) Limited	Hong Kong
MK Electric International Limited*	Jersey
MK Electric (Singapore) Pte Limited	Singapore
Novar Electric Verwaltungs GmbH*	Germany
Pillar Electrical Overseas Limited*	England & Wales
PVC (Powders) Limited*	England & Wales
Select Electric (Malaysia) Sendirian Berhad	Malaysia
Superswitch Electrical Appliances Ltd*	England & Wales
Trend Control Systems Limited	England & Wales
Trend Regulation SA	France
V&E Friedland GmbH	Germany

\* Subsidiaries which are directly held.

For all of the above subsidiaries Novar Electrical Holdings Limited holds 100% of the ordinary shares with corresponding voting rights except for PVC (Powders) Limited in which the Company has a 49% interest.

In the opinion of the Directors the aggregate value of the Company's investment in and advances to its subsidiary undertakings is not less than the aggregate amount at which they are stated in the balance sheet.

The Company is a wholly owned subsidiary of Novar plc, a company registered in England and Wales thus under Section 228 of the Companies Act 1985 is exempt from producing group financial statements.

**5. DEBTORS**

	<b>2000</b>	<b>1999</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by ultimate parent undertaking and fellow subsidiary undertakings	-	4,880
Amounts owed by subsidiary undertakings	13,212	10,830
Advanced corporation tax recoverable	440	440
	<u>13,652</u>	<u>16,150</u>

Included within debtors are amounts totalling £13,212,000 (1999: £15,710,000) which are repayable after more than one year.

**NOVAR ELECTRICAL HOLDINGS LIMITED**  
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**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**6. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2000</b> <b>£'000</b>	<b>1999</b> <b>£'000</b>
Amounts owed to ultimate parent undertaking and fellow subsidiary undertakings	660	660
Accruals	311	-
	<u>971</u>	<u>660</u>

**7. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2000</b> <b>£'000</b>	<b>1999</b> <b>£'000</b>
Amounts owed to ultimate parent undertaking and fellow subsidiary undertakings	11,740	135
Amounts owed to subsidiary undertakings	8	8
	<u>11,748</u>	<u>143</u>

**8. CALLED UP SHARE CAPITAL**

	<b>2000</b> <b>£'000</b>	<b>1999</b> <b>£'000</b>
Authorised: 52,000,000 ordinary shares of 25p each	<u>13,000</u>	<u>13,000</u>
Allotted, called up, and fully paid: 46,386,968 ordinary shares of 25p each	<u>11,597</u>	<u>11,597</u>

**9. RESERVES**

	<b>Share premium account £'000</b>	<b>Profit and loss account £'000</b>
Balance at 1 January 2000 and 31 December 2000	<u>74,870</u>	<u>3,542</u>

**NOVAR ELECTRICAL HOLDINGS LIMITED**  
**(formerly Caradon Electrical Holdings Limited)**

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS**

	2000 £'000	1999 £'000
Profit for the financial year	-	26
Net addition to shareholders' funds	-	26
Opening shareholders' funds	90,009	89,983
Closing shareholders' funds	90,009	90,009

**11. CASH FLOW STATEMENT**

A consolidated cash flow statement has been included in the financial statements of the parent company which include the financial statements of Novar Electrical Holdings Limited. Accordingly, as permitted by FRS1 (revised), no cash flow statement is presented with these accounts.

**12. CONTINGENT LIABILITIES**

The Company has given performance guarantees in respect of contracts obtained by subsidiary undertakings in the normal course of business.

The Company has legal title to leases of land, details of which are included in the accounts of other Group companies.

The Directors are of the opinion that no material loss will arise under these arrangements.

**13. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption provided by FRS8 not to disclose transactions with other Novar Group Companies that qualify as related parties.

**14. ULTIMATE PARENT UNDERTAKING AND CONTROLLING ENTITY**

The ultimate parent undertaking and controlling party is Novar plc (formerly Caradon plc), a company registered in England and Wales. The Novar Group is the largest group of which the Company is a member and the largest and smallest for which group accounts are prepared. Copies of these group financial statements can be obtained from The Secretary, Novar plc, Novar House, 24 Queens Road, Weybridge, Surrey, KT13 9UX.