Company balance sheet

	Notes	29 March 2008 £000	31 March 2007 £000
Fixed assets			
Tangible assets	C3	2,226	2,388
Investments	C4	121,332	115,023
		123,558	117,411
Current assets			
Debtors	C5	177,191	134,200
Current tax receivable		–	630
Short-term deposits		2,946	5,409
		180,137	140,239
Creditors: amounts falling due within one year			
Borrowings	C6	7,277	42,070
Creditors	C7	69,762	71,564
Current tax payable		67	–
		77,106	113,634
Net current assets		103,031	26,605
Total assets less current liabilities		226,589	144,016
Creditors: amounts falling due after more than one year			
Borrowings	C6	65,358	–
Creditors	C8	2,849	2,719
Provisions for liabilities and charges	C9	370	72
Net assets		158,012	141,225
Capital and reserves			
Share capital	C11	37,446	37,312
Share premium account	C12	16,949	15,239
Treasury shares	C12	(3,292)	(1,664)
Capital redemption reserve	C12	185	185
Other reserves	C12	2,583	1,611
Profit and loss account	C12	104,141	88,542
Shareholders' funds	C13	158,012	141,225

Approved by the Board of Directors on 17 June 2008.

A J Williams **K J Thompson**
Directors

Notes to the Company accounts

C1 Accounting policies

Basis of accounting
The separate Company financial statements are presented as required by the Companies Act 1985 and have been prepared on the historical cost basis and comply with applicable United Kingdom Accounting Standards and law. The principal Company accounting policies have been applied consistently throughout the current and preceding years and are described below.

Foreign currencies
Transactions in foreign currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates prevailing at that date. Any gain or loss arising from subsequent exchange rate movements is included as an exchange gain or loss in the profit and loss account.

Exchange differences on foreign currency borrowings which are taken out for the purpose of hedging the Company's investments in overseas subsidiary companies are taken to reserves.

Share-based payments
Equity-settled share-based payments are provided to employees under the Company's share incentive plan, share option plans and performance share plan. The Company recognises a compensation cost in respect of these schemes that is based on the fair value of the awards. For equity-settled schemes, the fair value is determined at the date of the grant and is not subsequently remeasured unless the conditions on which the award was granted are modified. The fair value at the date of the grant is calculated using appropriate option pricing models and the cost is recognised on a straight-line basis over the vesting period. Adjustments are made to reflect expected and actual forfeitures during the vesting period due to failure to satisfy service conditions or non-market performance conditions. As permitted by FRS 20 'Share-based payment', the Company has applied FRS 20 retrospectively only to equity-settled awards that were granted on or after 7 November 2002 which had not vested at 3 April 2005.

Investments
Investments are stated at cost less provision for impairment.

Fixed assets and depreciation
Fixed assets are stated at cost less provisions for impairment and depreciation which, with the exception of freehold land which is not depreciated, is provided on all fixed assets on the straight-line method, each item being written off over its estimated life. The principal annual rates used for this purpose are:

Freehold buildings	2%
Leasehold properties:	
more than 50 years unexpired	2%
less than 50 years unexpired	Period of lease
Plant and equipment	8% to 20%
Motor vehicles	20%

Leases
The costs of operating leases of property and other assets are charged as incurred.

Pensions
The Company makes contributions to defined contribution pension plans, which are charged against profits when they become payable. The Company also participates in a Group-wide defined benefit pension plan. This plan is operated on a basis that does not enable individual companies to identify their share of the underlying assets and liabilities, and in accordance with Financial Reporting Standard 17 the Company accounts for its contributions to the plan as if it was a defined contribution plan.

Deferred tax
The Company provides for tax deferred because of timing differences between profits as computed for taxation purposes and profits as stated in the accounts, on an undiscounted basis. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are only recognised if recovery is considered more likely than not on the basis of all available evidence.

C2 Profit for the year

As permitted by Section 230 of the Companies Act 1985, the Profit and Loss Account of Halma p.l.c. is not presented as part of these accounts.

Auditors' remuneration for audit services to the Company was £88,000 (2007: £79,000).

