

Honeywell SF Detection Limited
(formerly SF Detection Limited)

Director's report and financial
statements

Registered number 2610255

31 December 2005



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Director's report

The director presents the annual report and the audited financial statements for the year ended 31 December 2005.

The company changed its name to Honeywell SF Detection Limited on 11 July 2006.

Principal activities

The principal activity of the company is the sale of carbon monoxide gas detectors for domestic use.

Business review

The profit and loss account for the year is set out on page 4.

The company has not traded during the year.

Dividends and transfers to reserves

The director does not recommend the payment of a dividend (2004:£Nil). The retained loss for the year amounting to £18 (2004 profit :£11) was transferred to reserves.

Research and development

The company is no longer performing research and development activities.

Directors and director's interests

The directors who held office during the year were:

M Schett (Swiss)

E Bradley – Appointed 1 July 2005

M Dubois (French) – Appointed 1 July 2005

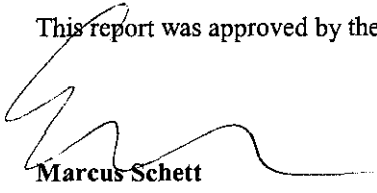
G Van Kula (American) – Appointed 1 July 2005

The director who held office at the end of the financial year did not have any beneficial interest in the share capital of the company or any other group company at 1 January 2005 or 31 December 2005.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 30 June 2006 and signed on its behalf by:


Marcus Schett
Director

Hatch Pond House
4 Stinsford Road
Nuffield Estate
Poole
Dorset
BH17 0RZ

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.



Dukes Keep
Marsh Lane
Southampton
SO14 3EX

Independent auditors' report to the members of Honeywell SF Detection Limited (formerly SF Detection Limited)

We have audited the financial statements of Honeywell SF Detection Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**Independent auditors' report to the members of Honeywell SF Detection Limited
(formerly SF Detection Limited) *(Continued)***

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



KPMG LLP

Chartered Accountants

Registered Auditor

10 July 2006

Profit and loss account
for the year ended 31 December 2005

	Note	2005 £	2004 £
Turnover	1	-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		18	(11)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation	2-4	(18)	11
Tax on result on ordinary activities	5	-	-
		<hr/>	<hr/>
Retained profit/(loss) for the financial year	9	(18)	11
		<hr/>	<hr/>

There are no recognised gains and losses other than the loss for the year reported above. There is also no difference between the profit on ordinary activities before taxation or the retained loss for the financial year stated above and their historical cost equivalents.


All results arise from discontinued operations.

Balance sheet

at 31 December 2005

	Note	2005	2004
		£	£
Current assets			
Debtors	6	1,557,222	1,557,240
Cash at bank and in hand		-	-
		<u>1,557,222</u>	<u>1,557,240</u>
Creditors: amounts falling due within one year	7	-	-
		<u>-</u>	<u>-</u>
Net current assets		<u>1,557,222</u>	<u>1,557,240</u>
Total assets less current liabilities		<u>1,557,222</u>	<u>1,557,240</u>
Net assets		<u>1,557,222</u>	<u>1,557,240</u>
Capital and reserves			
Called up share capital	8	380,000	380,000
Profit and loss account	9	1,177,222	1,177,240
		<u>1,557,222</u>	<u>1,557,240</u>
Equity shareholders' funds	10	<u>1,557,222</u>	<u>1,557,240</u>

These financial statements were approved by the board of directors on 30 June 2006 and were signed on its behalf by:



M Schett
Director

Notes*(forming part of the financial statements)***1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Related party transactions

Advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Honeywell Analytics Limited or other group undertakings as the consolidated financial statements of Honeywell Analytics Limited in which the company is included are publicly available.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary of Honeywell International Inc and its results are consolidated in that company's financial statements.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Research and development

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

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transaction in foreign currencies are recorded at the rate ruling at the date of the transaction. Exchange differences are taken to the profit and loss account in the period in which they arise.

Taxation

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Pension scheme

The company participates in defined contribution pension schemes run by its parent company, Honeywell Analytics Limited. The assets of the scheme are held separately from those of the company in an independently administered fund. The costs charged against profits for these schemes are the contributions payable in respect of the accounting period.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Notes (continued)**2 Employee information**

During the current and preceding year the company had no employees other than the directors.

3 Directors' emoluments

No directors were paid during the year (2004: £Nil).

4 Profit on ordinary activities before taxation

	2005 £	2004 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration - audit	-	-
Operating leases - property	-	-
	<u> </u>	<u> </u>

5 Tax on ordinary activities

	2005 £	2004 £
UK Corporation tax at 30% (2004: 30%)	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

6 Debtors

	2005 £	2004 £
<i>Amounts falling due within one year:</i>		
Amounts due from parent company and group undertakings	1,557,222	1,557,240
	<u> </u>	<u> </u>
	<u>1,557,222</u>	<u>1,557,240</u>

Notes (continued)**7 Creditors: amounts falling due within one year**

	2005 £	2004 £
Bank overdraft	-	-
Trade creditors	-	-
Amounts owed to parent company and group undertakings	-	-
Other creditors including taxation and social security:		
Corporation tax	-	-
Accruals and deferred income	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

8 Called up share capital

	2005 £	2004 £
<i>Authorised</i>		
500,000 ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
<i>Allotted, called up and fully paid</i>		
380,000 ordinary shares of £1 each	<u>380,000</u>	<u>380,000</u>

9 Profit and loss account

	£
At 1 January 2005	1,177,240
Retained loss for the year	(18)
	<u>1,177,222</u>
At 31 December 2005	<u>1,177,222</u>

10 Reconciliation of movement in shareholders' funds

	2005 £	2004 £
Opening shareholders' funds	1,557,240	1,556,229
Retained profit for the financial year	(18)	11
	<u>1,557,222</u>	<u>1,557,240</u>
Closing shareholders' funds	<u>1,557,222</u>	<u>1,557,240</u>

Notes (continued)**11 Capital commitments**

The company had no capital commitments at 31 December 2005 or 31 December 2004.

12 Contingent liabilities

The company has undertaken on a joint and several basis to guarantee bank overdrafts of Honeywell Analytics Limited and certain other fellow subsidiaries of that company without limit. At 31 December 2005 these overdrafts totalled £Nil (2004: £Nil).

There were no other contingent liabilities at 31 December 2005 or 31 December 2004.

13 Ultimate and immediate parent companies

The immediate parent company is Honeywell Analytics Limited.

The ultimate parent and controlling party is Honeywell International Inc, a company incorporated in the USA which is the largest and smallest group to consolidate these accounts. Copies of these accounts are publicly available and can be obtained from Corporate Publications, PO Box 2245, Morristown, New Jersey 07962-2245, USA or from the Internet at www.honeywell.com.