

FFE Holdings Limited

Report and Financial Statements

52 week period ended 31 March 2007

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FFE Holdings Limited

REPORT AND FINANCIAL STATEMENTS 2007

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FFE Holdings Limited

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

N A Quinn (Resigned 26 April 2007)
J W Rees
D M Smoley

SECRETARY

D M Smoley

REGISTERED OFFICE

9 Hunting Gate
Hitchin
Hertfordshire
SG4 0TJ

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
Reading

FFE Holdings Limited

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the 52 week period ended 31 March 2007

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

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

The Directors Report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

RESULTS AND DIVIDENDS

The Profit and Loss Account is shown on page 5. An interim dividend of £1,080,000 was paid on the Ordinary shares (2006 nil) on 30 March 2007. The Directors do not recommend the payment of a final dividend (2006 £nil).

PRIOR YEAR RESTATEMENTS

The Directors adopted FRS 25 "Financial Instruments: Disclosure and Presentation" during the year, which had the impact of reclassifying non-equity shares to liabilities.

DIRECTORS AND THEIR INTERESTS

The Directors, who served during the period and since the period end, are shown on page 1.

The Company is a wholly owned subsidiary of Halma plc. In accordance with paragraph 2 of schedule 7 to the Companies Act 1985, the interests of the Directors at 31 March 2007, who were not also Directors of Halma plc, in the Ordinary shares of Halma plc were as follows:

	At 2 April 2006		At 1 April 2007		During the period (or since appointment)	
	Shares	Options	Shares	Options	Granted	Exercised
D M Smoley	1,000	17,910	1,000	17,910	-	-
J W Rees	-	71,968	-	71,968	-	-

The Directors held the above options under the share option schemes approved by Halma plc shareholders, exercisable between August 2006 and July 2011 at prices between 134p and 142.3p per share. Apart from the interests stated, no Director had any other interest in the shares of the company or any other Company within the Halma Group during the period.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:


- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board:

D M Smoley
Secretary

 28th August 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report including the financial statements. The directors have chosen to prepare the financial statements for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, of the state of affairs of the company and of the profit or loss for that period and comply with UK GAAP and the Companies Act 1985. In preparing those financial statements, the directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable accounting standards have been followed, and
- (d) 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FFE HOLDINGS LIMITED

We have audited the financial statements of FFE Holdings Limited for the period ended 31 March 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. 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 auditors' 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 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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.

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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its result for the 52 weeks then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Reading, United Kingdom

31 August 2007

FFE Holdings Limited

PROFIT AND LOSS ACCOUNT

For the 52 week period ended 31 March 2007

		52 weeks ended 31 March 2007 £	Restated* 52 weeks ended 1 April 2006 £
Other income	2	1,200,000	-
Interest expense	4	(120,000)	(3,333)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,080,000	(3,333)
Tax on profit/(loss) on ordinary activities	5	-	-
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		1,080,000	(3,333)
Dividends	6	(1,080,000)	-
LOSS TRANSFERRED TO RESERVES	13	-	(3,333)
Retained profit brought forward		86,608	89,941
Retained profit carried forward		86,608	86,608

The prior period adjustment had no cumulative effect on retained profit. Accordingly, no Statement of Total Recognised Gains and Losses is presented.

All amounts derive from continuing operations.

* See Note 10

FFE Holdings Limited

BALANCE SHEET 31 March 2007

	Note	31 March 2007		Restated* 1 April 2006	
		£	£	£	£
FIXED ASSETS					
Investments	7		2,347,352		2,347,352
CURRENT ASSETS					
Debtors	8	4,618,916		3,418,916	
Cash at bank and in hand		239		239	
		<u>4,619,155</u>		<u>3,419,155</u>	
CREDITORS: amounts falling due within one year	9	<u>(6,186,843)</u>		<u>(4,986,843)</u>	
NET CURRENT LIABILITIES			(1,567,688)		(1,567,688)
CREDITORS: amounts falling due after more than one year	11		<u>(593,056)</u>		<u>(593,056)</u>
			<u>186,608</u>		<u>186,608</u>
CAPITAL AND RESERVES					
Called up share capital	12		100,000		100,000
Profit and loss account			<u>86,608</u>		<u>86,608</u>
TOTAL SHAREHOLDERS' FUNDS	13		<u>186,608</u>		<u>186,608</u>

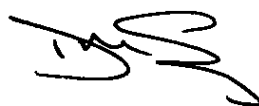
* See Note 10

These financial statements were approved by the Board of Directors on 28 August 2007
Signed on behalf of the Board of Directors

J W Rees
Director



D M Smoley
Director



NOTES TO THE ACCOUNTS

For the 52 week period ended 31 March 2007

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards

The following accounting policies have been applied consistently in the current and preceding periods, with the exception of the change in accounting policy as set out in notes 10 and 11 to adopt FRS 25 "Financial Instruments Disclosure and Presentation"

