

# Company balance sheet

	Notes	28 March 2009 £000	29 March 2008 £000
<b>Fixed assets</b>			
Tangible assets	C3	2,086	2,226
Investments	C4	120,317	121,332
		<b>122,403</b>	123,558
<b>Current assets</b>			
Debtors (amounts falling due within one year)	C5	31,109	177,191
Debtors (amounts falling due after more than one year)	C5	106,630	–
Short-term deposits		7,924	2,946
Cash at bank and in hand		208	–
		<b>145,871</b>	180,137
<b>Creditors: amounts falling due within one year</b>			
Borrowings	C6	6,019	7,277
Creditors	C7	13,190	69,762
Current tax payable		1,736	67
		<b>20,945</b>	77,106
<b>Net current assets</b>			
		<b>124,926</b>	103,031
<b>Total assets less current liabilities</b>			
		<b>247,329</b>	226,589
<b>Creditors: amounts falling due after more than one year</b>			
Borrowings	C6	79,613	65,358
Creditors	C8	33,479	2,849
Provisions for liabilities and charges	C9	–	370
<b>Net assets</b>			
		<b>134,237</b>	158,012
<b>Capital and reserves</b>			
Share capital	C11	37,539	37,446
Share premium account	C12	18,146	16,949
Treasury shares	C12	(2,759)	(3,292)
Capital redemption reserve	C12	185	185
Other reserves	C12	2,000	2,583
Profit and loss account	C12	79,126	104,141
<b>Shareholders' funds</b>			
	C13	<b>134,237</b>	158,012

Approved by the Board of Directors on 16 June 2009.

**A J Williams**  
Directors

**K J Thompson**

# 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.

### Share-based payments

The Company has adopted FRS 20 and the accounting policies followed are in all material respects the same as the Group's policy under IFRS 2. This policy is shown on page 69.

### 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 property	2%
Leasehold properties:	
Short leases (less than 50 years unexpired)	Period of lease
Plant, equipment and vehicles	8% to 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.

### Taxation

Taxation comprises current and deferred tax.

Current tax is the expected tax payable, on the taxable income for the year, using tax rates enacted, or substantially enacted, at the balance sheet date, and any adjustments to tax payable in respect of previous years.

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.

### Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including direct issue costs, are accounted for on an accruals basis in profit or loss and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

## C2 Result 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. The Company has reported a loss after taxation of £1,733,000 (2008: profit of £49,119,000).

Auditors' remuneration for audit services to the Company was £88,000 (2008: £88,000).

Total employee costs (including Directors) were:

	2009 £000	2008 £000
Wages and salaries	3,097	3,095
Social security costs	531	511
Other pension costs	386	567
	<b>4,014</b>	<b>4,173</b>

	2009 Number	2008 Number
Number of employees	42	39

Details of Directors' remuneration are set out on pages 53 to 58 within the Remuneration Report and form part of these financial statements.

### C3 Fixed assets – tangible assets

	Land and buildings		Plant equipment and vehicles £000	Total £000
	Freehold properties £000	Short leases £000		
<b>Cost</b>				
At 29 March 2008	1,689	167	1,901	3,757
Reclassification	<b>91</b>	<b>(91)</b>	–	–
Additions at cost	–	–	<b>225</b>	<b>225</b>
Disposals	–	–	<b>(260)</b>	<b>(260)</b>
At 28 March 2009	<b>1,780</b>	<b>76</b>	<b>1,866</b>	<b>3,722</b>
<b>Accumulated depreciation</b>				
At 29 March 2008	335	76	1,120	1,531
Charge for the year	<b>21</b>	–	<b>264</b>	<b>285</b>
Disposals	–	–	<b>(180)</b>	<b>(180)</b>
At 28 March 2009	<b>356</b>	<b>76</b>	<b>1,204</b>	<b>1,636</b>
<b>Carrying amounts</b>				
At 28 March 2009	<b>1,424</b>	–	<b>662</b>	<b>2,086</b>
At 29 March 2008	1,354	91	781	2,226

### C4 Investments

#### Shares in Group companies

	2009 £000	2008 £000
At cost less amounts written off at beginning of year	<b>121,332</b>	115,023
(Reduction)/addition	<b>(1,015)</b>	6,309
At cost less amounts written off at end of year	<b>120,317</b>	121,332

The reduction in the current year related to downward revisions in the estimates of deferred purchase consideration payable in respect of acquisitions made in prior years. Additions in 2008 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.

Details of principal subsidiary companies are set out on pages 98 and 99. All these subsidiaries are wholly owned subsidiaries of Halma p.l.c. and are incorporated in Great Britain, other than those listed below, where they principally operate. All of the companies' interests below are held by subsidiary companies.

