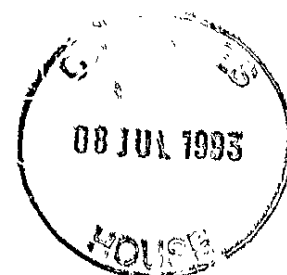


FULLEON LIMITED
REPORT AND ACCOUNTS
YEAR TO 31ST DECEMBER 1992



FULLEON LIMITED

YEAR TO 31ST DECEMBER 1992

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FULLEON LIMITEDDIRECTORS' REPORT - YEAR TO 31ST DECEMBER 1992DIRECTORS

M. Amlani
Mrs K. Amlani (Resigned 15th December 1992)
Mrs S. Flanagan (Resigned 10th August 1992)
R.B. Fletcher (Appointed 15th December 1992)
B. Hurst (Appointed 15th December 1992)

SECRETARY

Mrs K. Amlani (Resigned 15th December 1992)
Mr J. Hadley (Appointed 15th December 1992)

REGISTERED OFFICE

Southam Road, Banbury, Oxon.

The Directors present their report together with the accounts for the year to 31st December, 1992.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Company during the year was that of producing electronic sounders for use in fire alarm and security systems and associated equipment.

The Directors consider that the Company's financial position at the end of the year is satisfactory.

DIVIDENDS AND APPROPRIATIONS

Based on the results for the year the Directors recommended and paid a dividend of £16.75 per share to give an aggregate of £670,000. This leaves £416,068 to be transferred from reserves.

FIXED ASSETS

The movements in the tangible fixed assets are shown in note 6 on the accounts.

FULLEON LIMITEDDIRECTORS' REPORT - YEAR TO 31ST DECEMBER 1992 (continued)DIRECTORS AND INTEREST IN SHARES

The Company's Articles of Association state that the Directors are not required to retire by rotation and therefore the provisions of Table A do not apply.

The interests of the Directors, who are also Directors of the ultimate parent undertaking, Menvier-Swain Group plc, in the shares of the ultimate parent undertaking are shown in those accounts.

M. Amlani has the following interest in the shares of the ultimate parent undertaking as at 31st December 1992.

83,299 shares of 5p each.

TAX STATUS

The Company is a close Company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988.

AUDITORS

Messrs Whitley Stimpson & Partners were appointed during the year to fill a casual vacancy and will retire at the next Annual General Meeting of the Company. They have expressed their willingness to continue in office and accordingly a resolution will be proposed under Section 384 Companies Act 1985 at the next Annual General Meeting of the Company in order to re-appoint them as auditors for a further term of office.

By order of the Board

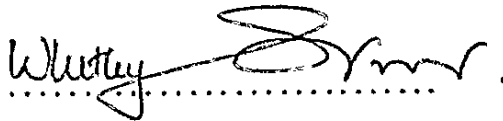

.....
Secretary

10th March, 1993

AUDITORS' REPORT TO THE MEMBERS OF
FULLEON LIMITED

We have audited the accounts on pages 4 to 22 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December 1992, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

.....

Whitley, Stimpson and Partners
Chartered Accountants and
Registered Auditor.
Penrose House
67 Hightown Road
Banbury, Oxon.

10th March 1993

PULLERON LIMITEDPROFIT AND LOSS ACCOUNT - YEAR TO 31ST DECEMBER 1992

	<u>Note</u>	<u>1992</u> <u>£</u>	<u>1991</u> <u>£</u>
<u>TURNOVER</u>	20	2,308,648	1,720,395
<u>COST OF SALES</u>		1,395,295	981,312
		-----	-----
<u>GROSS PROFIT</u>		913,353	739,083
		=====	=====
<u>DISTRIBUTION COSTS</u>		69,766	49,705
<u>ADMINISTRATIVE EXPENSES</u>		412,936	475,585
<u>INTEREST RECEIVED</u>		(2,863)	(275)
<u>INTEREST PAID</u>	1	50,072	65,941
<u>OTHER OPERATING INCOME</u>		(29,085)	(94,649)
		-----	-----
		500,826	496,307
		=====	=====
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	2	412,527	242,776
<u>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</u>	3	158,595	57,619
		-----	-----
<u>PROFIT FOR THE FINANCIAL YEAR</u>		253,932	185,157
<u>DIVIDEND PAID</u>		670,000	51,000
		-----	-----
RETAINED/(OVER APPROPRIATION OF) PROFIT FOR THE YEAR			
TRANSFERRED TO/(RELEASED FROM)	4	(416,068)	134,157
<u>RESERVES</u>		=====	=====

FULLEON LIMITEDSTATEMENT OF ACCOUNTING POLICIES - YEAR TO 31ST DECEMBER 1992(i) ACCOUNTING CONVENTION

The accounts are prepared under the historical cost accounting rules in accordance with the Fourth Schedule to the Companies Act, 1985.