Accounting convention

The financial statements are prepared under the historical cost convention

Fixed asset investments

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

Taxation

Taxation comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or subsequently enacted at the balance sheet date, along with any adjustment to tax payable in respect of previous years

Deferred tax is provided on temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes and is accounted for using the balance sheet liability method. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates and laws which are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets are only recognised to the extent that recovery is probable

2. OTHER INCOME

	52 weeks ended 31 March 2007 £	52 weeks ended 1 April 2006 £
Dividends received from subsidiary undertaking	1,200,000	-

Auditors' remuneration is borne by another group company and amounted to £150 (52 weeks ended 1 April 2006 £150)

3. STAFF COSTS

The Company employed no staff in the current or preceding period. The Directors receive remuneration from another group company in respect of their services to the group. The portion that relates to the Company in the current and preceding period is £nil

FFE Holdings Limited

NOTES TO THE ACCOUNTS

For the 52 week period ended 31 March 2007

4. INTEREST EXPENSE

	52 weeks ended 31 March 2007	Restated* 52 weeks ended 1 April 2006
"A" Ordinary shares		
Fixed dividend of 10p per share	3,333	3,333
Participating dividend	116,667	-
	<u>120,000</u>	<u>3,333</u>

* See Note 10

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	52 weeks ended 31 March 2007 £	52 weeks ended 1 April 2006 £
UK corporation tax	<u>-</u>	<u>-</u>

The UK corporation tax assessed for the period is lower than (2006 lower than) the standard rate of corporation tax in the UK of 30%. These differences, where applicable, are reconciled below

	52 weeks ended 31 March 2007 £	52 weeks ended 1 April 2006 £
Profit/(loss) on ordinary activities before tax (30%)	<u>1,080,000</u>	<u>(3,333)</u>
Applying standard rate of UK corporation tax	324,000	(1,000)
UK dividend income	(324,000)	-
Unrecognised tax losses brought forward	<u>-</u>	<u>1,000</u>
Current UK corporation charge	<u>-</u>	<u>-</u>

FFE Holdings Limited

NOTES TO THE ACCOUNTS

For the 52 week period ended 31 March 2007

6. DIVIDENDS

	52 weeks ended 31 March 2007	Restated* 52 weeks ended 1 April 2006
Ordinary shares – interim dividend	<u>1,080,000</u>	<u>-</u>

* See Note 10

7. FIXED ASSET INVESTMENT

	Loan £	Shares in subsidiary undertaking £	Total £
Cost: and net book value			
At 2 April 2006 and 31 March 2007	<u>882,504</u>	<u>1,464,848</u>	<u>2,347,352</u>

At 31 March 2007 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 subsidiary is not less than the amount at which it is stated in the Balance Sheet

8. DEBTORS

	31 March 2007 £	1 April 2006 £
Amounts due from Group companies	<u>4,618,916</u>	<u>3,418,916</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2007 £	1 April 2006 £
Amounts due to Group companies	<u>6,186,843</u>	<u>4,986,843</u>

10. CHANGE OF ACCOUNTING POLICY

The directors adopted FRS 25 "Financial Instruments Disclosure and Presentation" during the financial period. This had the impact in 2006 of reclassifying the £593,056 of non-equity shares from shareholders' funds to liabilities, and £3,333 dividend payable from dividends to interest expense. The comparative figures in the balance sheet and profit and loss account have been restated to reflect the adoption of this policy.

NOTES TO THE ACCOUNTS

For the 52 week period ended 31 March 2007

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 March 2007 £	Restated* 1 April 2006 £
33,333 "A" Ordinary shares of £1 each	33,333	33,333
559,723 Deferred shares of £1 each	559,723	559,723
	<u>593,056</u>	<u>593,056</u>

*See Note 10

"A" Ordinary shares

The "A" ordinary shares are non-equity shares which carry an entitlement to a fixed dividend of 10p per share. They are also entitled to a participating dividend, which when added to the fixed dividend equals 10% of the net profit before taxation.

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

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.

12. CALLED UP SHARE CAPITAL

	31 March 2007 £	Restated* 1 April 2006 £
Authorised, allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000

*See Note 10

FFE Holdings Limited

NOTES TO THE ACCOUNTS

For the 52 week period ended 31 March 2007

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	52 weeks ended 31 March 2007 £	Restated* 52 weeks ended 1 April 2006 £
Profit/(loss) for the financial period	1,080,000	(3,333)
Dividends paid	(1,080,000)	-
Net decrease in shareholders' funds	-	(3,333)
Brought forward	186,608	189,941
Carried forward	186,608	186,608

* See Note 10

14. 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

15. ULTIMATE PARENT COMPANY

The ultimate parent company of FFE Holdings Limited and the parent company of the only group for which consolidated accounts are prepared which include the Company 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

16. GROUP ACCOUNTS

The Company is itself a subsidiary undertaking and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the Company as an individual and not about its group