

# **Fulleon Limited (formerly Fulleon Synchrobell Limited)**

## **Report and Accounts**

31 December 1998

*Registered Number: 1342230*



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COMPANIES HOUSE

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# Fulleon Limited (formerly Fulleon Synchrobell Limited)

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## DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31 December 1998.

### PRINCIPAL ACTIVITY

The principal activity of the company during the year was the production of electronic sounders for use in fire alarm and security systems and associated equipment.

### REVIEW OF THE BUSINESS

On 27 February 1998 the company changed its name from Fulleon Synchrobell Limited to Fulleon Limited.

The results for the year are shown on page 5.

The directors consider that the company's financial position at the end of the year is satisfactory.

### FUTURE DEVELOPMENTS IN THE BUSINESS

The company is expected to continue with its current activity.

### RESEARCH AND DEVELOPMENT

The company continues to invest in research into new products and activities as well as introducing new technology to improve service to customers and reduce manufacturing costs.

### DIVIDENDS

No dividends were paid during the year (1997: £nil). A retained profit of £1,487,000 (1997: £1,246,000) was transferred to reserves.

### EMPLOYEES

The Company gives disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable candidates, having regard to their particular aptitudes and abilities. Whenever possible, provision is made for training and career development of disabled persons and every effort would be made to retrain any employee who became disabled. The Company recognises the importance of good employee relations and the management is encouraged to adopt such employee consultation as appropriate.

### YEAR 2000 COMPLIANCE

Work has continued during the year to ensure that our operations should not suffer any disruption as we enter the new millennium. We have assessed the risk to the company, and consider our Year 2000 preparations to be a priority. We are aiming to achieve Year 2000 compliance of our primary systems before December 1999.

### EMU

An assessment of the impact of EMU on the company is being completed and plans have been produced to make any necessary changes to systems. Although substantial internal resources will continue to be committed to these projects, the external cost of compliance for Year 2000 or EMU will not be significant.

DIRECTORS' REPORT

**DIRECTORS AND THEIR INTERESTS**

The directors who served during the year are as follows:

R B Fletcher	(resigned 19 March 1998)
B Hurst	(resigned 19 March 1998)
G K James	(resigned 26 May 1998)
T S Strong	
K T N Chapman	
J E Scrimshaw	(appointed 2 June 1998)

No director had any interest in the shares of the company at any stage during the year.

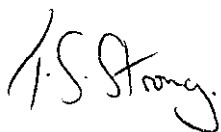
The directors had no material interest in any other contract of significance in relation to the business of the company at any stage during the year.

**AUDITORS**

The previous auditors of the company, KPMG, were replaced during the year by Ernst & Young, Registered Auditors.

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

By order of the board



T S Strong  
Director

7 May 1999

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 year. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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.

**REPORT OF THE AUDITORS**

to the members of Fulleon Limited (formerly Fulleon Synchrobell Limited)

We have audited the accounts on pages 5 to 13, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on pages 7 and 8.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

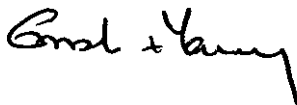
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.


**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered Auditor  
Birmingham

3 November 1999.



# Fulleon Limited (formerly Fulleon Synchrobell Limited)

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 1998

		<i>Year ended</i> <i>31 December</i> <i>1998</i> <i>£'000</i>	<i>As restated</i> <i>8 months ended</i> <i>31 December</i> <i>1997</i> <i>£'000</i>
	<i>Notes</i>		
TURNOVER	2	9,894	5,914
Cost of sales		(6,236)	(3,480)
<b>GROSS PROFIT</b>		<b>3,658</b>	<b>2,434</b>
Net operating expenses	4	(1,641)	(869)
<b>OPERATING PROFIT</b>		<b>2,017</b>	<b>1,565</b>
Interest receivable	5	195	119
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	6	<b>2,212</b>	<b>1,684</b>
Taxation on profit on ordinary activities	7	(725)	(438)
<b>RETAINED PROFIT FOR THE PERIOD</b>	14	<b>1,487</b>	<b>1,246</b>

A statement of movements on reserves is given in note 14.

