Company Registration No 00408759

Keeler Limited

Report and Financial Statements

52 week period ended 2 April 2011

Keeler Limited

REPORT AND FINANCIAL STATEMENTS 2011

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS
A Beasley
P D Healey (appointed 5 April 2011)
J Hooker
D J Keeler (USA)
A J Meyers (USA)
M G Norris (resigned 22 September 2010)
Dr A Sotoudeh
J B Wilson

SECRETARY
J B Wilson

REGISTERED OFFICE
Clewer Hill Road
Windsor
Berkshire
SL4 4AA

BANKERS
Barclays Bank Plc
1 Churchill Place
London
E14 5HP

AUDITORS
Deloitte LLP
Reading

DIRECTORS' REPORT

The dırectors present theır annual report and the audıted financıal statements for the 52 week perıod ended 2 Aprıl 2011

RESULTS AND DIVIDENDS

The profit and loss account shows a profit before taxatıon of £4,172,387 (2010 £3,465,336) and the profit after taxatıon of £3,073,339 (2010 £2,553,205) An ınterım dıvıdend on the ordınary shares of £3,000,000 (2010 £2,800,000) was paıd on 2 Aprıl 2011 The dırectors do not recommend the payment of a final dıvıdend (2010 £nıl)

BUSINESS REVIEW, PRINCIPAL ACTIVITIES AND FUTURE PROSPECTS

The company ıs a wholly owned subsıdıary of Halma p l c and operates as part of the group's Health Optıcs dıvısıon

The company's prıncıpal actıvıtıes are the manufacture and sale of optometrıc and ophthalmıc products to the health care ındustry worldwıde There have not been any sıgnıficant changes ın the company's prıncıpal actıvıtıes ın the perıod under revıew The dırectors are not aware, at the date of thıs report, of any lıkely major changes ın the company's actıvıtıes ın the next year

The company has contınued ıts strategy of ınvestıng ın new product development ın the year

The company's profit and loss account on page 6 shows that margıns and profit before tax have been ıncreased ın the year Thıs ıs due to successful new product ıntroductıons

The balance sheet, on page 7 of the financıal statements, shows that the company's financıal posıtıon at the year end has ımproved ın net asset terms compared wıth the prıor year Detaıls of amounts owed by ıts parent and other group companıes are shown ın note 15 on page 18

The Halma p l c group manages ıts operatıon on a dıvısıonal basıs For thıs reason, the company's dırectors belıeve that further key performance ındıcators for the company are not necessary or approprıate for an understandıng of the development, performance or posıtıon of the busıness The performance of the Health Optıcs dıvısıon of Halma p l c , whıch ıncludes the company, ıs dıscussed ın the group's Annual Report whıch does not form part of thıs report

PRINCIPAL RISKS AND UNCERTAINTIES

Competıtıve and economıc pressure throughout the world ıs a contınuıng rısk for the company, whıch could result ın ıt losıng sales to ıts key competıtors The company manages thıs rısk by provıdıng added value servıces to ıts customers, havıng fast response tımes not only ın supplyıng products but also ın handlıng all customer querıes, and by maıntaınıng strong relatıonshıps wıth customers

The company operates ın some regulated markets and thıs ıs a rısk area The company manages thıs rısk through operatıng an ınternatıonally approved qualıty system

The company's sales ın the USA are made ın US dollars and ıt ıs therefore exposed to the movement ın the dollar to pound exchange rate Part of thıs rısk ıs mıtıgated by purchases ın US dollars and by the forward sellıng of US dollar receıpts

The company ıs self-financed by ınternally generated funds and has no thırd party debt It therefore has no ınterest rate exposure

Group rısks are dıscussed ın the group's annual report, whıch does not form part of thıs report

DIRECTORS' REPORT (CONTINUED)

GOING CONCERN

The current economic conditions create uncertainty over the level of demand for the company's products The company has net assets and a positive cash balance as set out in the balance sheet on page 7 The company also has access to the Halma group's financial resources (including a £165m 5-year revolving credit facility) The directors have a reasonable expectation that despite the current economic uncertainty the company has adequate resources to continue in operational existence for the foreseeable future Thus, the directors continue to adopt the going concern basis in preparing the annual report and accounts

