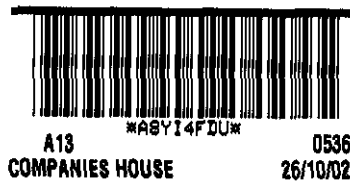


Fulleon Limited

Report and Accounts

31 December 2001

Registered Number: 1342230



DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 31 December 2001.

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.

Dividends of £8,000,000 were paid during the year (2000: £nil). A retained loss of £6,658,000 (2000: profit of £1,503,000) was transferred from reserves.

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.

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

M Clementson (appointed 31 August 2002)

P W Maxwell (appointed 31 August 2002)

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

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the board



K T N Chapman
Director

17 October 2002

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FULLEON LIMITED

We have audited the company's financial statements for the year ended 31 December 2001, which comprise the Profit and Loss Account, Balance Sheet, Reconciliation of Shareholders' Funds and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

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 United Kingdom law and accounting standards.

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

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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Birmingham

Dated 24/10/02.

Fulleon Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

	Notes	2001 £'000	2000 £'000
TURNOVER	2	12,224	12,201
Cost of sales		(7,610)	(6,928)
GROSS PROFIT		4,614	5,273
Net operating expenses	4	(3,076)	(3,448)
OPERATING PROFIT	6	1,538	1,825
Interest receivable	5	346	363
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,884	2,188
Tax on profit on ordinary activities	7	(542)	(685)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,342	1,503
DIVIDENDS (paid)		(8,000)	-
RETAINED (LOSS)/PROFIT FOR THE YEAR	14	(6,658)	1,503

The company has no recognised gains or losses other than as shown above.

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 2001

	2001 £'000	2000 £'000
Total recognised gains and losses	1,342	1,503
Dividends	(8,000)	-
Total movements during the year	(6,658)	1,503
Shareholders' funds at the beginning of the year	8,896	7,393
Shareholders' funds at the end of the year	2,238	8,896

Fulleon Limited

BALANCE SHEET at 31 December 2001

	Notes	2001 £'000	2000 £'000
FIXED ASSETS			
Tangible assets	8	2,130	2,277
CURRENT ASSETS			
Stocks	9	1,391	1,654
Debtors	10	2,872	6,358
Cash at bank and in hand		1	3,635
		<u>4,264</u>	<u>11,647</u>
CREDITORS: amounts falling due within one year	11	(4,156)	(5,028)
NET CURRENT ASSETS		<u>108</u>	<u>6,619</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,238</u>	<u>8,896</u>
CAPITAL AND RESERVES			
Called up share capital	13	40	40
Profit and loss account	14	2,198	8,856
EQUITY SHAREHOLDERS' FUNDS		<u>2,238</u>	<u>8,896</u>

The report and accounts were approved by the board of directors on the date shown below and were signed on its behalf by:



K T N Chapman
Director

17 October 2002

NOTES TO THE ACCOUNTS

at 31 December 2001

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 7 years

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 2001

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 2001 amount to £46,283 (2000: £5,000).

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:

	2001 £'000	2000 £'000
United Kingdom and Republic of Ireland	7,592	7,104
Europe	4,146	4,581
Other	486	516
	<u>12,224</u>	<u>12,201</u>

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

Fulleon Limited

NOTES TO THE ACCOUNTS

at 31 December 2001

3. EMPLOYEES AND DIRECTORS

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

	2001 No.	2000 No.
Production	137	133
Sales	13	12
Administration	24	23
	<u>174</u>	<u>168</u>

The aggregate payroll costs of these persons were as follows:

	2001 £'000	2000 £'000
Wages and salaries	2,477	2,178
Social security costs	208	184
Other pension costs	21	34
	<u>2,706</u>	<u>2,396</u>

Aggregate directors' emoluments, comprise:

	2001 £'000	2000 £'000
Emoluments	147	149
Company contributions paid to money purchase pension schemes	<u>9</u>	<u>9</u>

	2001 No.	2000 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 2001

4. NET OPERATING EXPENSES

	2001 £'000	2000 £'000
Distribution costs	200	181
Administration expenses	2,876	3,267
	<u>3,076</u>	<u>3,448</u>

