

Registered No. 1069143

VOLUMATIC LIMITED

29 MARCH 1997



## VOLUMATIC LIMITED

### DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 29 MARCH 1997

The Directors present their annual report and the audited accounts for the 52 weeks ended 29 March 1997.

### PROFITS AND DIVIDENDS

The Profit and Loss Account shows a profit before taxation of £798,438 and the profit after taxation amounts to £557,064. An interim dividend on the ordinary shares of £550,000 was paid on 29 March 1997. The directors do not recommend the payment of a final dividend.

### PRINCIPAL ACTIVITIES

The company is principally engaged in the assembly, servicing and distribution of security and safety products and therefore there has been no significant change in these activities during the period.

### REVIEW OF BUSINESS

On 28 June 1996 the business and assets of Omal International Limited, a fellow subsidiary of Halma p.l.c. were purchased by the company at net book value. The Directors consider that the Company's financial results and resources are satisfactory. The need of the Company's customers to provide security should ensure a continuing demand for the Company's products.

### FUTURE DEVELOPMENTS

The Company continues to improve its existing products and search for new products.

### DIRECTORS

The Directors of the Company at the time of this report and who served during the period were as follows:

P A TETT

M P HAMILTON

F R PEGG

N ASHURST

P W BONNE

M J COWLING

Appointed 28 June 1996.

D M JOHNSON

Appointed 22nd May 1997.

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

# VOLUMATIC LIMITED

## DIRECTORS' REPORT FOR THE 52 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 30 March 1996		29 March 1997		during the 52 weeks	
	Shares	Options	Shares	Options	Options Granted	Exercised
F R PEGG	266,666	-	266,666	-	-	-
M P HAMILTON	2,888	62,565	2,888	94,865	32,300	-
N ASHURST	8,646	29,244	8,646	29,244	-	-
P W BONNE	-	13,500	-	13,500	-	-

The Directors held the above options under share option schemes approved by Halma p.l.c. shareholders, 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 13, 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.

VOLUMATIC LIMITED

DIRECTORS' REPORT FOR THE 52 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



N ASHURST  
Secretary

25 July 1997

Taurus House  
Endemere Road  
Coventry  
West Midlands

*Price Waterhouse*



## AUDITORS' REPORT TO THE SHAREHOLDERS OF VOLUMATIC LIMITED

We have audited the financial statements on pages 5 to 13 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 profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse  
Chartered Accountants and  
Registered Auditors

25 July 1997

VOLUMATIC LIMITED

52 Weeks Ended  
30 March 1996

PROFIT AND LOSS ACCOUNT  
FOR THE 52 WEEKS ENDED 29 MARCH 1997

<u>£7,490,998</u>	TURNOVER (Note 2)	<u>£8,053,861</u>
1,126,398	TRADING PROFITS (Note 3)	790,985
	INTEREST	
	(6,585) Bank Overdraft interest payable	(7,936)
	<u>23,890</u> Group Loan interest receivable	<u>15,389</u>
<u>17,305</u>		<u>7,453</u>
1,143,703	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	798,438
<u>(347,203)</u>	Tax on profit on ordinary activities (Note 6)	<u>(241,374)</u>
796,500	PROFIT FOR THE FINANCIAL YEAR	557,064
<u>(750,000)</u>	Dividends - Ordinary Interim Paid	<u>(550,000)</u>
46,500	PROFIT TRANSFERRED TO RESERVES	7,064
687,397	Retained profits brought forward	733,897
<u>£733,897</u>	Retained profits carried forward	<u>£740,961</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 are continuing.

The annexed notes form part of these accounts.