ENVIRONMENT

The Halma p l c group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities The company operates in accordance with group policies, which are described in the group's Annual Report, which does not form part of this Report Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption

EMPLOYEES

Details of the number of employees and related costs can be found in note 9 to the financial statements on page 14

DIRECTORS

The directors, who served during the period and since the period end, are shown on page 1

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved

- So far as each of the directors is aware, there is no relevant audit information of which the company's auditors are unaware, and

- Each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

J B Wilson
Secretary
27 July 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements 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 that disclose with reasonable accuracy at any time the financial position of the company and enable him, to ensure that the financial statements comply with the Companies Act 2006 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 AUDITOR'S REPORT TO THE MEMBERS OF KEELER LIMITED

We have audited the financial statements of Keeler Limited for the 52 weeks ended 2 April 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 22 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor's 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 auditor
As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 2 April 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Alex Butterworth

Alexander Butterworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, United Kingdom
27 July 2011

PROFIT AND LOSS ACCOUNT
For the 52 week period ended 2 April 2011

	Note	52 weeks ended 2 April 2011 £	£	53 weeks ended 3 April 2010 £	£
TURNOVER	2		16,145,074		14,652,824
Cost of sales			(10,357,569)		(9,333,278)
Gross profit			5,787,505		5,319,546
Distribution costs		(320,446)		(287,507)	
Administrative expenses		(1,570,750)		(1,590,921)	
Other operating income		109,417		89,746	
			(1,781,779)		(1,788,682)
OPERATING PROFIT			4,005,726		3,530,864
Interest receivable and similar income			169,386		5,810
Interest payable and similar charges	6		(2,725)		(71,338)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3		4,172,387		3,465,336
Tax charge on profit on ordinary activities	10		(1,099,048)		(912,131)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL PERIOD	19, 20		3,073,339		2,553,205

All amounts derive from continuing operations

There are no recognised gains and losses in the current or preceding period other than the profit for the periods Accordingly, no statement of total recognised gains and losses has been presented

BALANCE SHEET
2 April 2011

	Note	2 April 2011 £	2 April 2011 £	3 April 2010 £	3 April 2010 £
FIXED ASSETS					
Intangible fixed assets	12		512,649		673,184
Tangible fixed assets	13		2,118,681		2,035,898
			2,631,330		2,709,082
CURRENT ASSETS					
Stocks	14	1,773,432		1,498,624	
Debtors	15	8,872,828		9,569,095	
Cash at bank and in hand		1,010,183		250,959	
			11,656,443		11,318,678
CREDITORS: amounts falling due within one year	16		(2,942,466)		(2,695,387)
NET CURRENT ASSETS			8,713,977		8,623,291
PROVISIONS FOR LIABILITIES AND CHARGES	17		(155,894)		(216,299)
NET ASSETS			11,189,413		11,116,074

CAPITAL AND RESERVES		Authorised	Issued and fully paid	Authorised	Issued and fully paid
CALLED UP SHARE CAPITAL					
Called up share capital - (ordinary shares of £1 each)		8,000,000	5,008,004	8,000,000	5,008,004
Share premium account			2,531,777		2,531,777
Profit and loss account	19		3,643,632		3,576,293
SHAREHOLDER'S FUNDS	20		11,189,413		11,116,074

These financial statements of Keeler Limited, company number 00408759, were approved by the Board of Directors on 27 July 2011

Signed on behalf of the Board of Directors

Dr A Sotoudeh
Director

J B Wilson
Director

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below They have all been applied consistently throughout the current and preceding period

Accounting convention

The financial statements are prepared under the historical cost convention

Going concern

The current economic conditions create uncertainty The company has net assets and a positive cash balance as set out in the balance sheet on page 7 The company also has access to the Halma group's financial resources (including a £165m 5-year revolving credit facility) The directors have a reasonable expectation that despite the current economic uncertainty the company has adequate resources to continue in operational existence for the foreseeable future Thus, the directors continue to adopt the going concern basis in preparing the annual report and accounts

