

SF Detection Limited

Directors' report and financial statements

31 December 1996

Registered number 2610255



SF Detection Limited

Directors' report and financial statements

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SF Detection Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1996.

Principal activities

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

The principal activity of the company is the design, manufacture and sale of gas alarms for use in the home, in caravans and on boats.

The share capital of the company was owned 50% by Figaro Engineering Inc and 50% by Zellweger Analytics Limited; with effect from 31 March 1996, Zellweger Analytics Limited acquired 100% of the share capital.

Business review

The directors are satisfied with the progress made during the year and expect the company to trade profitably in the future.

Dividends and transfers to reserves

The directors do not recommend the payment of a dividend (1995:£Nil) and the profit for the year will be transferred to reserves.

Research and development

The company is committed to research and development activities to secure a leading position in the domestic gas alarm market.

Directors and directors' interests

The directors who held office during the year were as follows:

G Bonetti (Italian)	(Resigned 17 September 1996)
S Enman (Japanese)	(Resigned 17 September 1996)
H Matoba (Japanese)	(Resigned 17 September 1996)
WJ Lancashire	
BM Willatt	
R van Ewyk	(Appointed 20 December 1996)

None of the directors who held office at the end of the financial year had any interest in the share capital of the company.

SF Detection Limited

Directors' report *(continued)*

Directors' responsibilities

Company law requires 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 and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

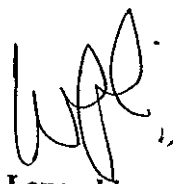
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG 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 20 May 1997.



WJ Lancashire
Secretary

Hatch Pond House
4 Stinsford Road
Nuffield Estate
POOLE
Dorset



Dukes Keep
Marsh Lane
Southampton
SO14 3EX

Report of the auditors to the members of SF Detection Limited

We have audited the financial statements on pages 4 to 12.

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 of 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 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

20 May 1997

SF Detection Limited

Profit and loss account
for the year ended 31 December 1996

	Note	1996 £	1995 £
Turnover			
Cost of sales		932,938 (640,710)	399,455 (242,402)
Gross profit			
Administrative expenses		292,228 (252,279)	157,053 (157,817)
Operating profit/(loss)			
Interest receivable and similar income		39,949	(764)
Interest payable and similar charges	4	2,583 38,458	511 (29,763)
Profit/(loss) on ordinary activities before taxation	2-5	80,990	(30,016)
Tax on profit/(loss) on ordinary activities	6	-	-
Retained profit/(loss) for the financial year	15	80,990	(30,016)

The company has no recognised gains and losses in the year other than those passing through the profit and loss account.

There is no difference between the profit/(loss) for the year and their historical cost equivalents.

A statement of movements on reserves is given in note 16.

SF Detection Limited

Balance sheet
at 31 December 1996

	Note	1996	1995
		£	£
Fixed assets			
Tangible assets	7	3,899	41,619
Current assets			
Stocks	8	-	188,924
Debtors	9	200,850	148,739
Cash at bank and in hand		182,519	63,307
		<u>383,369</u>	<u>400,970</u>
Creditors: amounts falling due within one year	10	(116,596)	(252,907)
Net current assets		<u>266,773</u>	<u>148,063</u>
Total assets less current liabilities		<u>270,672</u>	<u>189,682</u>
Creditors: amounts falling due after more than one year	11	(550,000)	(550,000)
Net liabilities		<u>(279,328)</u>	<u>(360,318)</u>
Capital and reserves			
Called up share capital	14	380,000	380,000
Profit and loss account	15	(659,328)	(740,318)
Equity shareholders' funds	16	<u>(279,328)</u>	<u>(360,318)</u>

These financial statements were approved by the board of directors on 20 May 1997 and were signed on its behalf by:

R van Ewyk
Director



SF Detection Limited

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.

The directors of the parent undertaking, Zellweger Analytics Limited, have indicated that it is their present intention to continue to provide sufficient finance to the company to enable it to continue to trade without significant curtailment of its planned operations. Accordingly the financial statements have been prepared on a going concern basis.

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary of Hesta AG and its results are consolidated in that company's financial statements. In addition, advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Zellweger Analytics Limited or other group undertakings as the consolidated financial statements of Zellweger Analytics Limited in which the company is included are publicly available.

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.

Tangible fixed assets

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over the expected useful life as follows:

	%
Plant and machinery	20
Fixtures and fittings	20
Motor vehicles	25
	<hr/>

Stocks

Stocks are stated at the lower of cost and net realisable value.

