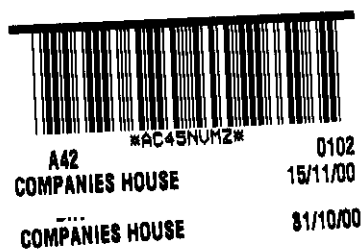


Fulleon Limited

Report and Accounts

31 December 1999

Registered Number: 1342230



DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31 December 1999.

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

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 (1998: £nil). A retained profit of £1,081,000 (1998: £1,487,000) 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.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year are as follows:

T S Strong
K T N Chapman
J E Scrimshaw

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.

DIRECTORS' REPORT

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

11 August 2000

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

We have audited the accounts on pages 5 to 14, 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 in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

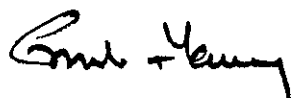
Basis of opinion

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 1999 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

31/10/00.



Fulleon Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1999

	Notes	1999 £'000	1998 £'000
TURNOVER	2	10,556	9,894
Cost of sales		(5,821)	(6,236)
GROSS PROFIT		4,735	3,658
Net operating expenses	4	(3,055)	(1,641)
OPERATING PROFIT	6	1,680	2,017
Exceptional item: provision for loss on disposal of land and buildings		(295)	-
Interest receivable less payable	5	208	195
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,593	2,212
Tax on profit on ordinary activities	7	(512)	(725)
RETAINED PROFIT FOR THE YEAR	16	1,081	1,487

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

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 1999

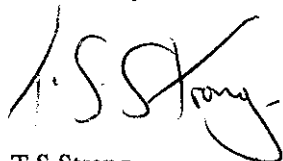
	1999 £'000	1998 £'000
Shareholders' funds at the beginning of the year	6,312	4,825
Profit for the financial year	1,081	1,487
Shareholders' funds at the end of the year	7,393	6,312

Fulleon Limited

BALANCE SHEET at 31 December 1999

	Notes	1999 £'000	1998 £'000
FIXED ASSETS			
Tangible assets	8	2,452	3,375
CURRENT ASSETS			
Stocks	9	860	942
Debtors	10	6,601	4,505
Investments	11	443	-
Cash at bank and in hand		1,092	453
		<u>8,996</u>	<u>5,900</u>
CREDITORS: amounts falling due within one year	12	(3,899)	(2,769)
NET CURRENT ASSETS		<u>5,097</u>	<u>3,131</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,549</u>	<u>6,506</u>
CREDITORS: amounts falling due after more than one year	13	(156)	(123)
Provisions for liabilities and charges	14	-	(71)
		<u>7,393</u>	<u>6,312</u>
CAPITAL AND RESERVES			
Called up share capital	15	40	40
Profit and loss account	16	7,353	6,272
EQUITY SHAREHOLDERS' FUNDS		<u>7,393</u>	<u>6,312</u>

The report and accounts were approved by the board of directors on 11 August 2000 and were signed on its behalf by:



T S Strong
Director

NOTES TO THE ACCOUNTS
at 31 December 1999

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.

Accounting convention

The accounts have been prepared under the historical cost convention.

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 £nil (1998: £35,000).

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 year and takes into consideration timing differences arising as a result of different treatment 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.

NOTES TO THE ACCOUNTS

at 31 December 1999

1. ACCOUNTING POLICIES (continued)

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.

Revenue grants are credited to the profit and loss account so as to match them with the expenditure to which they relate.

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 1999 amount to £nil (1998: £31,000).

Cash flow

Under Financial Reporting Standard 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow 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:

	1999 £'000	1998 £'000
United Kingdom and Republic of Ireland	6,038	6,339
Europe	3,965	3,009
Other	553	546
	<u>10,556</u>	<u>9,894</u>

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

NOTES TO THE ACCOUNTS
at 31 December 1999

3. **EMPLOYEES AND DIRECTORS**

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

	1999 No.	1998 No.
Production	118	119
Sales	10	7
Administration	20	21
	<u>148</u>	<u>147</u>

The aggregate payroll costs of these persons were as follows:

	1999 £'000	1998 £'000
Wages and salaries	1,739	1,742
Social security costs	156	154
Other pension costs	19	15
	<u>1,914</u>	<u>1,911</u>

Aggregate directors' emoluments, comprise:

	1999 £'000	1998 £'000
Emoluments	141	140
Company contributions paid to money purchase pension schemes	<u>9</u>	<u>7</u>

	1999 No.	1998 No.
Retirement benefits are accruing to the following number of directors under money purchase pension schemes:	<u>2</u>	<u>2</u>

Fulleon Limited

NOTES TO THE ACCOUNTS at 31 December 1999

4. NET OPERATING EXPENSES

	1999 £'000	1998 £'000
Distribution costs	145	147
Administration expenses	2,910	1,508
Other operating income	-	(14)
	<u>3,055</u>	<u>1,641</u>