The above results derive entirely from the company's continuing operations.

The company has no recognised gains or losses other than the profit for the respective financial periods.

There is no material difference between the results as disclosed and the results calculated on an unmodified historical cost basis.

## RECONCILIATION OF SHAREHOLDERS' FUNDS for the year ended 31 December 1998

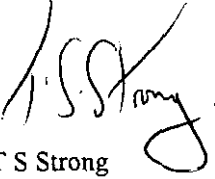
	<i>1998</i> <i>£'000</i>	<i>1997</i> <i>£'000</i>
Shareholders' funds at the beginning of the year	4,825	3,579
Profit for the financial period	1,487	1,246
<b>Shareholders' funds at the end of the year</b>	<b>6,312</b>	<b>4,825</b>

# Fulleon Limited (formerly Fulleon Synchrobell Limited)

## BALANCE SHEET at 31 December 1998

	Notes	1998 £'000	1997 £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	3,375	2,372
<b>CURRENT ASSETS</b>			
Stocks	9	942	912
Debtors	10	4,505	4,151
Cash at bank and in hand		453	1,646
		<u>5,900</u>	<u>6,709</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(2,769)	(4,229)
<b>NET CURRENT ASSETS</b>		<u>3,131</u>	<u>2,480</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,506</u>	<u>4,852</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12	(123)	-
Provisions for liabilities and charges	13	(71)	(27)
<b>NET ASSETS</b>		<u><u>6,312</u></u>	<u><u>4,825</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	40	40
Profit and loss account	15	6,272	4,785
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u><u>6,312</u></u>	<u><u>4,825</u></u>

The report and accounts were approved by the board of directors on 7 May 1999 and were signed on its behalf by:

  
T S Strong  
Director

# Fulleon Limited (formerly Fulleon Synchrobell Limited)

## NOTES TO THE ACCOUNTS

at 31 December 1998

### 1. ACCOUNTING POLICIES

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

#### *Basis of accounting*

The accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

#### *Turnover*

Turnover represents amounts invoiced by the company in respect of goods sold during the year and services provided, net of value added tax and trade discounts.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets, other than freehold land, so as to write off the cost, less estimated residual value of each asset evenly over its expected useful life, as follows:

Freehold buildings	50 years
Motor vehicles	4 years
Plant and equipment	4 to 6.7 years

The interest incurred on financing the production cost of fixed assets is capitalised when the interest can be separately determined, and is written off over the expected useful life of the asset to which it relates. The amounts capitalised in the year were £35,000 (1997: £23,000).

The carrying values of tangible fixed assets are reviewed for impairment in periods, if events or changes in circumstances indicate the carrying value may not be recoverable.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Finished goods and work in progress includes all direct costs and attributable overheads incurred in bringing the stocks to their present location and condition. Net realisable value is based on estimated selling prices less any further costs expected to be incurred to completion and disposal.

#### *Taxation*

The charge for taxation is based on the profit for the period and takes into consideration timing differences arising as a result of different treatments of certain items for taxation and accounting purposes.

Deferred taxation is provided using the liability method on all timing differences, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

#### *Operating leases*

Rentals payable under operating leases are charged on an accruals basis in accordance with the rentals determined under the respective lease terms.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.



# Fulleon Limited (formerly Fulleon Synchrobell Limited)

## NOTES TO THE ACCOUNTS

at 31 December 1998

### *Pensions*

Menvier Group plc, the immediate parent undertaking of the company operates a defined contribution pension scheme in respect of certain employees. The scheme's funds are administered by trustees and are independent of the Group's finances. Pension costs are charged to the profit and loss account in the period when they fall due.

### *Government Grants*

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

### *Research and development*

Expenditure on research and development is written off in the year in which it is incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any such expenditure is carried forward within prepayments and accrued income and is amortised in line with the expected future sales from the related project. The amounts carried forward at 31 December 1998 amount to £31,000.

### *Reclassifications*

Prior year comparatives have been re-stated where necessary in order to achieve consistency with the presentation given in the current year.