SF Detection Limited

Notes (continued)

1 Accounting policies (continued)

Foreign currencies

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

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Pension scheme

The company operates defined contribution pension schemes for its employees through its parent company, Zellweger Analytics Limited. 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 lease are charged on a straight line basis over the lease term.

2 Remuneration of directors

The remuneration, including pension contributions and benefits in kind, paid to the directors of SF Detection Ltd was:

	1996	1995
	£	£
For management of the company	<u>48,769</u>	<u>40,282</u>
Emoluments (excluding pension contributions) include amounts paid to:		
The Chairman	-	-
Highest paid director	<u>48,619</u>	<u>38,422</u>

SF Detection Limited

Notes (continued)

2 Remuneration of directors (continued)

The number of directors (including the chairman and the highest paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges were:

		Number of directors	
		1996	1995
£0	- £ 5,000	5	4
£35,001	- £40,000	-	1
£45,001	- £50,000	1	-
		<u>1</u>	<u>-</u>

3 Employee information

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

		Number of employees	
		1996	1995
Administration		3	3
Production		2	5
		<u>5</u>	<u>8</u>

The aggregate payroll costs of these persons were as follows:

		1996	1995
		£	£
Wages and salaries		88,454	103,641
Social security costs		8,868	9,751
Other pension costs		2,872	2,182
		<u>100,194</u>	<u>115,574</u>

4 Interest payable and similar charges

		1996	1995
		£	£
On bank overdraft		1,969	1,796
Interest on shareholders' loans (written back)/charged		(40,427)	26,128
Loss on exchange		-	1,839
		<u>(38,458)</u>	<u>29,763</u>

SF Detection Limited

Notes (continued)

5 Profit/(loss) on ordinary activities before taxation

	1996 £	1995 £
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation on tangible fixed assets	18,682	39,895
Research and development expenditure	2,688	1,837
Auditors' remuneration - audit	2,500	2,500
- non audit services	500	500
	<u> </u>	<u> </u>

6 Tax on ordinary activities

No tax was payable due to the availability of losses brought forward.

7 Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
<i>Cost</i>				
At beginning of year	179,149	9,033	9,270	197,452
Transfers to group companies	(179,149)	-	-	(179,149)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of year	-	9,033	9,270	18,303
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Depreciation and diminution in value</i>				
At beginning of year	145,199	7,561	3,073	155,833
Charge for year	14,912	1,472	2,298	18,682
Transfer to group companies	(160,111)	-	-	(160,111)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At end of year	-	9,033	5,371	14,404
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Net book value</i>				
At 31 December 1996	-	-	3,899	3,899
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 1995	33,950	1,472	6,197	41,619
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8 Stocks

Stocks comprised entirely of finished goods and goods for resale.

SF Detection Limited

Notes (continued)

9 Debtors

	1996 £	1995 £
Amounts falling due within one year:		
Trade debtors	195,894	140,288
Other debtors	-	1,861
Prepayments and accrued income	4,956	6,590
	<u>200,850</u>	<u>148,739</u>

10 Creditors: amounts falling due within one year

	1996 £	1995 £
Bank overdrafts	-	58,522
Trade creditors	23,262	16,947
Amounts owed to joint venture parents	-	164,274
Amounts owed to parent company and fellow subsidiary undertakings	59,335	-
Other taxation and social security payable	1,928	3,190
Other creditors	26,012	4,521
Accruals	6,059	5,453
	<u>116,596</u>	<u>252,907</u>

11 Creditors: amounts falling due after more than one year

	1996 £	1995 £
Amounts owed to shareholders	<u>550,000</u>	<u>550,000</u>

12 Pension and similar obligations

The company participates in defined contribution pension schemes run by its parent company, Zellweger Analytics Limited, which are optional for all employees. The assets of the schemes are administered by trustees in a fund independent from those of the company. The total pension cost for the company for the year was £2,872 (1995:£2,182).

SF Detection Limited

Notes (continued)

13 Deferred taxation

There was no deferred tax liability at 31 December 1996 or at 31 December 1995 (provided or unprovided).

14 Called up share capital

	1996 £	1995 £
<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>

15 Profit and loss account

	£
At 31 December 1995	(740,318)
Retained profit for the year	<u>80,990</u>
At 31 December 1996	<u>(659,328)</u>

16 Reconciliation of movement in shareholders' funds

	1996 £	1995 £
Opening shareholders' funds	(360,318)	(330,302)
Retained profit/(loss) for the financial year	<u>80,990</u>	<u>(30,016)</u>
Closing shareholders' funds	<u>(279,328)</u>	<u>(360,318)</u>

17 Capital commitments

The company had no capital commitments at 31 December 1996 or 31 December 1995.