5. INTEREST RECEIVABLE LESS PAYABLE

	1999 £'000	1998 £'000
Bank interest receivable	56	61
Interest receivable from group undertakings	154	134
Bank interest payable	(2)	-
	<u>208</u>	<u>195</u>

6. OPERATING PROFIT

Operating profit is stated
after charging / (crediting) the following:

	1999 £'000	1998 £'000
Depreciation of owned fixed assets	584	290
Rentals under operating leases:		
Land and buildings	4	21
Hire of plant and equipment	19	6
Research and development expenditure written off	216	162
Auditors' remuneration - audit fees	9	8
Rent receivable	-	(14)
Government grants	(42)	(2)

NOTES TO THE ACCOUNTS

at 31 December 1999

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £'000	1998 £'000
UK corporation tax	583	681
Deferred tax	(71)	44
	<u>512</u>	<u>725</u>

8. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings</i> £'000	<i>Plant and equipment</i> £'000	<i>Motor vehicles</i> £'000	<i>Total</i> £'000
Cost:				
At 1 January 1999	2,499	1,866	136	4,501
Additions	-	163	-	163
Inter company transfer	(11)	12	-	1
Disposals	-	(183)	(86)	(269)
Transfer to current assets	(797)	-	-	(797)
At 31 December 1999	<u>1,691</u>	<u>1,858</u>	<u>50</u>	<u>3,599</u>
Depreciation:				
At 1 January 1999	90	960	76	1,126
Provided during the year	27	248	14	289
Exceptional depreciation provided during the year	295	-	-	295
Disposals	-	(157)	(52)	(209)
Transfer to current assets	(354)	-	-	(354)
At 31 December 1999	<u>58</u>	<u>1,051</u>	<u>38</u>	<u>1,147</u>
Net book value:				
At 31 December 1999	<u>1,633</u>	<u>807</u>	<u>12</u>	<u>2,452</u>
At 31 December 1998	<u>2,409</u>	<u>906</u>	<u>60</u>	<u>3,375</u>

The total cost of non-depreciable land is £746,000 (1998: £746,000). The directors consider that the book value of freehold land and buildings is not materially different to the market value.

NOTES TO THE ACCOUNTS
at 31 December 1999

9. STOCKS

	1999 £'000	1998 £'000
Raw materials and consumables	492	514
Work in progress	289	347
Finished goods and goods for resale	79	81
	<u>860</u>	<u>942</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

	1999 £'000	1998 £'000
Trade debtors	1,846	1,713
Amounts owed by group undertakings	4,704	2,697
Other debtors	2	2
Prepayments and accrued income	49	93
	<u>6,601</u>	<u>4,505</u>

11. CURRENT ASSET INVESTMENT

At 31 December 1999, the company held a property for sale. This was transferred during the year from fixed assets at its net book value. It has been sold since the year end. The profit or loss on disposal was not significant.

12. CREDITORS: amounts falling due within one year

	1999 £'000	1998 £'000
Trade creditors	744	719
Amounts owed to group undertakings	2,058	1,090
Corporation tax	618	694
Other taxes and social security costs	67	51
Accruals and deferred income	412	215
	<u>3,899</u>	<u>2,769</u>

NOTES TO THE ACCOUNTS
at 31 December 1999

13. CREDITORS: amounts falling due after more than one year

	1999 £'000	1998 £'000
Accruals and deferred income	156	123
This comprises the following amounts:		
	<i>Deferred government grants</i>	
	1999 £'000	1998 £'000
Balance at 1 January	123	-
Received during the year	75	125
Released during the year	(42)	(2)
Balance at 31 December	156	123

14. PROVISIONS FOR LIABILITIES AND CHARGES

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

	<i>Provided</i>		<i>Not provided</i>	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Capital allowances in advance of depreciation	-	71	-	-

15. SHARE CAPITAL

	1999 £'000	1998 £'000
Authorised, allotted, called up and fully paid: 40,000 ordinary shares of £1 each	40	40

16. PROFIT AND LOSS ACCOUNT

	1999 £'000	1998 £'000
Retained profit brought forward	6,272	4,785
Retained profit for the year	1,081	1,487
Retained profit carried forward	7,353	6,272

NOTES TO THE ACCOUNTS
at 31 December 1999

17. OPERATING LEASE COMMITMENTS

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

	1999 £'000	1998 £'000
Leases expiring:		
Within one year	2	-
In two to five years	31	-
	<u>33</u>	<u>-</u>

18. 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, £27,572,000 (1998: £2,394,000) was outstanding under such guarantees.

19. PENSION COMMITMENTS

The pension charge for the year ended 31 December 1999 was £19,000 (1998: £15,000). At 31 December 1999, there were no outstanding contributions (1998: £Nil). The company employees participate in the Menvier Group plc defined contribution scheme.

20. 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 (UK) 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 (UK) Limited, Southam Road, Banbury, Oxon, OX16 7RX, England.