

Registered Number 3433256

**FFE HOLDINGS LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**FOR THE PERIOD ENDED 30 MARCH 2002**



# **FFE HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 30 MARCH 2002**

The Directors present their annual report and the audited accounts for the 52 weeks ended 30 March 2002.

### **PRINCIPAL ACTIVITIES**

The Company is principally engaged as a holding company and there has been no significant change in the activities during the period.

### **RESULTS AND DIVIDENDS**

The Profit and Loss Account is shown on page 5. An interim dividend on the Ordinary shares of £ 700,000 was paid on 28 March 2002.

The Directors do not recommend the payment of a final dividend.

### **REVIEW OF BUSINESS**

There has been no trading activity during the period

DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 30 MARCH 2002 (Continued)

DIRECTORS AND THEIR INTERESTS

The Directors of the Company during the period were as follows:

A R Adams                      Resigned 31st October 2001  
 R A Brown  
 N A Quinn  
 S J Skinner

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 31 March 2002, who were not also Directors of Halma p.l.c., in the Ordinary shares of Halma p.l.c were as follows:

	<u>at 1 April 2001</u>		<u>at 30 March 2002</u>		<u>during the period</u> (or since appointment)	
	Shares	Options	Shares	Options	Options Granted	Exercised
R A Brown	-	-	-	-	-	-
S J Skinner	1,000	47,600	1,000	62,700	31,800	16,700

The Directors held the above options under the share option schemes approved by Halma p.l.c. shareholders, exercisable between August 2002 and July 2011 at prices between 111 p and 163.5 p. per share.

Apart from the interests stated, no Director had any other interests in the shares of the Company or any other Company within the Halma Group during the period.

**DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 30 MARCH 2002 (Continued)**

**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 that 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.

The Directors consider that, in preparing the financial statements on pages 5 to 11, appropriate accounting policies have been used, which have been consistently applied and supported by reasonable and prudent judgements and estimates, 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**

The Auditors, PricewaterhouseCoopers have indicated their willingness to continue in office, and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



R A Brown  
Secretary

26 July 2002

5 Wedgwood Court  
Wedgwood Way  
Stevenage  
Hertfordshire SG1 4QR

## **Independent auditors' report to the members of FFE Holdings Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention, and the accounting policies set out in the statement of accounting policies.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 transactions is not disclosed.

### **Basis of audit 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 at 30 March 2002 and of its profit for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
London  
26 July 2002

**FFE HOLDINGS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 30 MARCH 2002**

	Notes	<b>52 weeks ended 31 March 2002</b>		<b>48 weeks ended 31 March 2001</b>	
		£	£	£	£
<b>OTHER INCOME</b>	2	1,000,000		399,966	
<b>ADMINISTRATIVE EXPENSES</b>		0		(125,751)	
<b>OPERATING PROFIT</b>		<u>1,000,000</u>		<u>274,215</u>	
<b>INTEREST</b>					
Bank Loans and Overdrafts		<u>0</u>		<u>(120,139)</u>	
			0		(120,139)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>1,000,000</u>		<u>154,076</u>	
Taxation	4	<u>0</u>		<u>0</u>	
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>1,000,000</u>		<u>154,076</u>	
Dividends (including non-equity)	5	(700,000)		(49,966)	
<b>PROFIT TRANSFERRED TO RESERVES</b>		<u>300,000</u>		<u>104,110</u>	
Retained loss brought forward		<u>(210,059)</u>		<u>(314,169)</u>	
Retained profit/(loss) carried forward		<u>89,941</u>		<u>(210,059)</u>	

The Company had no recognised gains or losses during the period other than those reflected in the above Profit and Loss Account.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period and their historical cost equivalents.

The notes on pages 7 to 11 form part of these accounts.

**FFE HOLDINGS LIMITED**

**BALANCE SHEET AS AT 30 MARCH 2002**

	Notes	31 March 2002		31 March 2001	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	6	2,347,352		2,347,352	
<b>CURRENT ASSETS</b>					
Debtors	7	518,916		0	
Cash at Bank and in Hand		239		239	
		<u>519,155</u>		<u>239</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
Creditors	8	2,083,510		1,864,594	
		<u>2,083,510</u>		<u>1,864,594</u>	
<b>NET CURRENT ASSETS (LIABILITIES)</b>		<u>(1,564,355)</u>		<u>(1,864,355)</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		782,997		482,997	
<b>NET ASSETS</b>		<u>782,997</u>		<u>482,997</u>	
<b>CAPITAL AND RESERVES</b>					
<b>CALLED UP SHARE CAPITAL</b>	9	693,056		693,056	
<b>PROFIT AND LOSS ACCOUNT</b>		89,941		(210,059)	
<b>SHAREHOLDERS' FUNDS (INCLUDING NON-EQUITY)</b>		<u>782,997</u>		<u>482,997</u>	

Approved by the Board of Directors 26 July 2002

R A Brown.....  
Directors

S J Skinner.....

The notes on pages 7 to 11 form part of these accounts.

## NOTES TO THE ACCOUNTS

## 1. ACCOUNTING POLICIES

Basis of Accounting

The accounts set out on pages 5 - 11 are prepared under the historical cost convention and comply with applicable UK Accounting Standards. The accounting policies have been applied consistently throughout the current and preceding year.

Fixed Asset Investments

Fixed asset investments are stated in the balance sheet at cost less any provision for permanent diminution in value.

## 2. OTHER INCOME

	52 weeks ended 30 March 2002 £	48 weeks ended 31 March 2001 £
Dividends received from subsidiary undertakings	<u>1,000,000</u>	<u>399,966</u>

Auditors' remuneration is borne by another group company.

