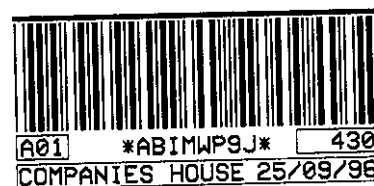


Fulleon Synchrobell Limited

Directors' report and financial statements

For the year ended 30 April 1996

Registered number 1342230



Fulleon Synchrobell Limited

Directors' report and financial statements

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Fulleon Synchrobell Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 1996.

Principal activity

The principal activity of the company during the year was the production of electronic sounding for use in fire alarm and security systems and associated equipment.

Business review and future developments

The results for the year are shown on page 5

The directors consider that the company's financial position at the end of the year is satisfactory.

Dividends

A dividend of £Nil (1995: £300,000) was paid in the year. Retained profits of £1,151,000 (1995: £770,000) were transferred to reserves.

Fixed assets

The movements in the tangible fixed assets are shown in note 8 on the accounts.

Employees

The Company gives disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable candidates having regard to their particular aptitudes and abilities. Whenever possible provision is made for training and career development of disabled persons and every effort would be made to retrain any employee who became disabled. The Company recognises the importance of good employee relations and the management is encouraged to adopt such employee consultation as appropriate.

Donations

The Company made no charitable donations during the year (1995: £Nil).

Fulleon Synchrobell Limited

Directors' report

(continued)

Directors and directors' interests

The directors who served during the year are as follows:

RB Fletcher

B Hurst

GK James (appointed 21 August 1995)

CD Parker

TS Strong

No director had any direct interest in the company at any stage during the year.

RB Fletcher, B Hurst and GK James are directors of the ultimate parent undertaking, Menvier-Swain Group plc and their interests in the shares of that company are shown in those financial statements. The interests of the other directors in the shares of the ultimate parent undertaking was as follows:

	At 30 April 1996		At 30 April 1995	
	Ordinary shares of 5p each	Share options	Ordinary shares of 5p each	Share options
CD Parker	4,798	60,388	7,298	50,585
TS Strong	-	9,803	-	-

No director exercised options during the year and none lapsed during the year.

No director is materially interested in any other contract of significance in relation to the business of the company.

Insurance cover has been maintained for the directors and other officers of the company against certain liabilities which they may incur in carrying out their duties.

Fulleon Synchrobell Limited

Directors' report

(continued)

Auditors

During the year, Whitley-Stimpson & Partners resigned as auditors of the company and KPMG Audit Plc were appointed in their place. A resolution for the reappointment of KPMG Audit Plc will be proposed at the forthcoming Annual General Meeting.

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 and of the profit or loss 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, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

By order of the board



MF Jarrett
Secretary

Southam Road
Banbury
Oxfordshire
OX16 7RX

24 July 1996



2 Cornwall Street
Birmingham
B3 2DL

Auditors' report to the members of Fulleon Synchrobell Limited

We have audited the financial statements on pages 5 to 16.

Respective responsibilities of directors and auditors

As described on page 3, 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 the company's affairs as at 30 April 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

24 July 1996

Chartered Accountants
Registered Auditors



Fulleon Synchrobell Limited

Profit and loss account for the year ended 30 April 1996

	<i>Note</i>	1996 £'000	1995 £'000
Turnover	2	7,609	6,786
Cost of sales		(4,775)	(4,134)
Gross profit		2,834	2,652
Net operating expenses	4	(1,168)	(1,052)
Operating profit		1,666	1,600
Net interest receivable	5	61	10
Profit on ordinary activities before taxation	6	1,727	1,610
Taxation on profit on ordinary activities	7	(576)	(540)
Profit on ordinary activities after taxation		1,151	1,070
Dividends paid		-	(300)
Retained profit for the financial year	14	1,151	770

A statement of movements on reserves is given in note 14.

The above results derive entirely from the company's continuing operations.

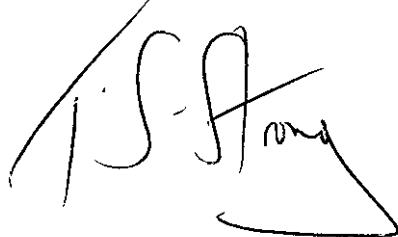
Fulleon Synchrobell Limited

Balance sheet
at 30 April 1996

	Note	1996 £'000	1995 £'000
Fixed assets			
Tangible assets	8	1,228	1,219
Current assets			
Stocks	9	844	861
Debtors	10	3,067	2,033
Cash at bank and in hand		286	10
		<u>4,197</u>	<u>2,904</u>
Creditors: amount falling due within one year	11	<u>(2,656)</u>	<u>(2,505)</u>
Net current assets		1,541	399
Provision for liabilities and charges	12	<u>(10)</u>	<u>(10)</u>
Net assets		<u>2,759</u>	<u>1,608</u>
Capital and reserves			
Called up share capital	13	40	40
Profit and loss account	14	<u>2,719</u>	<u>1,568</u>
Equity shareholders' funds		<u>2,759</u>	<u>1,608</u>

These financial statements were approved by the board of directors on 24 July 1996 and were signed on its behalf by:

TS Strong
Director



Fulleon Synchrobell Limited

Statement of total recognised gains and losses *for the year ended 30 April 1996*

The company had no recognised gains or losses other than the profit for the respective financial years.