VOLUMATIC LIMITED

BALANCE SHEET AS AT 29 MARCH 1997

30 March 1996

FIXED ASSETS

£599,983	Tangible Assets (Note 7)	£704,914
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CURRENT ASSETS

1,157,972	Stocks (Note 8)	1,296,436
1,368,789	Debtors (Note 9)	1,829,496
197,797	Cash at Bank and in Hand	135,978
<u>2,724,558</u>		<u>3,261,910</u>

CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

353,184	Corporation Tax	247,293
2,236,460	Creditors (Note 10)	2,977,570
<u>2,589,644</u>		<u>3,224,863</u>

134,914	NET CURRENT ASSETS	37,047
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<u>£734,897</u>	TOTAL ASSETS LESS CURRENT LIABILITIES	<u>£741,961</u>
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CAPITAL AND RESERVES

Authorised, issued  
and fully paid

900  
100  
1,000

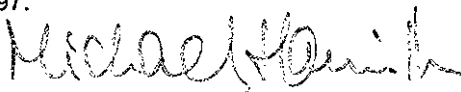
CALLED UP SHARE CAPITAL

Equity Capital	Ordinary shares of £1 each	900
	Deferred ordinary shares of £1 each	<u>100</u>
		1,000

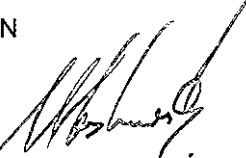
£733,897	PROFIT AND LOSS ACCOUNT	£740,961
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<u>£734,897</u>	SHAREHOLDERS' FUNDS - EQUITY INTERESTS ONLY	<u>£741,961</u>
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Approved by the Board of Directors  
on 25 July 1997.



M P HAMILTON



N ASHURST

The annexed notes form part of these accounts.

VOLUMATIC LIMITED

MOVEMENT IN SHAREHOLDERS' FUNDS  
FOR THE 52 WEEKS ENDED 29 MARCH 1997

52 Weeks Ended  
30 March 1996

796,500	PROFIT FOR THE FINANCIAL YEAR	557,064
(750,000)	Dividends	(550,000)
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46,500	NET INCREASE IN SHAREHOLDERS' FUNDS	7,064
688,397	SHAREHOLDERS' FUNDS BROUGHT FORWARD	734,897
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<u>£734,897</u>	SHAREHOLDERS' FUNDS CARRIED FORWARD	<u>£741,961</u>

## VOLUMATIC LIMITED

### NOTES TO THE ACCOUNTS

#### 1. ACCOUNTING POLICIES

##### Basis of Accounting

The accounts set out on pages 5 - 13 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.

## VOLUMATIC 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 period end.

##### Pensions

Contributions to the Halma Group Pension Plan are assessed by a qualified actuary based on the cost of providing pension 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 which the become payable.

##### Goodwill

Goodwill arising on acquisitions is written off directly to reserves.

#### 2. TURNOVER

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

	1997	1996
United Kingdom	6,469,107	6,093,491
United States of America	582,572	604,542
Europe excluding UK	934,862	717,497
Far East and Australasia	45,563	62,215
Africa, Near and Middle East	10,514	10,332
Other	11,243	2,921
	<u>£8,053,861</u>	<u>£7,490,998</u>

The acquired business contributed £1,102,942 to the total turnover of the Company.

VOLUMATIC LIMITED

NOTES TO THE ACCOUNTS (Continued)

3. TRADING PROFITS

Trading profits arise wholly from continuing activities, and comprise:	1997	1996
Turnover	8,053,861	7,490,998
Cost of Sales	<u>(6,491,186)</u>	<u>(5,650,955)</u>
Gross Profit	1,562,675	1,840,043
Distribution Costs	(137,863)	(134,228)
Administration Expenses	(637,780)	(579,532)
Other Operating Income	3,953	115
	<u>£790,985</u>	<u>£1,126,398</u>

Trading profits are arrived at after charging:

	£	£
Depreciation	214,390	159,303
Research and Development	165,429	189,270
Auditors Remuneration - audit fees	12,300	10,455
- non-audit fees	1,125	1,800
Operating Lease Rents: property	48,800	48,532
: other	12,538	14,854
(Profit)/Loss on disposal of fixed assets	(2,796)	7,381

At the date of the acquisition, the assets and liabilities of the acquired business were amalgamated with those of the continuing business of the Company and accordingly the contribution to operating profit made by the acquired business for the period to 29 March 1997 is not separately identifiable.