(ii) TURNOVER

Turnover represents the total amount receivable from the sale of goods and the provision of services exclusive of value added tax.

(iii) FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided over the expected useful lives of each category of fixed asset as follows:

Freehold property	4% straight line
Plant and equipment	20% reducing balance
Motor vehicles	25% reducing balance
Patents	25% straight line

(iv) DEFERRED TAXATION

Deferred taxation is provided under the liability method in respect of timing differences to the extent that it is probable that a liability will crystallize in the future.

(v) STOCKS AND WORK IN PROGRESS

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes all direct costs and attributable overheads incurred in bringing the stocks to their present state and location.

(vi) RESEARCH AND DEVELOPMENT

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

(vii) PENSIONS

The company operated a non-contributory pension scheme in respect of selected employees. The scheme's funds are administered by trustees and are independent of the company's finances. The scheme is fully funded and contributions are paid to the scheme having regard to the recommendations of the independent actuaries.

FULLEON LIMITEDNOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER, 1992

1.	<u>INTEREST PAYABLE</u>	<u>1992</u> £	<u>1991</u> £
	Comprises		
	Interest payable on bank overdraft and other loans repayable within 5 years	50,072 *****	65,942 *****
2.	<u>RESULTS FROM ORDINARY ACTIVITIES BEFORE TAXATION</u>		
		<u>1992</u> £	<u>1991</u> £
	Profit on ordinary activities before taxation is stated after charging:		
	Research & Development costs	49,491	47,474
	Depreciation	73,305	58,945
	Directors' remuneration (note 14)	65,602	204,399
	Auditors' remuneration - as auditors	5,000	6,000
	Rent of land and buildings	5,333	24,500
	Hire of plant and equipment	125	-
		*****	*****
	and after crediting:		
	Rent receivable	36,183	94,649
	Interest receivable	2,863	275
		*****	*****
3.	<u>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</u>		
	The tax charge in these accounts comprise the following elements:		
		<u>1992</u> £	<u>1991</u> £
	Overprovision in prior years	(127)	(731)
	Corporation tax at appropriate rates based on the results for the year	158,732	58,350
		*****	*****
		158,595	57,619
		*****	*****
4.	<u>PROFIT AND LOSS ACCOUNT</u>		
		<u>1992</u> £	<u>1991</u> £
	(Loss)/Profit for the year	(416,068)	134,157
	Retained profit brought forward	432,806	298,649
	Revaluation Reserve released during year	117,741	-
		*****	*****
	Retained profit carried forward	134,479	432,806
		*****	*****

FULLEON LIMITEDNOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER, 1992 continued5. REVALUATION RESERVE

The balance on the revaluation reserve represents the surplus on revaluation of freehold property at 31st December 1992.

	1992 £	1991 £
Balance at 31st December 1991	176,340	399,870
Revaluation in year	(176,340)	(223,530)
	-----	-----
	-	176,340
	=====	=====

6. TANGIBLE ASSETS

	Freehold Property	Plant & Equipment	Motor Vehicles	Total
<u>Cost</u>				
As at 1st January 1992	850,000	309,175	38,650	1,197,825
Additions	-	119,682	4,526	124,208
Disposals	(850,000)	-	(5,500)	(855,500)
	-----	-----	-----	-----
Cost 31st December 1992	-	428,857	37,676	466,533
	=====	=====	=====	=====
<u>Depreciation</u>				
As at 1st January 1992	19,312	125,300	15,653	160,265
Charge for the year	7,088	60,711	5,506	73,305
Disposals	(26,400)	-	-	(26,400)
	-----	-----	-----	-----
Depreciation 31st December 1992	-	186,011	21,159	207,170
	=====	=====	=====	=====
<u>Net Book Value</u>				
31st December 1992	-	242,846	16,517	259,363
	=====	=====	=====	=====
1st January 1992	830,688	183,875	22,997	1,037,560
	=====	=====	=====	=====

The net book value of the company's net assets includes £25,446 in respect of assets held under hire purchase contracts.

