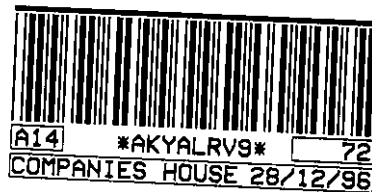


Registered No. 1069143

VOLUMATIC LIMITED

30 MARCH 1996

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VOLUMATIC LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 30 MARCH 1996

The Directors present their annual report and the audited accounts for the 52 weeks ended 30 March 1996.

PROFITS AND DIVIDENDS

The Profit and Loss Account shows a profit before taxation of £1,143,703 and the profit after taxation amounts to £796,500. An interim dividend on the ordinary shares of £750,000 was paid on 30 March 1996. The directors do not recommend the payment of a final dividend. The profit of £46,500 will be added to reserves.

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

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.

FIXED ASSETS

There have been no significant changes in fixed assets during the period. Note 7 to the accounts sets out the movements which have occurred during the period.

DIRECTORS

The Directors of the Company 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 26th June 1996.

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

VOLUMATIC LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 30 MARCH 1996 (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 30 March 1996, who were not also Directors of Halma p.l.c., in the Ordinary Shares of that Company were as follows:

	at 1 April 1995		at 30 March 1996		during the 52 weeks	
	Shares	Options	Shares	Options	Options Granted	Exercised
F R PEGG	200,000	-	266,666	-	-	-
M P HAMILTON	2,166	37,100	2,888	62,565	13,100	-
N ASHURST	6,485	21,933	8,646	29,244	-	-
P W BONNE	-	-	-	13,500	13,500	-

The Directors held the above options under the share option schemes approved by Halma p.l.c. shareholders in 1983 and 1990, exercisable by 2005 at prices between 73.1p and 171p per share.

The interests given at April 1 1995 are stated before the 1 for 3 scrip issue made in 1995. All other figures are stated in post scrip terms.

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, and 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.

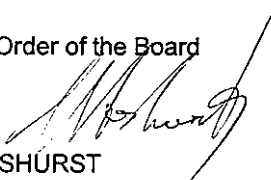
VOLUMATIC LIMITED

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 30 MARCH 1996 (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

26 July 1996

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 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 March 1996 and of its profit 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

26 July 1996

VOLUMATIC LIMITED

52 Weeks Ended
1 April 1995

PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEKS ENDED 30 MARCH 1996

<u>£6,508,306</u>	TURNOVER (Note 2)	<u>£7,490,998</u>
832,587	TRADING PROFITS (Note 3)	1,126,398
	INTEREST	
	(5,930) Bank Overdraft interest payable	(6,585)
	<u>13,042</u> Group Loan interest receivable	<u>23,890</u>
<u>7,112</u>		<u>17,305</u>
839,699	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,143,703
(243,678)	Tax on profit on ordinary activities (Note 6)	(347,203)
596,021	PROFIT FOR THE FINANCIAL YEAR	796,500
<u>0</u>	Dividends - Ordinary Interim Paid	<u>(750,000)</u>
596,021	PROFIT TRANSFERRED TO RESERVES	46,500
674,478	Retained profits brought forward	687,397
(583,102)	Goodwill arising on acquisition (Note 13)	-
<u>£687,397</u>	Retained profits carried forward	<u>£733,897</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 30 MARCH 1996

1 April 1995

FIXED ASSETS

£537,250	Tangible Assets (Note 7)	£599,983
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CURRENT ASSETS

955,935	Stocks (Note 8)	1,157,972
1,482,019	Debtors (Note 9)	1,368,789
126,109	Cash at Bank and in Hand	197,797
<u>2,564,063</u>		<u>2,724,558</u>

CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

248,248	Corporation Tax	353,184
2,164,668	Creditors (Note 10)	2,236,460
<u>2,412,916</u>		<u>2,589,644</u>

151,147	NET CURRENT ASSETS	134,914
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<u>£688,397</u>	TOTAL ASSETS LESS CURRENT LIABILITIES	<u>£734,897</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
 deferred ordinary shares of £1 each

Authorised, issued
and fully paid

900
100
1,000

687,397	PROFIT AND LOSS ACCOUNT	£733,897
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<u>£688,397</u>	SHAREHOLDERS' FUNDS - EQUITY INTERESTS ONLY	<u>£734,897</u>
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Approved by the Board of Directors 26 July 1996

M P HAMILTON

N ASHURST

The annexed notes form part of these accounts.