5. INTEREST RECEIVABLE

	2001 £'000	2000 £'000
Bank interest receivable	192	127
Interest receivable from group undertakings	154	236
	<u>346</u>	<u>363</u>

6. OPERATING PROFIT

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

	2001 £'000	2000 £'000
Depreciation of owned fixed assets	243	260
Hire of plant and equipment	52	46
Research and development expenditure written off	380	273
Auditors' remuneration - audit fees	9	8
-other services	5	4
Government grants	(81)	(125)

Fulleon Limited

NOTES TO THE ACCOUNTS at 31 December 2001

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £'000	2000 £'000
UK corporation tax	542	685

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 2001	1,693	1,751	38	3,482
Additions	-	83	-	83
Transfers from fellow group undertakings	-	46	-	46
Disposals	-	(142)	(11)	(153)
At 31 December 2001	1,693	1,738	27	3,458
Depreciation:				
At 1 January 2001	74	1,093	38	1,205
Transfers from fellow group undertakings	-	25	-	25
Provided during the year	27	216	-	243
Disposals	-	(134)	(11)	(145)
At 31 December 2001	101	1,200	27	1,328
Net book value:				
At 31 December 2001	1,592	538	-	2,130
At 31 December 2000	1,619	658	-	2,277

The total cost of non-depreciable land is £329,000 (2000: £329,000). The directors consider that the book value of freehold land and buildings is not materially different to the market value.

Fulleon Limited

NOTES TO THE ACCOUNTS at 31 December 2001

9. STOCKS

	2001 £'000	2000 £'000
Raw materials and consumables	739	923
Work in progress	397	595
Finished goods and goods for resale	255	136
	<u>1,391</u>	<u>1,654</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

	2001 £'000	2000 £'000
Trade debtors	2,141	1,967
Amounts owed by group undertakings	286	4,017
VAT recoverable	342	264
Other debtors	4	4
Prepayments and accrued income	99	106
	<u>2,872</u>	<u>6,358</u>

11. CREDITORS: amounts falling due within one year

	2001 £'000	2000 £'000
Bank overdraft	557	-
Trade creditors	801	1,113
Amounts owed to group undertakings	2,035	2,294
Corporation tax	568	1,303
Other taxes and social security costs	56	56
Accruals and deferred income	139	262
	<u>4,156</u>	<u>5,028</u>

NOTES TO THE ACCOUNTS
at 31 December 2001

12. 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>	
	<i>2001</i>	<i>2000</i>	<i>2001</i>	<i>2000</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Capital allowances in advance of depreciation	-	-	227	183

13. SHARE CAPITAL

	<i>2001</i>	<i>2000</i>
	<i>£'000</i>	<i>£'000</i>
Authorised, allotted, called up and fully paid: 40,000 ordinary shares of £1 each	40	40

14. PROFIT AND LOSS ACCOUNT

	<i>2001</i>	<i>2000</i>
	<i>£'000</i>	<i>£'000</i>
Retained profit brought forward	8,856	7,353
Retained (loss)/profit for the year	(6,658)	1,503
Retained profit carried forward	2,198	8,856

NOTES TO THE ACCOUNTS

at 31 December 2001

15. 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:

	2001 £'000	2000 £'000
Leases expiring:		
Within one year	21	13
In two to five years	24	31
	<u>45</u>	<u>44</u>

16. 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, £40,808,000 (2000: £62,787,000) was outstanding under such guarantees.

17. CAPITAL COMMITMENTS

Amounts contracted for but not provided for in the financial statements amounted to £4,500 (2000: £Nil).

18. PENSION COMMITMENTS

The pension charge for the year ended 31 December 2001 was £21,258 (2000: £34,000). At 31 December 2001, there were no outstanding contributions (2000: £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.

Copies of the latest published report and accounts of these companies can be obtained from the offices of Cooper Industries (U.K.) Limited, Jephson Court, Tancred Close, Royal Leamington Spa, Warwickshire CV31 3RZ, England.

The ultimate parent company is Cooper Industries Limited of Bermuda, a company listed on the New York Stock Exchange.