### *Cash flow*

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cashflow statement, on the grounds that the ultimate parent undertaking includes the company in its own published consolidated financial statements.

### *Related party transactions*

Under Financial Reporting Standard 8 the company is exempt from the requirement to disclose transactions with other group undertakings on the grounds that its results are included in the consolidated financial statements of Cooper Industries (U.K.) Limited, which are publicly available.

## 2. TURNOVER

The analysis of turnover by geographical area (by destination) is as follows:

	<i>Year ended 31 December 1998 £'000</i>	<i>8 months ended 31 December 1997 £'000</i>
United Kingdom and Republic of Ireland	6,339	4,129
Europe	3,009	1,494
Other	546	291
	<u>9,894</u>	<u>5,914</u>

The directors consider that there is only one class of business, all originating in the United Kingdom.

# Fulleon Limited (formerly Fulleon Synchrobell Limited)

## NOTES TO THE ACCOUNTS at 31 December 1998

### 3. EMPLOYEES AND DIRECTORS

The average number of employees (including directors) during the year/period, was as follows:

	<i>Year ended 31 December 1998 No.</i>	<i>8 months ended 31 December 1997 No.</i>
Production	119	95
Sales	7	6
Administration	21	19
	<u>147</u>	<u>120</u>

The aggregate payroll costs of these persons were as follows:

	<i>Year ended 31 December 1998 £'000</i>	<i>8 months ended 31 December 1997 £'000</i>
Wages and salaries	1,742	1,033
Social security costs	154	93
Other pension costs	15	9
	<u>1,911</u>	<u>1,135</u>

Aggregate directors' emoluments, comprise:

	<i>Year ended 31 December 1998 £'000</i>	<i>8 months ended 31 December 1997 £'000</i>
Emoluments	140	51
Compensation for loss of office	-	14
Company contributions paid to money purchase pension schemes	7	4

Retirement benefits are accruing to the following number of directors under money purchase pension schemes:

<i>1998 No.</i>	<i>1997 No.</i>
<u>2</u>	<u>1</u>

# Fulleon Limited (formerly Fulleon Synchrobell Limited)

## NOTES TO THE ACCOUNTS

at 31 December 1998

### 4. NET OPERATING EXPENSES

	<i>Year ended 31 December 1998 £'000</i>	<i>8 months ended 31 December 1997 £'000</i>
Distribution costs	147	73
Administration expenses	1,508	808
Other operating income	(14)	(12)
	<u>1,641</u>	<u>869</u>

### 5. INTEREST RECEIVABLE

	<i>Year ended 31 December 1998 £'000</i>	<i>8 months ended 31 December 1997 £'000</i>
Bank interest receivable	61	38
Interest receivable from group undertakings	134	81
	<u>195</u>	<u>119</u>

### 6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated  
after charging / (crediting) the following:

	<i>Year ended 31 December 1998 £'000</i>	<i>8 months ended 31 December 1997 £'000</i>
Depreciation of owned fixed assets	290	138
Rentals under operating leases:		
Land and buildings	21	24
Hire of plant and equipment	6	6
Research and development expenditure written off	162	121
Auditors' remuneration - audit fees	8	14
Rent receivable	(14)	(12)
Profit on disposal of fixed assets	-	(22)
Government grants	(2)	-
	<u></u>	<u></u>

# Fulleon Limited (formerly Fulleon Synchrobell Limited)

## NOTES TO THE ACCOUNTS

at 31 December 1998

### 7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<i>Year ended 31 December 1998 £'000</i>	<i>8 months ended 31 December 1997 £'000</i>
UK corporation tax charge at 31% (1997: 31%) - current period	681	438
Deferred tax	44	-
	<u>725</u>	<u>438</u>