VOLUMATIC LIMITED

MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE 52 WEEKS ENDED 30 MARCH 1996

52 Weeks Ended
1 April 1995

596,021	PROFIT FOR THE FINANCIAL YEAR	796,500
0	Dividends	(750,000)
(583,102)	Goodwill arising on acquisition	<u>0</u>
12,919	NET INCREASE IN SHAREHOLDERS' FUNDS	46,500
675,478	SHAREHOLDERS' FUNDS BROUGHT FORWARD	688,397
<u>£688,397</u>	SHAREHOLDERS' FUNDS CARRIED FORWARD	<u>£734,897</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 they 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:

	1996	1995
United Kingdom	6,093,491	5,270,409
United States of America	604,542	452,041
Europe excluding UK	717,497	685,381
Far East and Australasia	62,215	75,796
Africa, Near and Middle East	10,332	18,324
Other	2,921	6,355
	<u>£7,490,998</u>	<u>£6,508,306</u>

VOLUMATIC LIMITED

NOTES TO THE ACCOUNTS (Continued)

3. TRADING PROFITS

Trading profits arise wholly from continuing activities, and comprise:	1996	1995
Turnover	7,490,998	6,508,306
Cost of Sales	<u>(5,650,955)</u>	<u>(4,980,402)</u>
Gross Profit	1,840,043	1,527,904
Distribution Costs	(134,228)	(116,644)
Administration Expenses	(579,532)	(576,823)
Other Operating Income	115	(1,850)
	<u>£1,126,398</u>	<u>£832,587</u>

Trading profits are arrived at after charging:

	£	£
Depreciation	159,303	149,052
Research and Development	189,270	185,726
Auditors Remuneration - audit fees	10,455	13,200
- non-audit fees	1,800	2,060
Operating Lease Rents: property	48,532	48,800
: other	14,854	13,954
Loss on disposal of fixed assets	7,381	2,088

4. DIRECTORS' REMUNERATION

	1996	1995
Remuneration (including pension contributions)	<u>£202,714</u>	<u>£154,114</u>
Remuneration (excluding pension contributions):	£183,122	£138,227
Chairman	Nil	Nil
Highest paid Director	£64,919	£52,595
Other Directors		
£20,001 - £25,000	1	2
£35,001 - £40,000	-	1
£40,001 - £45,000	1	-
£50,001 - £55,000	1	-

VOLUMATIC LIMITED

NOTES TO THE ACCOUNTS (Continued)

5. EMPLOYEE INFORMATION

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

	1996	1995
Full-time	142	114
Part-time	0	0
	<u>142</u>	<u>114</u>

Employee costs of the Company comprised:

Wages and Salaries	1,713,614	1,401,041
Social Security Costs	146,056	109,675
Other Pension Costs	80,572	73,332
	<u>£1,940,242</u>	<u>£1,584,048</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996	1995
UK corporation tax at 33%	<u>353,184</u>	<u>248,248</u>
Prior year adjustments		
Corporation tax	<u>(5,981)</u>	<u>(4,570)</u>
	<u>£347,203</u>	<u>£243,678</u>

The tax charge for the year would increase by £26,394 (1995: £55,188) if the full amount of potential deferred taxation was provided in both years.

7. TANGIBLE ASSETS

	Plant, Equipment Vehicles, etc
Cost	
At 1 April 1995	1,277,841
Additions	250,977
Transfer	6,639
Disposals	(169,886)
At 30 March 1996	<u>1,365,571</u>
Depreciation	
At 1 April 1995	740,591
Charge for the Period	159,303
Transfer	6,639
Disposals	(140,945)
At 30 March 1996	<u>765,588</u>
NET BOOK VALUE 30 March 1996	£599,983
NET BOOK VALUE 1 April 1995	£537,250

Capital expenditure authorised and outstanding at 30 March 1996 amounted to £72,756 (1995 - £Nil). Contracts placed against these authorisations so far as not provided in these accounts amounted to £72,756 (1995 - Nil).

VOLUMATIC LIMITED

NOTES TO THE ACCOUNTS(Continued)

7. TANGIBLE ASSETS (Continued)

COMMITMENTS UNDER OPERATING LEASES

At 30 March 1996 the Company had commitments under non-cancellable operating leases expiring as follows:

	Land and Buildings		Other	
	1996	1995	1996	1995
Within one year	-	33,300	2,010	-
Within two to five years	-	-	12,538	13,954
After five years	48,800	15,500	-	-
	<u>48,800</u>	<u>48,800</u>	<u>14,548</u>	<u>13,954</u>

8. STOCKS

	1996	1995
Raw Materials and Consumables	529,918	417,776
Work in Progress	104,423	56,012
Finished Goods and Goods for resale	523,631	482,147
	<u>£1,157,972</u>	<u>£955,935</u>

9. DEBTORS

	1996	1995
Trade debtors	1,278,559	1,405,360
Amounts due from Group companies	6,307	36,307
Prepayments and accrued income	83,923	40,352
	<u>£1,368,789</u>	<u>£1,482,019</u>

10. CREDITORS

	1996	1995
Trade creditors	829,326	978,526
Taxation and social security	160,032	155,525
Amount due to Group companies	1,122,603	883,784
Accruals and deferred income	124,499	146,833
	<u>£2,236,460</u>	<u>£2,164,668</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 1993. Details of the valuation are contained in the financial statements of the Halma Group.

The total pension cost of the Company was £80,572 (1995:£73,332).

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. 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.