Turnover

Turnover represents sales, less returns, excluding value added tax Turnover from the sale of goods is recognised when the goods are physically delivered to the customer

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and provision for impairment

Depreciation is provided on all tangible fixed assets on the straight-line method, each item being written off over its estimated life The principle annual rates used for this purpose are

Freehold buildings	2%
Plant and equipment, motor vehicles and short life tooling	8% to 33%

Research and development

Research expenditure is written off in the financial year in which it is incurred

Development expenditure is written off in the financial year in which it is incurred, unless it relates to the development of a new or substantially improved product, is incurred after the technical feasibility and economic viability of the product has been proven and the decision to complete the development has been taken, and can be measured reliably Such expenditure is capitalised as an intangible asset in the balance sheet at cost and is amortised through the profit and loss account on a straight line basis over its estimated economic life of three years

Leases

The costs of operating leases of property and other assets are charged on a straight line basis over the lease term, even if payments are not made on such a basis

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

1 ACCOUNTING POLICIES (CONTINUED)

Foreign currency
In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences are recognised in the profit and loss account in the period in which they arise except for exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments)

Derivative financial instruments
The company is not in scope for FRS29 which is applicable to all entities adopting FRS 26, with the exception of subsidiary undertakings, other than banks or insurance companies, 90 per cent or more of whose voting rights are controlled within the group, provided the entity is included in publicly available consolidated financial statements which include disclosures that comply with FRS 29 The ultimate parent company, into which the results of this company are consolidated, produces disclosures that comply with IFRS7 Financial Instruments Disclosures (the IFRS equivalent to FRS 29)

The company enters into derivative financial instruments to manage its exposure to foreign exchange rate risk, including foreign exchange forward contracts Further details of derivative financial instruments are disclosed in 'Financial instruments' note to the financial statements

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability The resulting gain or loss is recognised in the profit and loss account

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months Other derivatives are presented as current assets or current liabilities

Financial instruments
Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument

Financial assets

All financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through the profit and loss account, which are initially measured at fair value

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments of a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value Bank overdrafts are shown within short-term borrowings in current liabilities on the combined and consolidated statement of financial position Cash and cash equivalents in the combined and consolidated statement of cash flows and in the presentation of net debt are reflected net of overdrafts

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

1. ACCOUNTING POLICIES (CONTINUED)

Trade receivables

Trade receivables are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest rate method, less allowance for any impairment as appropriate The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, where the time value of money has a material impact, discounted at the effective interest rate computed at initial recognition

Trade payables

Trade payables are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest rate method

Stocks

Stocks and work in progress are included at the lower of cost and net realisable value Cost includes the appropriate proportion of production and other overheads considered by the Directors to be attributable to bringing the stock to its location and condition at the period end Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal Provision is made for obsolete, slow moving and defective items where appropriate

Pensions

The company makes pension contributions to the Halma group pension plan (the scheme) on behalf of its employees The scheme is a defined benefit scheme The company is unable to determine its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme Contributions to the scheme are therefore charged to the Profit and Loss Account when incurred

Cash flow statement

The company is a wholly owned subsidiary of Halma p l c and is included in the consolidated financial statements of Halma p l c , which are publicly available Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (Revised 1996)

Share-based payments

The Halma p l c group operates a Performance Share Plan in which the company's employees participate Awards under the plan are equity-settled and are subject to both market based and non-market based vesting criteria Their fair value at the date of grant is established by using an appropriate simulation method to reflect the likelihood of market-based performance conditions being met The fair value is charged to the profit and loss on a straight-line basis over the vesting period, with appropriate adjustments being made during this period to reflect expected and actual forfeitures arising from the non-market based performance conditions only

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

2 TURNOVER

The geographical analysis of the company's turnover by destination is as follows

	52 weeks ended 2 April 2011 £	53 weeks ended 3 April 2010 £
United Kingdom	6,154,180	7,100,598
United States of America	4,233,561	2,941,456
Europe excluding United Kingdom	2,173,841	1,486,078
Far East and Australasia	2,095,839	1,545,007
Africa, Near and Middle East	1,254,738	1,236,864
Other	232,915	342,821
	16,145,074	14,652,824

