

Registered No. 1972044

MARATHON MONITORS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

1ST APRIL 1995



MARATHON MONITORS 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 £90,882 and the profit after taxation amounts to £60,902 which will be added to the reserves. The Directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the manufacture and marketing of process control equipment and there has been no significant change in the activities during the period.

REVIEW OF BUSINESS

It has been a successful year with good growth in the UK market, although delays in export sales were disappointing. Profits for the year are also much improved reflecting the upturn in turnover.

FUTURE DEVELOPMENTS

The business will continue in the same market developing any future opportunities which become available.

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 during the period and at the period end were as follows:

R R Jessop (Chairman)
N G Tucker

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

MARATHON MONITORS LIMITED
DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 1ST APRIL 1995
(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 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</u> <u>52 weeks</u>	
	Shares	Options	Shares	Options	Options Granted	Options Exercised
R R Jessop	4,742	129,899	4,750	146,599	16,700	-
N G Tucker	-	42,433	-	57,433	15,000	-

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 79.5p and 221p 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 the financial 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.

MARATHON MONITORS LIMITED
DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 1ST APRIL 1995
(Continued)


DIRECTORS' RESPONSIBILITIES (Cont'd)

The Directors consider that in preparing the accounts on pages 5 to 12, appropriate accounting policies have been used, which have been consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed, and that it is appropriate to use a going concern basis.

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.



J.P.A. Seabrook
Secretary

28th July 1995

2 Blacklands Way
Abingdon
Oxon.
OX14 1DY

Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF MARATHON MONITORS LIMITED

We have audited the financial statements on pages 5 to 12 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 pages 2 and 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 mis-statement, 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 1 April 1995 and of its profit for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

28 July 1995

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

52 weeks ended
2nd April 1994

<u>£646,239</u>	TURNOVER (Note 2)	<u>£813,433</u>
13,333	TRADING PROFIT (Note 3)	93,875
	INTEREST	
(3,293)	Bank Overdraft interest payable (1,766)	
<u>3,677</u>	Group Loan interest receivable/(payable) (<u>1,227</u>)	
<u>384</u>		<u>(2,993)</u>
13,717	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	90,882
(<u>4,768</u>)	Tax on profit on ordinary activities (Note 6)	<u>(29,980)</u>
8,949	PROFIT FOR THE FINANCIAL YEAR	60,902
(39,546)	Retained loss brought forward	(30,597)
<u>£(30,597)</u>	Retained profit carried forward	<u>£30,305</u>

The company had no recognised gains or losses during the year other than those reflected in the above Profit and Loss account

The annexed notes form part of these accounts.

MARATHON MONITORS LIMITED
BALANCE SHEET AS AT 1ST APRIL 1995

2nd April 1994

92,254	FIXED ASSETS Tangible Assets (Note 7)	92,986
74,316	CURRENT ASSETS	
217,941	Stock (Note 8)	104,373
<u>12,587</u>	Debtors (Note 9)	306,138
<u>304,844</u>	Cash at Bank and in Hand	<u>3,257</u>
		<u>413,768</u>
	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	
2,442	Corporation Tax	31,604
<u>422,500</u>	Creditors (Note 10)	<u>443,358</u>
<u>424,942</u>		<u>474,962</u>
(120,098)	NET CURRENT LIABILITIES	(61,194)
(27,844)	TOTAL ASSETS LESS CURRENT LIABILITIES	31,792
<u>2,653</u>	PROVISIONS FOR LIABILITIES AND CHARGES (Note 11)	<u>1,387</u>
£(30,497)		<u>£30,405</u>
	CAPITAL AND RESERVES	
	CALLED UP SHARE CAPITAL	
	Equity Capital	
100	Authorised issued and fully paid Ordinary shares of £1 each	100
(30,597)	PROFIT AND LOSS ACCOUNT	30,305
£(30,497)	SHAREHOLDERS' FUNDS	<u>£30,405</u>

Approved by the Board of Directors
on 28th July 1995

Directors R R Jessop
N G Tucker

The annexed notes form part of these
accounts

MARATHON MONITORS LIMITED

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

52 weeks ended
2nd April 1994

8,949	PROFIT FOR THE FINANCIAL YEAR	60,902
<u>-</u>	Dividends	<u>-</u>
8,949	PROFIT TRANSFERRED TO RESERVES	60,902
(39,446)	SHAREHOLDERS' FUNDS BROUGHT FORWARD	(30,497)
£(30,497)	SHAREHOLDERS' FUNDS CARRIED FORWARD	£30,405

MARATHON MONITORS LIMITED
NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts set out on pages 5-12 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:

Leasehold Properties	
- less than 50 years unexpired	Period of lease
Plant, Machinery and Equipment	8% to 20%
Motor Vehicles	20%
Short-life tooling	33.3%

Research and Development

Expenditure on Research and Development is written off in the financial year in which it is incurred.

Leases

The cost 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 tangible 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.