Name of company	Country of incorporation
Fortress Interlocks 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	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
Fiberguide 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

## Notes to the Company accounts (continued)

### C5 Debtors

	2009 £000	2008 £000
Amounts falling due within one year:		
Amounts due from Group companies	<b>28,819</b>	173,159
Other debtors	<b>18</b>	1,313
Prepayments and accrued income	<b>1,795</b>	2,719
Deferred tax asset (note C10)	<b>477</b>	–
	<b>31,109</b>	177,191

Amounts falling due after more than one year:		
Amounts due from Group companies	<b>106,630</b>	–

### C6 Borrowings

	2009 £000	2008 £000
Falling due within one year:		
Overdrafts	<b>6,019</b>	7,277
Falling due after more than one year:		
Unsecured bank loans	<b>79,613</b>	65,358
Total borrowings	<b>85,632</b>	72,635

The facility under which the bank loans are drawn expires within two to five years (2008: within two to five years) and at 28 March 2009 £85,387,000 (2008: £99,642,000) remained committed and undrawn.

The bank overdrafts, which are unsecured, at 28 March 2009 and 29 March 2008 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.

The Company is part of an arrangement between UK subsidiaries whereby overdraft facilities of £21,023,000 (2008: £19,658,000) are cross-guaranteed. Of these facilities £242,000 (2008: £73,000) was drawn.

### C7 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Trade creditors	<b>784</b>	484
Amounts owing to Group companies	<b>8,498</b>	63,265
Other taxation and social security	<b>977</b>	1,314
Deferred purchase consideration	–	1,059
Other creditors	<b>1,550</b>	1,566
Accruals and deferred income	<b>1,381</b>	2,074
	<b>13,190</b>	69,762

### C8 Creditors: amounts falling due after more than one year

	2009 £000	2008 £000
Amounts owing to Group companies	<b>33,094</b>	–
Other creditors	<b>385</b>	2,849
	<b>33,479</b>	2,849

These liabilities fall due as follows:

Within one to two years	<b>385</b>	–
Within two to five years	–	2,849
After more than five years	<b>33,094</b>	–

### C9 Provisions for liabilities and charges

	2009 £000	2008 £000
Deferred tax (note C10)	–	370

## C10 Deferred tax

	2009 £000	2008 £000
Movement in deferred tax asset/(liability):		
At beginning of year	(370)	(72)
Credit/(charge) to profit and loss account	651	(161)
Credit/(charge) to reserves	196	(137)
At end of year (notes C5 and C9)	477	(370)

Deferred tax comprises short-term timing differences.

## C11 Share capital

	2009 £000	Authorised 2008 £000	Issued and fully paid 2009 £000	2008 £000
Ordinary shares of 10p each	43,656	43,656	37,539	37,446

The number of ordinary shares in issue at 28 March 2009 was 375,390,677 (2008: 374,458,498), including treasury shares of 1,274,108. Changes during the year in the issued ordinary share capital were as follows:

	Issued and fully paid £000
At 29 March 2008	37,446
Share options exercised	93
At 28 March 2009	37,539

The total consideration received in cash in respect of share options exercised amounted to £1,290,000. At the date of these accounts, the number of ordinary shares in issue was 375,413,293, including treasury shares of 1,438,837. 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	Non-distributable Other reserves £000	Distributable Total profit and loss account £000
At 29 March 2008	16,949	(3,292)	185	2,583	104,141
Loss transferred to reserves	-	-	-	-	(1,733)
Dividends paid	-	-	-	-	(28,785)
Issue of shares	1,197	-	-	-	-
Movement in other reserves	-	-	-	(583)	-
Treasury shares purchased	-	533	-	-	-
Deferred tax to equity	-	-	-	-	196
Prior years' exchange adjustment	-	-	-	-	5,307
At 28 March 2009	18,146	(2,759)	185	2,000	79,126

The prior years' exchange adjustment and loss transferred to the profit and loss account reserve include a £5,307,000 prior years' reclassification of foreign exchange losses that arose on inter-company loans. These exchange losses should have been recognised in the profit and loss account but were taken directly to the profit and loss account reserve. The adjustment has no effect on the brought forward and carried forward profit and loss account reserve. The current year's result, including the exchange adjustments relating to 2009, but excluding the £5,307,000 prior year reclassification, is a profit of £3,574,000.

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

	2009 £000	2008 £000
At beginning of year	158,012	141,225
(Loss)/profit after taxation	(1,733)	49,119
Dividends paid	(28,785)	(27,329)
Exchange adjustments	5,307	(6,191)
Issue of shares	1,290	1,844
Treasury shares sold/(purchased)	533	(1,628)
Movement in other reserves	(583)	972
Deferred tax to equity	196	-
At end of year	134,237	158,012