Turnover all originates in the United Kingdom and derives from the manufacture and distribution of ophthalmic, optometric and medical products

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is arrived at after charging/(crediting)

	52 weeks ended 2 April 2011 £	53 weeks ended 3 April 2010 £
Amortisation of development costs	267,724	210,555
Depreciation – owned assets	298,745	336,894
Research and development	779,130	514,931
Auditor's remuneration - audit fees	18,856	18,219
Operating lease rentals - other	37,158	42,540
Profit on disposal of fixed assets	(4,136)	(228)
Rental income	(109,417)	(89,746)
Foreign exchange loss	-	10,989

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

4. DIRECTORS' EMOLUMENTS

	52 weeks ended 2 April 2011 £	53 weeks ended 3 April 2010 £
Emoluments	503,403	690,634
Compensation for loss of office	25,000	-
Aggregate emoluments (excluding pension contributions)	528,403	690,634
Highest paid director	139,197	218,773

The total pension cost of the company was £767,612 (2010 £752,687) This amount includes £17,053 (2010 £17,389) in respect of the highest paid director The accrued pension of the highest paid director as at 2 April 2011 is £19,826 per annum (2010 £18,053) The accrued pensions of the remaining directors as at 2 April 2011 are £55,691 per annum (2010 £42,321)

Mr A J Meyers is an executive of Halma Holdings Inc, and is remunerated for his services to that company It is not practical to allocate this remuneration between his services as an executive to Keeler Limited and to fellow group subsidiaries In addition, Mr A J Meyers is accruing benefits under the Halma Holdings Inc Profit Savings Retirement Plan in the USA

Mr D J Keeler is a director of Keeler Instruments Inc, and is remunerated for his services to that company It is not practical to allocate this remuneration between his services as an executive to Keeler Limited and to Keeler Instruments Inc In addition, Mr D J Keeler is accruing benefits under the Halma Holdings Profit Savings Retirement Plan in the USA

5 DERIVATIVE FINANCIAL INSTRUMENTS

	Carrying value	
	2011 £	2010 £
Financial (assets)/liabilities carried at fair value through profit and loss		
FX forward contracts	(55,074)	71,338

Derivative financial instruments are accounted for at fair value through profit and loss

6. INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 2 April 2011 £	53 weeks ended 3 April 2010 £
Group interest	2,725	-
Change in fair value of derivative financial instruments	-	71,338
	2,725	71,338

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

7. **PENSIONS**

The company participates in the Halma group pension plan, which operates both defined benefit and defined contribution sections The company is unable to identify its share of the underlying assets and liabilities of the defined benefit section of the scheme and accordingly accounts for the defined benefit section as if it were a defined contribution scheme The assets of the pension scheme are separately held in trustee administered funds

The pension cost relating to the defined benefit scheme is assessed in accordance with the advice of independent qualified actuaries A full actuarial valuation was carried out as at 1 December 2008 and updated to 2 April 2011 by a qualified independent actuary

The assets of the defined benefit section and the expected long-term rates of return were

Halma group pension plan	**2011**		**2010**		**2009**	
	%	**£'000**	**%**	**£'000**	**%**	**£'000**
Equities	7 50	68,168	7 75	67,007	7 50	46,148
Bonds	5 20	38,082	5 20	29,789	6 00	24,209
Property	6 00	10,937	6 75	10,099	7 50	3,026
S75 Debt		-	-	-		2,269
Total market value of assets		117,187		106,895		75,652
Present value of scheme liabilities		(146,662)		(142,067)		(111,230)
Deficit in the scheme		(29,475)		(35,172)		(35,378)
Related deferred tax		7,664		9,848		9,962
Net pension liability		(21,811)		(25,324)		(25,616)

Further disclosures can be found in the accounts of Halma p l c

The defined benefit pension cost of the company was £743,860 (2010 £730,274)