7. INTANGIBLE ASSETSPATENTS

<u>Cost</u>	
As at 1st January 1992	-
Additions	21,002

31st December 1992	21,002
	=====
<u>Amortisation</u>	
As at 1st January 1992	-
Charge for year	2,625

As at 31st December 1992	2,625
	=====
<u>Net Book Value</u>	
31st December 1992	18,377
	=====
1st January 1992	-
	=====

FULLEON LIMITEDNOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER, 1992 (continued)8. STOCKS

	<u>1992</u>	<u>1991</u>
	£	£
Comprise the following		
Raw material stocks	363,183	212,239
Work in progress	123,669	31,227
Finished goods and goods for re-sale	33,161	6,643
	-----	-----
	520,013	250,109
	*****	*****

9. DEBTORS

	<u>1992</u>	<u>1991</u>
	£	£
Comprises the following		
Trade debtors	504,043	348,679
Amounts owed by Group Companies	23,642	-
Other debtors	40,379	6,310
A.C.T. Recoverable	223,333	17,000
Prepayments and accrued income	24,826	8,297
	-----	-----
	816,223	380,286
	*****	*****

10. CREDITORS: amounts falling due within one year

	<u>1992</u>	<u>1991</u>
	£	£
Comprises the following		
Bank loans and overdrafts	200,653	28,257
Trade creditors (note 17)	523,491	263,485
Amounts owed to Group companies	278,587	-
Taxation and social security	467,839	115,863
Accruals and deferred income	62,571	75,028
Other Creditors	14,980	114,632
	-----	-----
	1,448,121	597,265
	*****	*****

11. CREDITORS: amounts falling due after one year

	<u>1992</u>	<u>1991</u>
	£	£
Comprises the following		
Bank loans	-	420,694
Other creditors	-	12,060
	-----	-----
	-	432,754
	*****	*****

FULLEON LIMITED

NOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER, 1992 CONTINUED

12. DEFERRED TAXATION

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Deferred taxation not provided in the accounts, as in the opinion of the Directors it is unlikely to reverse in the foreseeable future, is attributable to:		
Excess tax allowances over depreciation of tangible fixed assets	6,783	-
Other short-term timing differences	(768)	-
	-----	-----
	6,015	-
	*****	*****

13. CALLED UP SHARE CAPITAL

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Authorized, 40,000 Ordinary shares of £1 each	40,000	40,000
	-----	-----
Issued: 40,000 ordinary shares of £1 each fully paid	40,000	40,000
	*****	*****

14. DIRECTORS' REMUNERATION

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Comprises the following elements		
For services as executives	65,602	204,399
	*****	*****

The remuneration of the Chairman amounted to Nil (1991: £116,978) and that of the highest paid Director amounted to £63,379 (1991: £22,837).

The individual remuneration, excluding pension contributions, of all the Directors other than the Chairman and the highest paid Director, who served during the year, fell into the following bands.

	<u>1992</u>	<u>1991</u>
£0 - £5,000	4	-
£20,001 - £25,000	-	1

PULLEON LIMITEDNOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER, 1992 CONTINUED15. STAFF NUMBERS AND COSTS

The average number of persons employed by the Company during the year was 47 (1991 - 35).

The aggregate payroll costs of these persons were as follows:

	<u>1992</u>	<u>1991</u>
	£	£
Wages and salaries	360,109	339,943
Social Security costs	35,070	32,295
Pension costs	32,608	32,848
	-----	-----
	427,787	405,086
	*****	*****

16. CAPITAL COMMITMENTS

At 31st December 1992, there was no authorised and contracted capital expenditure (1991 - nil) and there was no capital expenditure authorised but not contracted for (1991 - nil).

17. PRESERVATION OF TITLE

Trading stocks of an unascertained value are subject to reservation of title clauses under suppliers' standard conditions of sale. The Directors are of the opinion that quantification of the estimated value involved would not necessarily reflect the full lien over the stocks and accordingly would be misleading.

18. CONTINGENT LIABILITIES

At 31st December, 1992 the Company had no material contingent liabilities (1991: nil).

19. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Menzies-Swain Group plc incorporated in England.

20. GEOGRAPHICAL ANALYSIS OF TURNOVER

	<u>1992</u>	<u>1991</u>
	£	£
United Kingdom	1,665,651	1,230,604
Europe	584,252	430,432
Rest of World	98,745	46,379
	-----	-----
	2,308,648	1,707,395
	*****	*****

FULLECOM LIMITED

NOTES ON THE ACCOUNTS - YEAR TO 31ST DECEMBER, 1992 continued

21. LOAN TO A DIRECTOR

M. Amlani received a loan from the company during the year which was authorised by the members. Under the agreement, no interest was to be levied upon any principal outstanding. The balance at the start of the year was ENIL and at the end of the year the sum was £40,377, which was also the maximum sum outstanding at any time of the year. Mr Amlani has confirmed that the amount due will be repaid to the company within three months.

22. FINANCIAL COMMITMENTS

At 31st December 1992, the company was committed to future operating lease rentals for the forthcoming year of £32,000. This lease expires between two and five years.

23. DIRECTOR'S CONTRACT

M. Amlani is the lessor of premises to the company in a contract expiring in 1997 whereby the company pays rent at £32,000 per annum.

24. ACCOUNTS

These accounts were approved by the Board of Directors on 10th March 1993.