### 8. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings £'000</i>	<i>Plant and equipment £'000</i>	<i>Motor vehicles £'000</i>	<i>Total £'000</i>
<b>Cost:</b>				
At 1 January 1998	1,798	1,529	160	3,487
Additions	701	610	13	1,324
Disposals	-	(273)	(37)	(310)
At 31 December 1998	<u>2,499</u>	<u>1,866</u>	<u>136</u>	<u>4,501</u>
<b>Depreciation:</b>				
At 1 January 1998	66	968	81	1,115
Provided during the year	24	237	29	290
Disposals	-	(245)	(34)	(279)
At 31 December 1998	<u>90</u>	<u>960</u>	<u>76</u>	<u>1,126</u>
<b>Net book value:</b>				
At 31 December 1998	<u>2,409</u>	<u>906</u>	<u>60</u>	<u>3,375</u>
At 1 January 1998	<u>1,732</u>	<u>561</u>	<u>79</u>	<u>2,372</u>

The total cost of non-depreciable land is £746,000 (1997: £746,000). The directors consider that the book value of freehold land and buildings is not materially different to the market value.

#### Capital Commitments:

Future capital expenditure authorised and contracted but not provided in the financial statements amounts to £nil (1997: £731,000).

# Fulleon Limited (formerly Fulleon Synchrobell Limited)

## NOTES TO THE ACCOUNTS

at 31 December 1998

### 9. STOCKS

	1998 £'000	1997 £'000
Raw materials and consumables	514	541
Work in progress	347	300
Finished goods and goods for resale	81	71
	<u>942</u>	<u>912</u>

The difference between the purchase price or production cost of stocks and their replacement cost is considered by the directors as being not material.

### 10. DEBTORS

	1998 £'000	1997 £'000
Trade debtors	1,713	1,590
Amounts owed by group undertakings	2,697	2,400
Other debtors	2	2
Prepayments and accrued income	93	159
	<u>4,505</u>	<u>4,151</u>

### 11. CREDITORS: amounts falling due within one year

	1998 £'000	1997 £'000
Bank overdraft	-	1,052
Trade creditors	719	755
Amounts owed to group undertakings	1,090	1,126
Corporation tax	694	978
Other taxes and social security	51	35
Accruals and deferred income	215	283
	<u>2,769</u>	<u>4,229</u>

### 12. CREDITORS: amounts falling due after more than one year

Accruals and deferred income	123	-
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### 13. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	Provided		Not provided	
	1998 £'000	1997 £'000	1998 £'000	1997 £'000
Capital allowances in advance of depreciation	71	27	-	-

# Fulleon Limited (formerly Fulleon Synchrobell Limited)

## NOTES TO THE ACCOUNTS

at 31 December 1998

### 14. SHARE CAPITAL

	1998 £'000	1997 £'000
Authorised, allotted, called up and fully paid: 40,000 ordinary shares of £1 each	40	40

### 15. PROFIT AND LOSS ACCOUNT

	1998 £'000	1997 £'000
Retained profit brought forward	4,785	3,539
Retained profit for the period	1,487	1,246
Retained profit carried forward	6,272	4,785

### 16. OPERATING LEASE COMMITMENTS

At the end of the year the company had annual commitments under non-cancellable operating leases in respect of land and buildings as follows:

	1998 £'000	1997 £'000
Leases expiring: Within one year	-	24

### 17. CONTINGENT LIABILITIES

Guarantees have been given by the company in the ordinary course of business in respect of overdraft facilities granted to certain group companies. At the balance sheet date, £2,394,000 (1997: £9,404,000) was outstanding under such guarantees.

### 18. PENSION SCHEME

The pension charge for the year ended 31 December 1998 was £15,000 (1997: £9,000). At 31 December 1998, there were no outstanding contributions (1997: £Nil). The company employees participate in the Menvier Group plc defined contribution scheme.

### 19. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the smallest group of which the company is a member and for which group accounts are prepared is Cooper Industries (U.K.) Limited, a company incorporated in Great Britain and registered in England and Wales.

The directors regard Cooper Industries Inc., a company incorporated in Ohio, USA, as the company's ultimate parent company.

Copies of the latest published report and accounts of these companies can be obtained from the offices of Cooper Industries (U.K.) Ltd, Southam Road, Banbury, Oxon, OX16 7RX, England.