## 3. DIRECTORS' REMUNERATION

	52 weeks ended 30 March 2002 £	48 weeks ended 31 March 2001 £
Total Remuneration (excluding pension contributions)	0	156,790

Apart from the directors, the company had no employees (2001: Nil)

## 4. TAXATION

	52 weeks ended 30 March 2002 £	48 weeks ended 31 March 2001 £
UK corporation tax at 30%	Nil	Nil

In the previous period, the company surrendered the benefit of tax losses amounting to £ 73,767 to a fellow group undertaking without receiving any payment.



**FFE HOLDINGS LIMITED**

**NOTES TO THE ACCOUNTS (Continued)**

**5. DIVIDENDS**

	<b>52 weeks ended 30 March 2002</b>	<b>48 weeks ended 31 March 2001</b>
	£	£
Equity Dividends:		
Ordinary shares - interim dividend	600,000	0
Non-equity dividends:		
"A" Ordinary shares :		
fixed dividend of 10p per share (2001: 9p per share)	3,333	3,857
participating dividend	96,667	25,556
Preference shares dividend of 9p per share	0	20,553
	<u>700,000</u>	<u>49,966</u>

**6. FIXED ASSET INVESTMENTS**

	<b>Loan</b>	<b>Shares in subsidiary undertaking</b>	<b>Total</b>
	£	£	£
Cost			
At 1st April 2001 and 30th March 2002	882,504	1,464,848	2,347,352

At 30th March 2002 the company held 100% of the issued ordinary share capital of Fire Fighting Enterprises Limited which is involved in the manufacture and distribution of fire suppression and detection products.

In the opinion of the directors the value of the Company's investment in its subsidiaries is not less than the amount at which it is stated in the balance sheet.

**7. DEBTORS**

	<b>30 March 2002</b>	<b>31 March 2001</b>
	£	£
Amounts due from Group companies	518,916	0
	<u>518,916</u>	<u>0</u>

**FFE HOLDINGS LIMITED**

**NOTES TO THE ACCOUNTS (Continued)**

**8. CREDITORS**

	<b>30 March 2002</b>	<b>31 March 2001</b>
	£	£
Amounts due to Group companies	2,083,510	1,864,594
	<u>2,083,510</u>	<u>1,864,594</u>

**9. SHARE CAPITAL**

	<b>30 March 2002</b>	<b>31 March 2001</b>
	£	£
Authorised		
100,000 Ordinary shares of £ 1 each	100,000	100,000
33,333 "A" Ordinary shares of £ 1 each	33,333	33,333
559,723 Deferred shares of £ 1 each	559,723	559,723
	<u>693,056</u>	<u>693,056</u>

	<b>30 March 2002</b>	<b>31 March 2001</b>
	£	£
Allotted, called up and fully paid.		
100,000 Ordinary shares of £ 1 each	100,000	100,000
33,333 "A" Ordinary shares of £ 1 each	33,333	33,333
559,723 Deferred shares of £ 1 each	559,723	559,723
	<u>693,056</u>	<u>693,056</u>

**"A" Ordinary shares**

The "A" ordinary shares are non-equity shares which carried an entitlement to a fixed dividend of 9p per share for each year ending on or before 30th April 2001 and 10p per share for each year thereafter. They were also entitled to a participating dividend, which when added to the fixed dividend equalled 6% of the net profit before taxation for the financial years ending on or before 30 April 2001 and 10% for each year after.

In all other respects the "A" ordinary shares rank pari passu with ordinary shares.

## NOTES TO THE ACCOUNTS (Continued)

## Deferred shares

The deferred shares are non-equity shares which carry no entitlement to any dividend or voting rights. On a return of capital on Liquidation the holders of the deferred shares have no rights to participate in the distribution of the surplus assets of the company.

## 10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	52 weeks ended 30 March 2002 £	48 weeks ended 31 March 2001 £
Profit for the Financial Year	1,000,000	154,076
Dividends	<u>(700,000)</u> 300,000	<u>(49,966)</u> 104,110
Issue of deferred ordinary shares	0	559,723
Redemption of "A" ordinary shares	0	(9,525)
Redemption of redeemable preference shares	0	(453,000)
Net addition to Shareholders' Funds	<u>300,000</u>	<u>201,308</u>
Brought Forward	482,997	281,689
Carried Forward	<u>782,997</u>	<u>482,997</u>
Attributable to:-		
Equity Shareholders	189,941	(110,059)
Non-equity Shareholders		
"A" ordinary shareholders	33,333	33,333
Deferred shareholders	559,723	559,723
	<u>782,997</u>	<u>482,997</u>

## 11 CASH FLOW STATEMENT AND RELATED PARTIES

The Company is a wholly owned subsidiary of Halma p.l.c. and is included in the consolidated financial statements of Halma p.l.c., which are publicly available. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (Revised 1996).

The Company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the Halma group of companies.

## **FFE HOLDINGS LIMITED**

### **NOTES TO THE ACCOUNTS (Continued)**

#### **12. ULTIMATE PARENT COMPANY**

The ultimate parent company of FFE Holdings Limited is Halma p.l.c. which is the parent undertaking of the smallest and largest group to consolidate these financial statements. The accounts of Halma p.l.c. can be obtained from the Company Secretary, Misbourne Court, Rectory Way, Amersham, Bucks HP7 0DE.

#### **13. GROUP ACCOUNTS**

The Company is a wholly owned subsidiary of the ultimate parent company and as such has taken advantage of the exemption from preparing group accounts under s.228 of the Companies Act 1985.