SF Detection Limited

Notes (continued)

18 Financial commitments

At 31 December 1996 the company had annual commitments under non-cancellable operating leases as follows:

	1996		1995	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Expiring within one year	-	-	-	420
Expiring between two and five years inclusive	-	-	-	1,039
Expiring in over five years	19,559	-	19,559	-
	<u>19,559</u>	<u>-</u>	<u>19,559</u>	<u>1,459</u>

19 Contingent liabilities

The company had no contingent liabilities at 31 December 1996 or 31 December 1995.

20 Ultimate and immediate parent companies

According to the register kept by the company, Zellweger Analytics Limited, a company registered in England, has a 100% interest in the equity capital of SF Detection Limited at 31 December 1996. Zellweger Analytics Limited heads the smallest higher group of undertakings for which group financial statements are drawn up and of which the company is a member. The consolidated financial statements of Zellweger Analytics Limited may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

The directors regard Hesta AG, a parent company incorporated in Switzerland, as the ultimate parent company.

CLIFT CONTROLS LIMITED

ABBREVIATED BALANCE SHEET AS AT 30TH JUNE 1997

(CONTINUATION)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 30th June 1997 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

In preparing these abbreviated financial statements the directors have taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to the exemptions as a small company.

In the preparation of the company's annual financial statements the directors have taken advantage of special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to the exemptions as a small company.

Approved by the Board on 24-09-97

and signed on their behalf by M. J. [Signature] Director

CLIFT CONTROLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1997

1. ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor Vehicles	- 25% reducing balance basis
Fixtures & Fittings	- 15% reducing balance basis
Plant & Equipment	- 25% reducing balance basis
Leasehold Amortisation	- over period of lease

1.4 Stocks and Work-in-Progress

Stocks and work-in-progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Valuation on 30th June 1997 was £13,000 (1996 - £2,478).

1.5 Deferred Taxation

No provision has been made for deferred taxation.

2. TURNOVER

In the year to 30th June 1997, none of the company's turnover was to markets outside the United Kingdom. (1996 - none).

CLIFT CONTROLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1997

(CONTINUATION)

3. OPERATING (LOSS)/PROFIT

The operating (loss) is stated after charging:-

	1997 £	(1996) £
Depreciation of tangible fixed assets		
- owned by the company	4,656	4,213
Accountants' remuneration	1,050	950
Directors' emoluments	18,560	17,967
Directors' pension	800	800
	<u> </u>	<u> </u>

4. TAXATION

UK Current Year Taxation

UK Corporation Tax at 21/24%	(4,447)	-
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Prior Years

UK Corporation tax repayable	-	1,161
Prior year adjustment	426	-
	<u> </u>	<u> </u>
	(4,021)	1,161
	<u> </u>	<u> </u>

5. TANGIBLE FIXED ASSETS

	Leasehold Premises £	Motor Vehicles £	Fixtures & Fittings £	Plant & Equipment £	Total £
Cost					
As at 1 July 1996	24,577	17,480	15,012	10,671	67,740
Additions	-	-	2,460	-	2,460
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 30 June 1997	24,577	17,480	17,472	10,671	70,200
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
As at 1 July 1996	7,860	12,510	9,196	8,436	38,002
Charge for year	786	1,242	2,069	559	4,656
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 30 June 1997	8,646	13,752	11,265	8,995	42,658
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net Book Values					
As at 30 June 1997	15,931	3,728	6,207	1,676	27,542
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 30 June 1996	16,717	4,970	5,816	2,235	29,738
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CLIFT CONTROLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1997

(CONTINUATION)

6. DEBTORS

	1997 £	(1996) £
Trade debtors	16,604	15,915

All amounts due are expected to be realised within one year.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Taxation including VAT and PAYE	15,811	7,455
Trade creditors	350	-
Sundry creditors and accruals	2,354	1,486
	<u>18,515</u>	<u>8,941</u>

Included in taxation creditors is £1,476 in respect of PAYE and National Insurance (1996 - £1,126).

8. CALLED UP SHARE CAPITAL

Authorised

Ordinary shares of £1 each	1,000	1,000
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Issued

Ordinary shares of £1 each	100	100
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