Registered number: 00408759

KEELER LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 31 MARCH 2012

KEELER LIMITED

COMPANY INFORMATION

DIRECTORS	A Beasley P D Healey (appointed 5 April 2011 & resigned 2 December 2011) J Hooker D J Keeler A J Meyers Dr A Sotoudeh J B Wilson
COMPANY SECRETARY	J B Wilson
COMPANY NUMBER	00408759
REGISTERED OFFICE	Clewer Hill Road Windsor Berkshire SL4 4AA
AUDITOR	Deloitte LLP Reading United Kingdom
BANKERS	Barclays Bank Plc 1 Churchill Place London E14 5HP

KEELER LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE 52 WEEK PERIOD ENDED 31 MARCH 2012

The directors present their report and the financial statements for the 52 week period ended 31 March 2012

PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of Halma p l c and operates as part of the group's Health Optics division

The company's principal activities are the manufacture and sale of optometric and opthalmic products to the health care industry worldwide There have not been any significant changes in the company's principal activities in the period The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next financial period

BUSINESS REVIEW

The company has continued its strategy of investing in new products and global sales expansion

Sales growth in the US and Far East has offset weaknesses in the UK and Europe Further investments in administrative expenses have been made to drive future growth Operating profit was slightly better than the previous year but after interest charges profit before taxation was below last year

The balance sheet of the financial statements shows that the company's financial position at the period end has improved in net asset terms compared with the prior period Details of amounts owed by its parent and other group companies are shown in the notes to the accounts

The company continues to invest in research and development This has resulted in a number of updates to existing products The directors regard R&D investment as necessary for continuing success in the medium to long term future

The Halma p l c group manages its operations on a divisional basis For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the Health Optics division of Halma p l c , which includes the company, is discussed in the group's Annual Report which does not form part of this report

The current economic conditions continue to 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 The company also has access to the Halma Group's financial resources, including the new £260m 5-year syndicated revolving credit facility negotiated in October 2011 with a core group of well-established banks It replaces the previous £165m facility which was due to expire in February 2013 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

RESULTS AND DIVIDENDS

The profit for the 52 week period, after taxation, amounted to £3,608,448 *(2011 £3,073,339)*

An interim dividend on the ordinary shares of £2,750,000 (2011 £3,000,000) was paid on 30 March 2012 The directors do not recommend the payment of a final dividend (2011 £nil)

DIRECTORS' REPORT
FOR THE 52 WEEK PERIOD ENDED 31 MARCH 2012

DIRECTORS

The directors who served during the 52 week period and to the date of this report were

A Beasley
P D Healey (appointed 5 April 2011 & resigned 2 December 2011)
J Hooker
D J Keeler
A J Meyers
Dr A Sotoudeh
J B Wilson

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive and economic pressure
Competitive and economic pressure in all the company's markets is a continuing risk for the company, which could result in it losing sales to its key competitors The company manages this risk by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer queries, and by maintaining strong relationships with customers

Regulated markets
The company operates in some regulated markets and this is a risk area The company manages this risk through operating an internationally approved quality system

Foreign exchange
A proportion of the company's sales outside of the UK are made in US dollars and therefore the company is exposed to the movement in the Dollar to Pound exchange rate The company takes out forward exchange contracts to manage this risk

Interest rate exposure
The company is self-financed by internally generated funds and has no third party debt It therefore has no interest rate exposure

Group risks
Group risks are discussed in the group's Annual Report which does not form part of this report

ENVIRONMENTAL MATTERS

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

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

DIRECTORS' REPORT
FOR THE 52 WEEK PERIOD ENDED 31 MARCH 2012

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 18 September 2012 and signed on its behalf

J B Wilson
Secretary

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE 52 WEEK PERIOD ENDED 31 MARCH 2012

The directors are responsible for preparing the Directors' 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,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them 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 52 week period ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 28 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 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 31 March 2012 and of its profit for the 52 week 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 year for which the financial statements are prepared is consistent with the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEELER LIMITED