Statement of historical cost profits and losses *for the year ended 30 April 1996*

There is no difference in either the current or preceding year between the results as stated on page 5 and those presented on an unmodified historical cost basis.

Reconciliation of movements in shareholders' funds *for the year ended 30 April 1996*

	Called up share capital £'000	Profit and loss account £'000	Total 1996 £'000	Total 1995 £'000
Profit for the financial year	-	1,151	1,151	1,070
Dividend paid	-	-	-	(300)
	<hr/>	<hr/>	<hr/>	<hr/>
Movement in year	-	1,151	1,151	770
Shareholders' funds at the beginning of the year	40	1,568	1,608	838
	<hr/>	<hr/>	<hr/>	<hr/>
Shareholders' funds at the end of the year	40	2,719	2,759	1,608
	<hr/>	<hr/>	<hr/>	<hr/>

Fulleon Synchrobell Limited

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents the total amount receivable from the sale of goods and the provision of services exclusive of value added tax.

Depreciation

Freehold land is not depreciated. Depreciation is provided on other fixed assets so as to write down the cost of tangible fixed assets to their estimated residual values over their estimated useful lives.

Depreciation is provided at the following rates:

Freehold property	50 years
Motor vehicles	4 years
Plant and equipment	4 to 6.7 years

Stock and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value. Cost includes all direct costs and attributable overheads incurred in bringing the stocks to their present location and condition.

Taxation

The charge for taxation is based on the profit for the year and takes into consideration timing differences arising as a result of different treatments of certain items for taxation and accounting purposes.

Deferred taxation is calculated on the liability method at the appropriate rates and is provided only to the extent that it is probable that an actual liability will crystallise. Deferred tax relating to pension contributions is provided to the extent that cash payable in respect of pension contributions differs from the regular cost charged through the profit and loss account.

Operating leases

Rentals made under operating leases are charged on an accruals basis in accordance with the rentals determined under the respective lease terms.

Fulleon Synchrobell Limited

Notes (continued)

1 Accounting policies (continued)

Hire purchase contracts

Assets held under hire purchase contracts and finance leases are recorded in the balance sheet as tangible fixed assets at fair value and depreciated in accordance with the depreciation policy.

Future instalments under such contracts, net of future finance charges, are included in creditors. Instalments payable are apportioned between finance charges and the capital element. Finance charges are charged in the profit and loss account. The capital element of instalments relieves the outstanding obligation relating to future instalments.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. The resulting adjustments are dealt with through the profit and loss account.

Pensions

The company operates a defined contribution pension scheme in respect of certain employees. The scheme's funds are administered by trustees and are independent of the company's finances. Pension costs are charged to the profit and loss account in the period when they fall due.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Cash flow

The ultimate holding company has adopted FRS1 and has prepared a group cash flow statement. Accordingly, the company is exempt from preparing a cash flow statement.

Fulleon Synchrobell Limited

Notes (continued)

2 Segmental analysis

The analysis of turnover by geographical destination is as follows:

	1996 £'000	1995 £'000
United Kingdom and Republic of Ireland	5,512	4,994
Europe	1,833	1,604
Other	264	188
	<u>7,609</u>	<u>6,786</u>

The directors consider that there is only one class of business, all originating in the United Kingdom.

3 Employees and directors

The average number of persons (including directors) employed during the year, analysed by category, was as follows:

	Number of employees	
	1996	1995
Staff	118	106
Directors	4	4
	<u>122</u>	<u>110</u>

The aggregate payroll costs of these persons were as follows:

	1996 £'000	1995 £'000
Wages and salaries	1,423	1,293
Social security costs	128	126
Other pension costs	9	5
	<u>1,560</u>	<u>1,424</u>

Fulleon Synchrobell Limited

Notes (continued)

3 Employees and directors (continued)

Directors' emoluments, including pension contributions, comprise:

	1996 £'000	1995 £'000
Remuneration as executives	88	124
Pension contributions	4	3
	<u>92</u>	<u>127</u>
Chairman's emoluments (excluding pension contributions)	-	-
Highest paid director (excluding pension contributions)	<u>48</u>	<u>65</u>

The number of directors whose emoluments, excluding pension contributions, fell within the following ranges were as follows:

	Number of directors	
	1996	1995
£0 - £ 5,000	3	2
£40,001 - £45,000	1	-
£45,001 - £50,000	1	-
£55,001 - £60,000	-	1
£65,001 - £70,000	-	1
	<u></u>	<u></u>