Total employee costs (including Directors) were:

	2008 £000	2007 £000
Wages and salaries	**3,095**	2,694
Social security costs	**511**	386
Other pension costs	**567**	398
	4,173	3,478

	2008 Number	2007 Number
Number of employees	**39**	30

Details of Directors' remuneration are set out on pages 46 to 48 within the Remuneration Report and form part of these financial statements.

C3 Fixed assets – tangible assets

	Land and buildings			
	Freehold properties £000	Short leases £000	Plant equipment and vehicles £000	Total £000
Cost				
At 31 March 2007	2,050	167	1,602	3,819
Additions at cost	**–**	**–**	**407**	**407**
Disposals	**(361)**	**–**	**(108)**	**(469)**
At 29 March 2008	**1,689**	**167**	**1,901**	**3,757**
Accumulated depreciation				
At 31 March 2007	412	75	944	1,431
Charge for the year	**46**	**1**	**259**	**306**
Disposals	**(123)**	**–**	**(83)**	**(206)**
At 29 March 2008	**335**	**76**	**1,120**	**1,531**
Carrying amounts				
At 29 March 2008	**1,354**	**91**	**781**	**2,226**
At 31 March 2007	1,638	92	658	2,388

C4 Investments

Shares in Group companies

	2008 £000	2007 £000
At cost less amounts written off at beginning of year	**115,023**	102,566
Additions	**6,309**	12,457
At cost less amounts written off at end of year	**121,332**	115,023

Additions in the year relate to the acquisition of Sonar Research & Development Limited, together with revisions to the estimate of deferred purchase consideration payable in respect of acquisitions made in prior years.

Notes to the Company accounts (continued)

C4 Investments (continued)

Details of principal subsidiary companies are set out on pages 88 and 89. All these subsidiaries are wholly owned and, apart from the following, are subsidiaries of Halma p.l.c. and are incorporated in Great Britain where they principally operate.

Name of company	Country of incorporation
Fortress Systems Pty. Limited	Australia
HF Sécurité S.A.S.*	France
Hydreka S.A.S.*	France
SERV Trayvou Interverrouillage S.A.S.*	France
Apollo Gesellschaft für Meldetechnologie mbH*	Germany
Rudolf Riester GmbH & Co. KG*	Germany
Berson Milieutechniek B.V.*	The Netherlands
Netherlocks Safety Systems B.V.*	The Netherlands
Bureau D'Electronique Appliquée S.A.*	Belgium
TL Jones Limited*	New Zealand
E-Motive Display Pte Limited*	Singapore
Halma Holdings Inc.*	USA
Air Products and Controls Inc.*	USA
Aquionics Inc.*	USA
B.E.A. Inc.*	USA
Bio-Chem Fluidics Inc.*	USA
Diba Industries, Inc.*	USA
Janus Elevator Products Inc.*	USA
Labsphere, Inc.*	USA
Ocean Optics, Inc.*	USA
Oklahoma Safety Equipment Co. Inc.*	USA
Perma Pure LLC*	USA
Volk Optical Inc.*	USA

* Interests held by subsidiary companies.

C5 Debtors

	2008 £000	2007 £000
Amounts due from Group companies	**173,159**	131,576
Other debtors	**1,313**	29
Prepayments and accrued income	**2,719**	2,595
	177,191	134,200

C6 Borrowings

	2008 £000	2007 £000
Falling due within one year:		
Unsecured bank loans	**–**	29,762
Overdrafts	**7,277**	12,308
	7,277	42,070
Falling due after more than one year:		
Unsecured bank loans	**65,358**	–
Total borrowings	**72,635**	42,070

The facility under which the bank loans are drawn expires within two to five years (2007: within two to five years) and at 29 March 2008 £99,642,000 (2007: £30,238,000) remained committed and undrawn.

The bank overdrafts at 29 March 2008 and 31 March 2007 were drawn on uncommitted facilities which all expire within one year, and were held pursuant to a Group pooling arrangement which offsets them against credit balances in subsidiary undertakings.