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

18 September 2012

PROFIT AND LOSS ACCOUNT
FOR THE 52 WEEK PERIOD ENDED 31 MARCH 2012

	Note	52 weeks ended 31 March 2012 £	*52 weeks ended 2 April 2011 £*
TURNOVER	1,2	**16,783,263**	*16,145,074*
Cost of sales		**(10,663,852)**	*(10,357,569)*
GROSS PROFIT		**6,119,411**	*5,787,505*
Distribution costs		**(348,828)**	*(320,446)*
Administrative expenses		**(1,813,134)**	*(1,570,750)*
Other operating income	3	**104,772**	*109,417*
OPERATING PROFIT	4	**4,062,221**	*4,005,726*
Interest receivable and similar income	7	**7,208**	*169,386*
Interest payable and similar charges	8	**(28,532)**	*(2,725)*
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**4,040,897**	*4,172,387*
Tax on profit on ordinary activities	9	**(432,449)**	*(1,099,048)*
PROFIT FOR THE FINANCIAL PERIOD		**3,608,448**	*3,073,339*

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 9 to 25 form part of these financial statements

KEELER LIMITED
REGISTERED NUMBER: 00408759

BALANCE SHEET
AS AT 31 MARCH 2012

	Note	£	31 March 2012 £	£	*Restated (note 1) 2 April 2011* £
FIXED ASSETS					
Intangible assets	10		**493,898**		*512,649*
Tangible assets	11		**2,275,102**		*2,118,681*
Investments	12		**450**		-
			2,769,450		*2,631,330*
CURRENT ASSETS					
Stocks	13	**2,295,092**		*1,773,432*	
Debtors	14	**8,605,714**		*8,872,828*	
Cash at bank		**524,329**		*1,010,183*	
		11,425,135		*11,656,443*	
CREDITORS: amounts falling due within one year	15	**(2,037,192)**		*(2,942,466)*	
NET CURRENT ASSETS			**9,387,943**		*8,713,977*
TOTAL ASSETS LESS CURRENT LIABILITIES			**12,157,393**		*11,345,307*
PROVISIONS FOR LIABILITIES					
Deferred tax	17	**(71,780)**		*(95,894)*	
Other provisions	18	**(37,752)**		*(60,000)*	
			(109,532)		*(155,894)*
NET ASSETS			**12,047,861**		*11,189,413*
CAPITAL AND RESERVES					
Called up share capital	19		**5,008,004**		*5,008,004*
Share premium account	20		**2,531,777**		*2,531,777*
Profit and loss account	20		**4,508,080**		*3,649,632*
SHAREHOLDER'S FUNDS	21		**12,047,861**		*11,189,413*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 September 2012

Dr A Sotoudeh
Director

A. Sotoudeh

J B Wilson
Director

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards The principal accounting policies are summarised below They have all been applied consistently throughout the period and the preceding period The directors continue to assess the appropriate presentation of the company's financial statements, and have made changes to the presentation of certain items for the current period, together with appropriate changes to the respective comparative information in the prior period These changes are detailed in the accounting policy note 1 2 below

1.2 Restatement of comparative information

Geographical analysis of turnover
The geographical analysis of turnover in the notes to the financial statements has been reclassified to align the analysis with disclosures made by other Halma plc group companies This change in presentation has no impact upon the company's previously reported turnover, profit for the financial period or the company's net assets

Deferred tax and other provisions
Deferred tax as at 2 April 2011 was disclosed together with other provisions within provisions for liabilities on the face of the balance sheet As at 31 March 2012 deferred tax and other provisions have been disclosed separately on the face of the balance sheet Comparative figures as at 2 April 2011 have been restated accordingly, such that £95,894 of deferred tax and £60,000 of other provisions have been disclosed separately on the face of the balance sheet This change in presentation has no impact upon the company's previously reported net current assets or net assets