MARATHON MONITORS LIMITED
NOTES TO THE ACCOUNTS (continued)

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:

	<u>1995</u>	<u>1994</u>
United Kingdom	714,266	529,217
Europe excluding UK	<u>99,167</u>	<u>117,022</u>
	<u>£813,433</u>	<u>£646,239</u>

3. TRADING PROFIT

Trading profits arise wholly from continuing activities, and comprise:

	<u>1995</u>	<u>1994</u>
Turnover	813,433	646,239
Cost of Sales	(599,793)	(500,746)
Gross Profit	213,640	145,493
Distribution costs	(3,448)	-
Administrative costs	(116,317)	(132,160)
	<u>£ 93,875</u>	<u>£ 13,333</u>

Trading profits are arrived at after charging:

	£	£
Depreciation	30,473	26,217
Research and Development	4,645	-
Auditors' remuneration		
- audit fees	4,540	4,455
- non audit fees	1,000	1,125
Operating lease rents		
- Property	20,345	20,345

MARATHON MONITORS LIMITED
NOTES TO THE ACCOUNTS (continued)

4. DIRECTORS' REMUNERATION	<u>1995</u>	<u>1994</u>
Remuneration including pension contributions	<u>£36,678</u>	<u>£35,577</u>
Remuneration excluding pension contributions :		
Chairman	<u>Nil</u>	<u>Nil</u>
Highest paid Director	<u>£33,928</u>	<u>£32,972</u>
5. EMPLOYEE INFORMATION	<u>1995</u>	<u>1994</u>
The average number of persons employed by the company during the period was:		
Full-time	10	9
Part-time	<u>1</u>	<u>1</u>
	<u>11</u>	<u>10</u>
Employee costs of the Company comprises :		
Wages and Salaries	202,333	164,226
Social security payments	16,358	14,199
Pension costs	<u>15,463</u>	<u>11,679</u>
	<u>£234,154</u>	<u>£190,104</u>
6. TAX ON PROFITS ON ORDINARY ACTIVITIES	<u>1995</u>	<u>1994</u>
Corporation tax at 33%	30,338	4,827
Prior year adjustments	<u>(358)</u>	<u>(59)</u>
	<u>£29,980</u>	<u>£4,768</u>
Comprising :		
Current Taxation	31,246	2,383
Deferred Taxation	<u>(1,266)</u>	<u>2,385</u>
	<u>£29,980</u>	<u>£4,768</u>

MARATHON MONITORS LIMITED
NOTES TO THE ACCOUNTS (continued)

7. TANGIBLE ASSETS

	<u>Land and Buildings</u>		
	Short Leasehold <u>Property</u>	Plant Equipment <u>Vehicles, etc</u>	<u>Total</u>
COST OR VALUATION			
At 2nd April 1994	3,740	146,289	150,029
Additions(net of grants)	-	36,485	36,485
Disposals	-	(13,200)	(13,200)
At 1st April 1995	<u>3,740</u>	<u>169,574</u>	<u>173,314</u>
DEPRECIATION			
At 2nd April 1994	2,599	55,176	57,775
Charge for the period	744	29,729	30,473
Disposals	-	(7,920)	(7,920)
At 1st April 1995	<u>3,343</u>	<u>76,985</u>	<u>80,328</u>
NET BOOK VALUE			
At 1st April 1995	<u>397</u>	<u>92,589</u>	<u>92,986</u>
At 2nd April 1994	<u>1,141</u>	<u>91,113</u>	<u>92,254</u>

Capital expenditure authorised and outstanding at 1st April 1995 amounted to £ nil (1994 : £ nil). Contracts placed against these authorisations so far as not provided in these accounts amounted to £ nil (1994 : £ nil).

At 1st April 1995 the Company had annual commitments under non-cancellable operating leases expiring as follows:

	<u>Land and Buildings 1995</u>	<u>Land and Buildings 1994</u>
After five years	<u>£20,345</u>	<u>£20,345</u>
8. STOCKS	<u>1995</u>	<u>1994</u>
Raw Materials	61,042	69,052
Work in progress	<u>43,331</u>	<u>5,264</u>
	<u>£104,373</u>	<u>£74,316</u>
9. DEBTORS	<u>1995</u>	<u>1994</u>
Trade Debtors	294,819	207,913
Prepayments and Accrued Income	<u>11,319</u>	<u>10,028</u>
	<u>£306,138</u>	<u>£217,941</u>

MARATHON MONITORS LIMITED
NOTES TO THE ACCOUNTS (continued)

10. CREDITORS	<u>1995</u>	<u>1994</u>
Trade Creditors	67,193	33,245
Taxation and Social Security	36,360	21,514
Amounts due to Group Companies	297,381	352,447
Accruals and Deferred Income	<u>42,424</u>	<u>15,294</u>
	<u>£443,358</u>	<u>£422,500</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

DEFERRED TAXATION	<u>1995</u>	<u>1994</u>
Comprises timing differences due to: Fixed Assets	<u>£1,387</u>	<u>£2,653</u>
The potential amount for all timing differences is: Fixed Assets	<u>£1,387</u>	<u>£2,653</u>

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 £15,463 (1994: £11,679)

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.

14. ULTIMATE PARENT COMPANY

The ultimate parent company of Marathon Monitors 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.