8. **SHARE-BASED PAYMENTS**

Performance share plan

Halma p l c operates a performance share plan in which some of the company's employees participate

Awards made under this Plan vest after three years on a sliding scale subject to the group's relative Total Shareholder Return against the FTSE 250 excluding financial companies, combined with an absolute Return on Total Invested Capital measure

A summary of the movements in share awards granted under the performance share plan is as follows

	2011	**2010**
	Number	**Number**
Outstanding at the beginning of year	44,598	34,945
Granted during the year	11,530	17,493
Vested during the year	(10,164)	(7,154)
Lapsed during the year	(473)	(686)
Outstanding at end of year	45,491	44,598
Exercisable at end of year	-	-

NOTES TO THE ACCOUNTS
52 week period ended 2 Apnl 2011

8. SHARE-BASED PAYMENTS (CONTINUED)

The weighted average remaimng contractual hfe of performance shares outstandmg at the end of the penod is 1 4 years The fair value of these awards was calculated usmg an appropnate simulation method to reflect the hkelihood of the market-based performance conditions, which attach to half of the award, being met, using the followmg assumptions

	2011	2010	2009
Expected volatility [%]	27	27 5	25
Expected hfe [years]	3	3	3
Share pnce on date of grant [p]	281 08	196 9	192 75
Option pnce [p]	Nil	Nil	Nil
Fair value per option [%]	66 9	61 8	56
Fair value per option [p]	188 04	121 68	107 94

The expected volatility was determmed by calculating the histonc volatility of the group's share pnce over the previous three years

The total charge in respect of share-based payments was £56,248 (2010 £47,965)

9. EMPLOYEE INFORMATION

	52 weeks ended 2 April 2011 No.	53 weeks ended 3 April 2010 No.
The average number of persons employed (including directors) by the company during the penod was	95	95

Employee costs of the company (including directors) comprised	£	£
Wages and salanes	2,643,112	2,727,207
Social secunty costs	260,168	286,051
Other pension costs	767,612	752,687
Share based payments	56,248	47,965
	3,727,140	3,813,910

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

	52 weeks ended 2 April 2011 £	53 weeks ended 3 April 2010 £
Current tax		
UK corporation tax on profits of the period	1,159,453	850,354
	1,159,453	850,354
Deferred tax		
Origination and reversal of timing differences	(33,052)	61,777
Adjustment in respect of previous periods	(19,975)	-
Effect of change in future tax rate	(7,378)	-
Tax on profit on ordinary activities	1,099,048	912,131

The UK corporation tax assessed for the period is in line with the standard rate of corporation tax in the UK once allowance is made for the factors listed below

	52 weeks ended 2 April 2011 £	53 weeks ended 3 April 2010 £
Profit on ordinary activities before tax	4,172,387	3,465,336
Applying standard rate of UK corporation tax of 28% (2010 28%)	1,168,268	970,294
R&D tax credit	(35,856)	(50,679)
Other permanent differences	(21,762)	(20,914)
Depreciation in excess of capital allowances	17,414	12,706
Other timing differences	31,389	(61,053)
Current UK corporation tax charge	1,159,453	850,354

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

11. DIVIDENDS

Amounts recognised as distributions to the shareholder in the period

	2 April 2011 £	3 April 2010 £
Interim dividend for the period	3,000,000	2,800,000

The directors do not recommend the payment of a final dividend (2010 £nil)

12. INTANGIBLE FIXED ASSETS

	Development costs £
Cost	
At 4 April 2010	1,252,489
Additions	107,189
At 2 April 2011	1,359,678
Amortisation	
At 4 April 2010	579,305
Charge for the period	267,724
At 2 April 2011	847,029
Net book value	
At 2 April 2011	512,649
At 3 April 2010	673,184