1.3 Going concern
The current economic conditions continue to 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 The company also has access to the Halma Group's financial resources, including the new £260m 5-year syndicated revolving credit facility negotiated in October 2011 with a core group of well-established banks It replaces the previous £165m facility which was due to expire in February 2013 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

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the 52 week period, exclusive of Value Added Tax and trade discounts

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2% straight line
Plant and equipment, motor vehicles and short life tooling	-	8% to 33% straight line

1. ACCOUNTING POLICIES (continued)

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1 7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.9 Taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

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

1 10 Pensions

The company participates in the Halma group defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the 52 week period

The company participates in the Halma group defined benefits pension scheme The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers Therefore, as required by FRS17 'Retirement benefits', the company accounts for this scheme as if it was a defined contribution scheme The amount charged to the Profit and loss account represents contributions payable to the scheme in respect of the accounting period

1 ACCOUNTING POLICIES (continued)

1.11 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 the '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

1.12 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 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 non-market based performance conditions only

1.13 Foreign currencies

In preparing the financial statements, transactions in currencies other than the entity's local 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 above under financial instruments)

1. ACCOUNTING POLICIES (continued)

1.14 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

1.15 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

1.16 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

1.17 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

1.18 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

1.19 Trade payables

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 31 MARCH 2012

2. TURNOVER

The whole of the turnover is attributable to the manufacture and distribution of opthalmic, optometric and medical products

A geographical analysis of turnover is as follows

	52 weeks ended 31 March 2012 £	*Restated (note 1) 52 weeks ended 2 April 2011 £*
United Kingdom	5,925,512	*6,154,180*
Rest of European Union	1,596,589	*1,806,570*
Rest of world	969,541	*600,186*
United States of America	4,612,482	*4,233,561*
Far East and Australasia	2,283,678	*2,095,839*
Africa, Near and Middle East	1,395,461	*1,254,738*
	16,783,263	*16,145,074*

3. OTHER OPERATING INCOME

	52 weeks ended 31 March 2012 £	*52 weeks ended 2 April 2011 £*
Net rents receivable	104,772	*109,417*

4. OPERATING PROFIT

The operating profit is stated after charging

	52 weeks ended 31 March 2012 £	*52 weeks ended 2 April 2011 £*
Depreciation of tangible fixed assets		
- owned by the company	303,196	*298,745*
Auditor's remuneration	19,356	*18,856*
Operating lease rentals		
- other operating leases	31,856	*37,158*
Amortisation of deferred development expenditure	289,837	*267,724*
Research and development expenditure	762,090	*779,130*

5. STAFF COSTS

Staff costs, including directors' remuneration and share based payments of £72,388 (2011 £56,248), were as follows

	52 weeks ended 31 March 2012 £	52 weeks ended 2 April 2011 £
Wages and salaries	3,023,488	2,699,360
Social security costs	324,347	260,168
Other pension costs	796,581	767,612
	4,144,416	3,727,140

The average monthly number of employees, including the directors, during the 52 week period was as follows

	52 weeks ended 31 March 2012 No.	52 weeks ended 2 April 2011 No
Production	67	57
Sales and distribution	21	25
Administration	15	13
	103	95

6 DIRECTORS' REMUNERATION

	52 weeks ended 31 March 2012 £	52 weeks ended 2 Apnl 2011 £
Emoluments	569,025	503,403
Company pension contributions to defined contribution pension schemes	10,572	11,484
Compensation for loss of office	-	25,000

During the period retirement benefits were accruing to 2 directors *(2011 2)* in respect of defined contribution pension schemes

During the period retirement benefits were accruing to 3 directors *(2011 3)* in respect of defined benefit pension schemes

The highest paid director received remuneration of £203,792 *(2011 £139,197)*

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £17,490 (2011 £17,053)

The accrued pension of the highest paid director as at 31 March 2012 is £24,534 per annum (2011 £19,826) The accrued pensions of the remaining directors as at 31 March 2012 are £51,282 per annum (2011 £55,691)

