

Registered No. 2432485

SECOMAK LIMITED  
28 MARCH 1998  
DIRECTORS REPORT AND ACCOUNTS



## SECOMAK LIMITED

### DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 MARCH 1998

The Directors present their annual report and the audited accounts for the 52 weeks ended 28 March 1998.

#### PROFITS AND DIVIDENDS

The Profit and Loss Account shows no profit or loss either before or after taxation. No interim dividend on the Ordinary shares was paid. The Directors do not recommend the payment of a final dividend.

#### PRINCIPAL ACTIVITIES

The Company is dormant.

#### REVIEW OF BUSINESS

The Company did not conduct any business during the period.

#### DIRECTORS

The Directors of the Company during the period and at the period end were as follows:

Mr J F Kidston (Chairman) (Resigned 30 April 1997)  
Mr G N S Turner (Chairman) (Appointed 30 April 1997)  
Mr D J Archer  
Mr J F Moore  
Mr A A J Evans (Resigned 28 March 1998)

#### 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 28 March 1998, who were not also Directors of Halma p.l.c., in the Ordinary shares of that Company were as follows:

	<u>At 29 March 1997</u>		<u>At 28 March 1998</u>		<u>during the 52 weeks</u>	
	Shares	Options	Shares	Options	Options Granted	Exercised
Mr G N S Turner	-	57,133	-	182,177	106,000	-
Mr D J Archer	184,265	154,769	245,319	239,564	33,200	-
Mr J F Moore	4,494	9,600	5,992	34,400	21,600	-

The Directors held the above options under the share option schemes approved by Halma p.l.c. shareholders, exercisable by 2007 at prices between 44p and 123p per share.

The interests given at 29 March 1997 are stated before the 1 for 3 scrip issue made in 1997. 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.

## SECOMAK LIMITED

### DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 MARCH 1998 (Continued)

#### DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 1985 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 accounts 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 accounts on pages 4 to 9, 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 it is not 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 F Moore  
Secretary  
Secomak Limited  
Honeypot Lane  
Stanmore  
Middlesex  
HA7 1BE

24 July 1998

*Price Waterhouse*



## **REPORT OF THE AUDITORS TO THE MEMBERS OF SECOMAK LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### **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 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 28 March 1998 and of the result of the Company for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Price Waterhouse  
Chartered Accountants  
and Registered Auditors

24 July 1998

# SECOMAK LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE 52 WEEKS ENDED 28 MARCH 1998

11 months to  
29 March 1997

£		£
2,210,894	TURNOVER (Note 2)	-
(185,751)	TRADING (LOSS)/PROFIT (Note 3)	-
	INTEREST	
9,739	Bank Overdraft interest payable	-
38,813	Loan Interest	-
5,280	Group Loan interest payable	-
746	Other interest	-
54,578		-
(240,329)	(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	-
18,984	Tax on (Loss)/Profit on ordinary activities (Note 6)	-
(221,345)	(LOSS)/PROFIT FOR FINANCIAL YEAR AFTER TAXATION TRANSFERED TO RESERVES	-
150,639	Profit at beginning of the period	(70,706)
£(70,706)	Retained Deficit/Profit at end of the period	£(70,706)

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.

SECOMAK LIMITED  
BALANCE SHEET AS AT 28 MARCH 1998

29 March 1997

28 March 1998

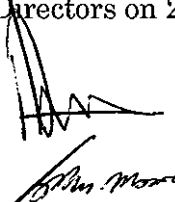
CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR

	69,706	Creditors (Note 7)	69,706	
	<u>69,706</u>		<u>69,706</u>	
£(69,706)		NET CURRENT ASSETS		£(69,706)
		CAPITAL AND RESERVES		
Issued and fully paid				Issued and fully paid
		CALLED UP SHARE CAPITAL		
		Equity Capital		
1,000		Ordinary Shares of £1 each		1,000
	<u>10,000</u>	Authorised	<u>10,000</u>	
(70,706)		PROFIT AND LOSS ACCOUNT		(70,706)
£(69,706)		SHAREHOLDERS FUNDS		£(69,706)

Approved by the Board of Directors on 24 July 1998

Directors: D J Archer

J F Moore



The annexed notes form part of these accounts.

SECOMAK LIMITED  
MOVEMENT IN SHAREHOLDERS' FUNDS  
FOR THE 52 WEEKS ENDED 28 MARCH 1998

11 months ended  
29 March 1997

(221,345)	(LOSS)/PROFIT FOR THE FINANCIAL YEAR	-
150,639	SHAREHOLDERS' FUNDS BROUGHT FORWARD	(70,706)
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£(70,706)	SHAREHOLDERS' FUNDS CARRIED FORWARD	£(70,706)
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# SECOMAK LIMITED

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### Basis of Accounting

The accounts set out on pages 4 - 9 are prepared under the historical cost convention and comply with applicable UK Accounting Standards.

#### 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>1998</u>	<u>1997</u>
United Kingdom	-	1,466,639
Export	-	744,255
	<hr/>	<hr/>
	NIL	£2,210,894
	<hr/>	<hr/>



SECOMAK LIMITED

NOTES TO THE ACCOUNTS (Continued)

3. TRADING (LOSS)/PROFIT

Comprise:	<u>1998</u>	<u>1997</u>
Turnover	-	2,210,894
Cost of sales	-	1,854,506
	<hr/>	<hr/>
Gross Profit	-	356,388
Distribution costs	-	26,301
Administrative expenses	-	515,838
	<hr/>	<hr/>
	NIL	£(185,751)
	<hr/>	<hr/>

Trading profits are arrived at after charging:

	£	£
Depreciation	-	142,054
Auditors' remuneration - audit fees	-	5,000
Operating lease rents: - property	-	28,586
Amortisation of intangible fixed assets	-	105,000

4. DIRECTORS' REMUNERATION

	<u>1998</u>	<u>1997</u>
Remuneration	NIL	£57,738
Remuneration :		
Highest paid Director	NIL	£57,738

5. EMPLOYEE INFORMATION

The average number of persons employed by the Company during the period was:	<u>1998</u>	<u>1997</u>
Full-time	NIL	37
	<hr/>	<hr/>

Employee costs of the Company comprised:

Wages and salaries	-	491,686
Social security costs	-	51,837
Other pension costs	-	15,543
	<hr/>	<hr/>
	NIL	£559,066
	<hr/>	<hr/>

# SECOMAK LIMITED

## NOTES TO THE ACCOUNTS (Continued)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>1998</u>	<u>1997</u>
UK corporation tax ( 1997: 33%)	-	(3,884)
Deferred tax	-	(15,100)
	<hr/> NIL <hr/>	<hr/> £(18,984) <hr/>

7. CREDITORS	<u>1998</u>	<u>1997</u>
Amounts falling due within one year		
Amount due to Group Companies	69,706	69,706
	<hr/> £69,706 <hr/>	<hr/> £69,706 <hr/>

## 8. PENSIONS

The Company operates a defined benefit scheme. The assets of the scheme are held separately from those of the company in the administered fund.

The total pension cost of the Company was NIL (1997 : £15,542).

## 9. 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.

## 10. ULTIMATE PARENT COMPANY

The ultimate parent company of Secomak 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 0DE.