4. DIRECTORS' REMUNERATION	1997	1996
Remuneration (including pension contributions)	<u>£254,201</u>	<u>£202,714</u>
Remuneration (excluding pension contributions):	£230,574	£183,122
Chairman	Nil	Nil
Highest paid Director	£70,510	£64,919
Other Directors		
£20,001 - £25,000	1	1
£35,001 - £40,000	1	-
£40,001 - £45,000	-	1
£45,001 - £50,000	1	1
£55,001 - £60,000	1	-

VOLUMATIC LIMITED

NOTES TO THE ACCOUNTS (Continued)

5. EMPLOYEE INFORMATION

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

	1997	1996
Full-time	147	142

Employee costs of the Company comprised:

Wages and Salaries	1,995,290	1,713,614
Social Security Costs	158,967	146,056
Other Pension Costs	92,111	80,572
	<u>£2,246,368</u>	<u>£1,940,242</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997	1996
UK corporation tax at 33%	<u>241,374</u>	<u>353,184</u>
Prior year adjustments	-	(5,981)
Corporation tax	<u>£241,374</u>	<u>£347,203</u>

The tax charge for the year would decrease by £8,156 (1996: Increase £26,394) if the full amount of potential deferred taxation was provided in both years.

7. TANGIBLE ASSETS

	Plant, Equipment Vehicles, etc
Cost	
At 30 March 1996	1,365,571
Additions	307,495
Transfer from Group Company	116,851
Disposals	(126,731)
At 29 March 1997	<u>1,663,186</u>
Depreciation	
At 30 March 1996	765,588
Charge for the Period	214,390
Transfer from Group Company	72,374
Disposals	(94,080)
At 29 March 1997	<u>958,272</u>
NET BOOK VALUE 29 March 1997	£704,914
NET BOOK VALUE 30 March 1996	£599,983

Capital expenditure authorised and contracted at 29 March 1997 but not provided in these accounts amounts to £54,102 (1996 - £72,756).

VOLUMATIC LIMITED

NOTES TO THE ACCOUNTS(Continued)

7. TANGIBLE ASSETS (Continued)

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		-	12,538	2,010
Within two to five years	48,800	-		12,538
After five years		48,800		-
	<u>48,800</u>	<u>48,800</u>	<u>12,538</u>	<u>14,548</u>

8. STOCKS

	1997	1996
Raw Materials and Consumables	436,658	529,918
Work in Progress	149,942	104,423
Finished Goods and Goods for resale	709,836	523,631
	<u>£1,296,436</u>	<u>£1,157,972</u>

9. DEBTORS

	1997	1996
Trade debtors	1,733,574	1,278,559
Amounts due from Group companies	21,936	6,307
Prepayments and accrued income	73,986	83,923
	<u>£1,829,496</u>	<u>£1,368,789</u>

10. CREDITORS

	1997	1996
Trade creditors	1,040,443	829,326
Taxation and social security	178,673	160,032
Amount due to Group companies	1,526,530	1,122,603
Accruals and deferred income	231,924	124,499
	<u>£2,977,570</u>	<u>£2,236,460</u>

## VOLUMATIC LIMITED

### NOTES TO THE ACCOUNTS (Continued)

#### 11. 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 1 December 1996. Details of the valuation are contained in the financial statements of the Halma Group.

The total pension cost of the Company was £92,111 (1996:£80,572).

#### 12. 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.

#### 13. RELATED PARTY TRANSACTIONS

As permitted by FRS8 the company has not disclosed related party transaction with fellow Group companies.

#### 14. ULTIMATE PARENT COMPANY

The ultimate parent company of Volumatic 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.