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 by 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 Inc Profit Savings Retirement Plan in the USA

7. INTEREST RECEIVABLE

	52 weeks ended 31 March 2012	*52 weeks ended 2 April 2011*
	£	*£*
Interest receivable from group companies	**6,324**	*5,900*
Other interest receivable	**884**	*163,486*
	7,208	*169,386*

Other interest receivable includes change in fair value of derivative financial instruments of £nil (2011 £126,412)

8. INTEREST PAYABLE

	52 weeks ended 31 March 2012	*52 weeks ended 2 April 2011*
	£	*£*
Change in fair value of derivative financial instruments	**28,256**	*-*
On loans from group undertakings	**276**	*2,725*
	28,532	*2,725*

9. TAXATION

	52 weeks ended 31 March 2012 £	*52 weeks ended 2 Apnl 2011 £*
Analysis of tax charge in the 52 week period		
Current tax (see note below)		
UK corporatıon tax charge on profit for the 52 week penod	1,031,981	*1,159,453*
Adjustments ın respect of pnor penods	(575,418)	-
Total current tax	456,563	*1,159,453*
Deferred tax		
Ongınatıon and reversal of tımıng dıfferences	(19,205)	*(33,052)*
Adjustment ın respect of prevıous penods	1,072	*(19,975)*
Effect of change ın future tax rate	(5,981)	*(7,378)*
Total deferred tax (see note 17)	(24,114)	*(60,405)*
Tax on profit on ordınary activities	432,449	*1,099,048*

Factors affecting tax charge for the 52 week period

The tax assessed for the 52 week penod ıs lower than *(2011 - lower than)* the standard rate of corporatıon tax ın the UK of 26% *(2011 28%)* The dıfferences are explaıned below

	52 weeks ended 31 March 2012 £	*52 weeks ended 2 Apnl 2011 £*
Profit on ordınary actıvıtıes before tax	4,040,897	*4,172,387*
Profit on ordınary actıvıtıes multıplıed by standard rate of corporatıon tax ın the UK of 26% *(2011 28%)*	1,050,633	*1,168,268*
Effects of:		
Expenses not deductıble for tax purposes	1,075	*869*
Depreciatıon ın excess of capıtal allowances	6,688	*17,414*
Adjustments to tax charge ın respect of pnor penods	(575,418)	-
Other tımıng dıfferences	31,339	*31,389*
Research and development tax credıt	(37,627)	*(35,856)*
Other permanent dıfferences	(20,127)	*(22,631)*
Current tax charge for the 52 week penod (see note above)	456,563	*1,159,453*

10. INTANGIBLE FIXED ASSETS

	Development costs £
Cost	
At 3 April 2011	1,359,678
Additions	271,086
At 31 March 2012	1,630,764
Amortisation	
At 3 April 2011	847,029
Charge for the 52 week period	289,837
At 31 March 2012	1,136,866
Net book value	
At 31 March 2012	493,898
At 2 April 2011	*512,649*

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant, equipment, motor vehicles and short life tooling £	Total £
Cost			
At 3 April 2011	1,658,461	5,734,975	7,393,436
Additions	-	476,823	476,823
Disposals	-	(302,425)	(302,425)
At 31 March 2012	1,658,461	5,909,373	7,567,834
Depreciation			
At 3 April 2011	310,826	4,963,929	5,274,755
Charge for the 52 week period	26,537	276,659	303,196
On disposals	-	(285,219)	(285,219)
At 31 March 2012	337,363	4,955,369	5,292,732
Net book value			
At 31 March 2012	1,321,098	954,004	2,275,102
At 2 April 2011	*1,347,635*	*771,046*	*2,118,681*

12. FIXED ASSET INVESTMENTS

	Investments in associates £
Cost	
At 3 April 2011	-
Additions	450
At 31 March 2012	450
Impairment	
At 3 April 2011 and 31 March 2012	-
Net book value	
At 31 March 2012	450
At 2 April 2011	-