C7 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Trade creditors	**484**	640
Amounts owing to Group companies	**63,265**	62,194
Other taxation and social security	**1,314**	1,369
Deferred purchase consideration	**1,059**	2,021
Other creditors	**1,566**	2,000
Accruals and deferred income	**2,074**	3,340
	69,762	71,564

C8 Creditors: amounts falling due after one year

	2008 £000	2007 £000
Deferred purchase consideration	**–**	569
Other creditors	**2,849**	2,150
	2,849	2,719
These liabilities fall due as follows:		
Within two to five years	**2,849**	2,719

C9 Provisions for liabilities and charges

	2008 £000	2007 £000
Deferred tax (note C10)	**370**	72
	370	72

Notes to the Company accounts (continued)

C10 Deferred tax

	2008 £000	2007 £000
Movement in deferred tax liability/(asset):		
At beginning of year	**72**	(64)
Charge to profit and loss account	**161**	423
Charge/(credit) to reserves	**137**	(287)
At end of year	**370**	72

Deferred tax comprises short-term timing differences.

C11 Share capital

	Authorised		Issued and fully paid	
	2008 £000	2007 £000	**2008 £000**	2007 £000
Ordinary shares of 10p each	**43,656**	43,656	**37,446**	37,312

The number of ordinary shares in issue at 29 March 2008 was 374,458,498 (2007: 373,116,492).

Changes during the year in the issued ordinary share capital were as follows:

	Issued and fully paid £000
At 31 March 2007	37,312
Share options exercised	**134**
At 29 March 2008	**37,446**

The total consideration received in cash in respect of share options exercised amounted to £1,844,000.

Details of share options in issue on the Company's share capital and share-based payments are included in note 23 to the Group accounts.

C12 Reserves

	Share premium account £000	Treasury shares £000	Capital redemption reserve £000	Other reserves £000	Profit and loss account £000
At 31 March 2007	15,239	(1,664)	185	1,611	88,542
Profit transferred to reserves	–	–	–	–	**21,790**
Issue of shares	**1,710**	–	–	–	–
Movement in other reserves	–	–	–	**972**	–
Treasury shares purchased	–	**(1,628)**	–	–	–
Exchange adjustments	–	–	–	–	**(6,191)**
At 29 March 2008	**16,949**	**(3,292)**	**185**	**2,583**	**104,141**

The capital redemption reserve was created on repurchase and cancellation of the Company's own shares.

The other reserves represent the provision being established in respect of the value of equity-settled share option plans and performance share plan awards made by the Company.

Treasury shares are the Company's own shares purchased and held to fulfil its obligations under the performance share plan.

C13 Reconciliation of movement in shareholders' funds

	2008 £000	2007 £000
At beginning of year	**141,225**	122,912
Profit after taxation	**49,119**	36,378
Dividends paid	**(27,329)**	(25,922)
Exchange adjustments	**(6,191)**	3,184
Issue of shares	**1,844**	4,916
Treasury shares purchased	**(1,628)**	(1,285)
Movement in other reserves	**972**	1,042
At end of year	**158,012**	141,225

Independent Auditors' report to the members of Halma p.l.c.

We have audited the parent company financial statements of Halma p.l.c. for the 52 weeks to 29 March 2008 which comprise the Balance sheet together with the statement of Accounting policies and the related notes numbered C1 to C13. These parent company financial statements have been prepared under the accounting policies set out therein. We have reported separately on the Group financial statements of Halma p.l.c. for the 52 weeks to 29 March 2008 and on the information in the Directors' Remuneration report that is described as having been audited.

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

The Directors' responsibilities for preparing the Annual report, and the parent company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' responsibilities. Our responsibility is to audit the parent company financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the parent company financial statements give a true and fair view and whether the parent company financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Directors' Report is consistent with the parent company 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.

We read the other information contained in the Annual report as described in the Contents section and consider whether it is consistent with the audited parent company financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent company financial statements. Our responsibilities do not extend to any further information outside the Annual report.

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 parent company financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the parent company 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 parent company 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 parent company financial statements.

Opinion

In our opinion:

– the parent company financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the Company as at 29 March 2008;

– the parent company 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 parent company financial statements.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Reading, UK

17 June 2008

Neither an audit nor a review provides assurance on the maintenance and integrity of the web site, including controls used to achieve this, and in particular whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the directors but no control procedures can provide absolute assurance in this area. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.