4 Net operating expenses

	1996 £'000	1995 £'000
Distribution costs	101	95
Administration expenses	1,085	976
Other operating income	(18)	(19)
	<u>1,168</u>	<u>1,052</u>

Fulleon Synchrobell Limited

Notes (continued)

5 Net interest receivable

	1996 £'000	1995 £'000
Interest receivable	22	20
Interest payable on bank overdraft and other loans wholly repayable within 5 years	-	(8)
Interest receivable from/(payable to) group companies	39	(2)
	<u>61</u>	<u>10</u>

6 Profit on ordinary activities before taxation

	1996 £'000	1995 £'000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting) the following:</i>		
Rentals under operating leases:		
Land and buildings	32	32
Hire of plant and equipment	10	10
Research and developments costs	90	107
Auditors' remuneration	8	13
Rent receivable	(18)	(19)
	<u></u>	<u></u>

The auditors were paid £Nil (1995: £2,000) in respect of non audit services.

7 Taxation on profit on ordinary activities

	1996 £'000	1995 £'000
UK corporation tax at 33% (1995: 33%) - current year	576	540
Deferred tax - current year	-	-
	<u>576</u>	<u>540</u>

Fulleon Synchrobell Limited

Notes (continued)

8 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At beginning of year	796	1,024	115	1,935
Additions	-	165	25	190
Disposals	-	(1)	-	(1)
At end of year	796	1,188	140	2,124
Depreciation				
At beginning of year	46	615	55	716
Charge for the year	8	142	30	180
Disposals	-	-	-	-
At end of year	54	757	85	896
Net book value				
At 30 April 1996	742	431	55	1,228
At 30 April 1995	750	409	60	1,219

The total cost of non depreciable land is £450,000 (1995: £450,000). The directors considered that the book value of freehold land and buildings above is not materially different to the market value.

Capital commitments

Future capital expenditure authorised and contracted but not provided in the financial statements amounts to £2,000 (1995: £33,000).

Fulleon Synchrobell Limited

Notes (continued)

9 Stocks

	1996 £'000	1995 £'000
Raw materials	471	572
Work in progress	283	171
Finished goods	90	118
	<u>844</u>	<u>861</u>

10 Debtors

	1996 £'000	1995 £'000
Trade debtors	1,438	1,509
Amounts due from parent and fellow subsidiary undertakings	1,589	489
Other debtors	1	2
Prepayments and accrued income	39	33
	<u>3,067</u>	<u>2,033</u>

11 Creditors: Amounts falling due within one year

	1996 £'000	1995 £'000
Trade creditors	762	594
Amounts owed to parent and fellow subsidiary undertakings	1,124	1,132
Taxation and social security	658	645
Accruals and deferred income	112	134
	<u>2,656</u>	<u>2,505</u>
Taxation and social security comprises:		
Social security	36	31
Other taxes	46	74
Corporation tax	576	540
	<u>658</u>	<u>645</u>

Notes (continued)

Fulleon Synchrobell Limited

12 Deferred taxation

	1996 £'000	1995 £'000
At beginning of year	10	10
Transfer to profit and loss account	-	-
At end of year	10	10

The deferred taxation balance at 30 April 1996 is made up as follows:

	Provided		Not provided	
	1996 £'000	1995 £'000	1996 £'000	1995 £'000
Accelerated capital allowances	10	10	11	70
Other timing differences	-	-	-	1
	10	10	11	71

13 Called up share capital

	1996 £'000	1995 £'000
<i>Authorised</i>		
40,000 Ordinary shares of £1 each	40	40
<i>Allotted, called up and fully paid:</i>		
40,000 Ordinary shares of £1 each	40	40

14 Profit and loss account

	1996 £'000	1995 £'000
Retained profit brought forward	1,568	798
Retained profit for the year	1,151	770
Retained profit carried forward	2,719	1,568

Fulleon Synchrobell Limited

Notes (continued)

15 Operating lease commitments

At the end of the year the company had annual commitments under non-cancellable operating leases in respect of the following:

	1996 £'000	1995 £'000
Other operating leases expiring:		
Between two and five years	<u>32</u>	<u>32</u>

16 Contingent liabilities

Guarantees have been given by the company in the ordinary course of business in respect of overdraft facilities granted to certain group companies. At the balance sheet date £9,659,000 (1995: £3,825,000) was outstanding under such guarantees.

17 Pension scheme

The pension charge for the year ended 30 April 1996 was £9,000 (1995: £4,000). The company employees participate in the Menvier-Swain Group plc defined contribution scheme.

18 Ultimate holding company

The company is a wholly owned subsidiary of Menvier-Swain Group plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the latest published financial statements of that company can be obtained from Southam Road, Banbury, Oxfordshire OX16 7RX.