Participating interests

During the year the company acquired 1% of the share capital of Halma Saude e Ótica do Brasil – Importação, Exportação e Distribuição Ltda, a company incorporated in Brazil The company's principal activity is the distribution of optical products The remaining 99% of the share capital of the company is owned by Halma International Limited

13. STOCKS

	31 March 2012 £	*2 April 2011 £*
Raw materials	885,575	*659,490*
Work in progress	272,637	*186,851*
Finished goods and goods for resale	1,136,880	*927,091*
	2,295,092	*1,773,432*

The difference between purchase price or production cost of stocks and their replacement cost is not material

14 DEBTORS

	31 March 2012 £	*2 April 2011 £*
Trade debtors	1,687,803	*1,997,867*
Amounts owed by group undertakings	6,663,481	*6,647,431*
Derivative financial instruments	26,818	*55,074*
Other debtors	114,227	*34,467*
Prepayments and accrued income	113,385	*137,989*
	8,605,714	*8,872,828*

15. CREDITORS·
Amounts falling due within one year

	31 March 2012 £	*2 April 2011 £*
Trade creditors	1,098,669	*1,728,374*
Amounts owed to group undertakings	204,506	*221,753*
Corporation tax	399,921	*567,964*
Social security and other taxes	93,465	*82,138*
Other creditors	7,500	*7,500*
Accruals and deferred income	233,131	*334,737*
	2,037,192	*2,942,466*

16. DERIVATIVE FINANCIAL INSTRUMENTS

	31 March 2012 £	*2 April 2011 £*
Financial assets carried at fair value through profit and loss (FVTPL)		
Foreign exchange forward contracts	26,818	*55,074*
Total	26,818	*55,074*

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

17. DEFERRED TAXATION

	31 March 2012 £	*2 April 2011 £*
At beginning of 52 week period	95,894	*156,299*
Released during 52 week period	(24,114)	*(60,405)*
At end of 52 week period	71,780	*95,894*

The provision for deferred taxation is made up as follows

	31 March 2012 £	*2 April 2011 £*
Accelerated capital allowances	(47,704)	*(46,063)*
Other short term timing differences	119,484	*141,957*
	71,780	*95,894*

18. PROVISIONS

	Product warranties £	Dilapidation £	Restated (note 1) Total £
At 3 April 2011	40,000	20,000	60,000
Additions	-	10,250	10,250
Amounts used	-	(15,000)	(15,000)
Amounts reversed	(17,498)	-	(17,498)
At 31 March 2012	22,502	15,250	37,752

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

The dilapidation provision relates to various dilapidations where the expenditure is expected to be incurred during 2016

19. SHARE CAPITAL

	31 March 2012 £	*2 April 2011 £*
Allotted, called up and fully paid		
5,008,004 Ordinary shares of £1 each	**5,008,004**	*5,008,004*

20. RESERVES

	Share premium account £	Profit and loss account £
At 3 April 2011	2,531,777	3,649,632
Profit for the 52 week period	-	3,608,448
Dividends paid on equity capital	-	(2,750,000)
At 31 March 2012	2,531,777	4,508,080

21. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	31 March 2012 £	*2 April 2011 £*
Opening shareholder's funds	**11,189,413**	*11,116,074*
Profit for the 52 week period	**3,608,448**	*3,073,339*
Dividends (Note 22)	**(2,750,000)**	*(3,000,000)*
Closing shareholder's funds	**12,047,861**	*11,189,413*

22 DIVIDENDS

	52 weeks ended 31 March 2012 £	*52 weeks ended 2 April 2011 £*
Dividends paid on equity capital	**2,750,000**	*3,000,000*