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant, equipment, motor vehicles and short life tooling £	Total £
Cost			
At 4 April 2010	1,565,413	5,514,584	7,079,997
Additions	93,048	308,194	401,242
Disposals	-	(87,803)	(87,803)
At 2 April 2011	1,658,461	5,734,975	7,393,436
Accumulated depreciation			
At 4 April 2010	286,478	4,757,621	5,044,099
Charge for the period	24,348	274,397	298,745
Disposals	-	(68,089)	(68,089)
At 2 April 2011	310,826	4,963,929	5,274,755
Net book value			
At 2 April 2011	1,347,635	771,046	2,118,681
At 3 April 2010	1,278,935	756,963	2,035,898

14. STOCKS

	2 April 2011 £	3 April 2010 £
Raw materials and consumables	659,490	513,177
Work in progress	186,851	200,098
Finished goods	927,091	785,349
	1,773,432	1,498,624

There is no material difference between the balance sheet value of stocks and their replacement cost

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

15. DEBTORS

	2 April 2011 £	3 April 2010 £
Falling due within one year:		
Trade debtors	1,997,867	1,942,814
Amounts due from group companies	6,647,431	7,331,077
Other debtors	34,467	10,711
Corporation tax prepayment	-	168,954
Derivative financial instruments	55,074	-
Prepayments and accrued income	137,989	115,539
	8,872,828	9,569,095

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2 April 2011 £	3 April 2010 £
Trade creditors	1,728,374	1,475,981
Amounts due to group companies	221,753	721,875
Other taxation and social security	82,138	171,106
Corporation tax payable	567,964	-
Other creditors	7,500	5,000
Derivative financial instruments	-	71,338
Accruals and deferred income	334,737	250,087
	2,942,466	2,695,387

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

17. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax	Product warranties	Other	Total
	£	£	£	£
At beginning of period	156,299	40,000	20,000	216,299
Charged to profit and loss account	(60,405)	-	-	(60,405)
At end of period	95,894	40,000	20,000	155,894

The provision for product warranties relates to the expected warranty claims on products sold in the last year It is expected that this expenditure will be incurred in the next financial year

Other provisions consist of various dilapidations It is expected that this expenditure will be incurred between 2011 and 2016

Deferred taxation	**2 April 2011**	**3 April 2010**
	£	£
Accelerated capital allowances	46,063	32,193
Other short term timing differences	(141,957)	(188,492)
	(95,894)	(156,299)

The movement on deferred tax comprises

	£
At 3 April 2010	(156,299)
Credited to profit and loss account (note 10)	60,405
At 2 April 2011	(95,894)

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

18. FINANCIAL COMMITMENTS

Capital commitments:

Capital expenditure authorised and contracted at 3 April 2010, but not provided in these accounts amounts to £41,815 (2010 £164,707)

Commitments under operating leases:

At 2 April 2011 the company had annual commitments under non-cancellable operating leases expiring as follows

	Land and buildings	
	2 April 2011 £	3 April 2010 £
Within two to five years	-	10,750
After five years	30,500	31,790
	30,500	42,540

19 RESERVES

	Share premium account £	Profit and loss account £
Brought forward at 4 April 2010	2,531,777	3,576,293
Profit for the financial period	-	3,073,339
Dividends	-	(3,000,000)
Carried forward at 2 April 2011	2,531,777	3,649,632

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	52 weeks ended 3 April 2011 £	53 weeks ended 3 April 2010 £
Profit for the financial period	3,073,339	2,553,205
Dividends	(3,000,000)	(2,800,000)
Net addition to/(deduction from) shareholder's funds	73,339	(246,795)
Brought forward	11,116,074	11,362,869
Carried forward	11,189,413	11,116,074

NOTES TO THE ACCOUNTS
52 week period ended 2 April 2011

21. RELATED PARTIES

The company ıs exempt under the terms of FRS8 from dısclosıng related party transactıons wıth entıtıes that are part of the Halma group of companıes

22 ULTIMATE PARENT COMPANY

The ultımate parent company and controllıng party of Keeler Lımıted and the parent of the only group for whıch consolıdated accounts are prepared whıch ınclude the company ıs Halma p l c The accounts of Halma p l c can be obtaıned from the Company Secretary, Mısbourne Court, Rectory Way, Amersham, Bucks, HP7 0DE