23. CAPITAL COMMITMENTS

At 31 March 2012 the company had capital commitments as follows

	31 March 2012 £	2 Apnl 2011 £
Contracted for but not provided in these financial statements	-	41,815

24. PENSION COMMITMENTS

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 section The assets of the pension scheme are separately held in trustee administered funds

The pension cost relating to the defined benefit section is assessed in accordance with the advice of independent qualified actuaries The most recent actuarial valuation of the Halma Group Pension Plan was carried out as at 1 December 2008 by an independent qualified actuary The 2011 actuarial valuation has not yet been finalised and is awaiting Principal Employer's agreement

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

Halma Group Pension Plan		2012		2011		2010
	%	£000	%	£000	%	£000
Equities	6 50	71,609	7 50	68,168	7 75	67,007
Bonds	4 20	44,739	5 20	38,082	5 20	29,789
Property	5 00	11,616	6 00	10,937	6 75	10,099
Total market value of assets		127,964		117,187		106,895
Present value of scheme liabilities		(153,422)		(146,662)		(142,067)
Deficit in scheme		(25,458)		(29,475)		(35,172)
Related deferred tax		6,110		7,664		9,848
Net pension liability		(19,348)		(21,811)		(25,324)

In July 2010, the UK Government announced that CPI should be used as the basis for the statutory minimum pension increases The impact of the change to CPI (from RPI) for the Halma Group UK Pension Plan, where the pension rules mandate inflation according to the deemed statutory index, was a credit to the Halma Group Consolidated Statement of Comprehensive Income and Expenditure of £1 0m (2011 £2 5m)

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

The defined benefit pension cost of the company was £760,058 (2011 £743,860) The defined contribution pension cost of the company was £36,523 (2011 £23,752) Outstanding contributions payable to the defined contribution pension scheme as at 31 March 2012 amounted to £5,951 (2011 £2,302)

25. SHARE BASED PAYMENTS

The total cost recognised in the profit and loss account in respect of share-based payment schemes was £72,388 (2011 £56,248)

Share incentive plan
Shares awarded under this plan are purchased in the market by the Plan's trustees at the time of the award and are held in trust until their transfer to qualifying employees, which is conditional upon completion of three year's service The costs of providing this plan are recognised in the profit and loss account over the three-year vesting period

Performance share plan
The Halma plc group operates a performance share plan in which 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 for the 52 week period is as follows

	2012	2011
Outstanding at the beginning of the period	45,491	44,598
Granted during the period	18,085	11,530
Vested during the period	(16,468)	(10,164)
Lapsed during the period	-	(473)
Outstanding at the end of the period	47,108	45,491
Exercisable at the end of the period	-	-

The weighted average remaining contractual life of performance shares outstanding at the end of the period is 1 3 years (2011 1 4 years) The fair value of these awards was calculated using an appropriate simulation method to reflect the likelihood of the market-based performance conditions, which attach to half of the award, being met, using the following assumptions

	2012	2011	2010
Expected volatility (%)	27 0	27 0	27 5
Expected life (years)	3	3	3
Share price on date of grant (p)	362 34	281 08	196 90
Option price (p)	nil	nil	nil
Fair value per option (%)	68 6	66 9	61 8
Fair value per option (p)	248 57	188 04	121 68

The expected volatility was determined by calculating the historic volatility of the group's share price over the previous three years

26. OPERATING LEASE COMMITMENTS

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	31 March 2012	*2 April 2011*
	£	*£*
Expiry date:		
Between 2 and 5 years	**31,856**	*-*
After more than 5 years	**-**	*30,500*

27. CASH FLOW STATEMENT AND RELATED PARTIES

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

The company is also exempt under the terms of FRS8 from disclosing related party transactions with entities that are wholly owned by the Halma group

28. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent company and controlling party of Keeler Limited and the parent of the only group for which consolidated accounts are prepared which include the company is Halma plc, which is incorporated in England and Wales The accounts of Halma plc can be obtained from the Company Secretary, Misbourne Court, Rectory Way, Amersham, Bucks, HP7 0DE