

Volumatic Limited

Report and Financial Statements

53 week period ended 3 April 2010

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Volumatic Limited

REPORT AND FINANCIAL STATEMENTS 2010

CONTENTS

Page

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	6
Balance Sheet	7
Notes to the accounts	8

Volumatic Limited

REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J M Summerfield

D M Johnson

C P Amos

N A Quinn

J W Harris

SECRETARY

J M Summerfield

REGISTERED OFFICE

Taurus House

Endemere Road

Coventry

BANKERS

HSBC plc

422 Foleshill Road

Coventry

AUDITORS

Deloitte LLP

Reading

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 53 week period ended 3 April 2010

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of Halma p l c and operates as part of the group's Asset Monitoring Division

The company's principal activities are the assembly, servicing and distribution of intelligent cash handling products to the banking, leisure and retail industries in the UK, Europe and USA. The company continues to focus on developing products and services that reduce the costs and increase the security of handling cash. There have not been any significant changes in the company's principal activities in the period under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next period.

The company continues to invest in research and development. The directors regard R&D investment as necessary for continuing success in the medium to long term future.

As shown in the company's Profit and Loss Account on page 6, the company's sales decreased by 14% as a consequence of continued low levels of demand from our retail customers. Steps were taken in the period to reduce operating costs which have resulted in the company returning to a profit before tax despite the fall in sales.

We ended the year with a strong balance sheet and net cash of £267,073 as shown by the Balance Sheet on page 7 of the financial statements. Details of amounts owed to the parent company are shown in note 17 on page 17. Details of amounts owed by other group companies are shown in note 16 on page 17. Halma p l c 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 Halma p l c, which includes the company, is discussed in the group's Annual Report which does not form part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure in the company's key 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.

Some of the company's sales in Europe are made in Euros and it is therefore exposed to the movement in the Euro to Pound exchange rate. Similarly, some of the company's sales in the USA are made in US Dollars and is therefore exposed to the movement in the US Dollar to Pound exchange rate. Contracts are taken out to manage this exposure where significant.

Group risks are discussed in Halma p l c's Annual Report which does not form part of this Report.

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). After making enquiries, 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 and Loss Account shows a profit before taxation of £22,947 (2009 loss £176,930) and the loss after taxation of £15,848 (2009 £135,796). The directors do not recommend the payment of a dividend (2009 £150,000).

DIRECTORS' REPORT (CONTINUED)

ENVIRONMENT

Halma plc 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. The company operates an environmental management system that meets the requirements of ISO 14001:2004. 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 10 to the financial statements on page 14.

FUTURE PROSPECTS

We have seen improvements in activity levels in the second half of the financial period and end the year with a strong order book.

DIRECTORS

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

AUDITORS

Each person who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps they ought to have taken as a director in order to make themselves aware of relevant audit information and to establish that the company's auditors are aware of the 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 M Summerfield

Secretary
12 August 2010

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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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 AUDITORS' REPORT TO THE MEMBERS OF VOLUMATIC LIMITED

We have audited the financial statements of Volumatic Limited for the 53 week period ended 3 April 2010 which comprise the Profit and Loss account, the Balance Sheet and the related notes 1 to 24. 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 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

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 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.

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 3 April 2010 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.



Mark Mullins (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Reading, UK
12 August 2010

Volumatic Limited

PROFIT AND LOSS ACCOUNT

For the 53 week period ended 3 April 2010

	Note	53 Weeks ended 3 April 2010		52 Weeks ended 28 March 2009	
		£	£	£	£
TURNOVER	2		3,323,847		3,854,493
Cost of Sales			(2,548,030)		(3,091,697)
Gross Profit			775,817		762,796
Distribution costs		(46,973)		(72,732)	
Administrative expenses		(703,182)		(893,891)	
Other operating income		3,543		19,871	
			(746,612)		(946,752)
OPERATING PROFIT/(LOSS)			29,205		(183,956)
Interest payable and similar charges	4		(8,029)		(234)
Interest receivable and similar income	5		1,771		7,260
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3		22,947		(176,930)
Tax on profit/(loss) on ordinary activities	11		(38,795)		41,134
LOSS FOR THE FINANCIAL PERIOD	21, 22		(15,848)		(135,796)

All amounts derive from continuing operations

The company has no recognised gains or losses during the current or preceding period other than those reflected in the above Profit and Loss Account. Accordingly, no statement of total recognised gains and losses is presented.


Volumatic Limited


BALANCE SHEET 3 April 2010

	Note	3 April 2010		28 March 2009	
		£	£	£	£
FIXED ASSETS					
Intangible assets	13		85,428		241,555
Tangible assets	14		402,117		546,269
			<u>487,545</u>		<u>787,824</u>
CURRENT ASSETS					
Stocks	15	698,594		740,755	
Debtors	16	879,320		942,859	
Cash at bank and in hand		267,073		321,138	
		<u>1,844,987</u>		<u>2,004,752</u>	
CREDITORS: amounts falling due within one year	17	(853,095)		(1,241,038)	
NET CURRENT ASSETS			<u>991,892</u>		<u>763,714</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,479,437</u>		<u>1,551,538</u>
PROVISIONS FOR LIABILITIES AND CHARGES	18		(18,995)		(75,248)
NET ASSETS			<u>1,460,442</u>		<u>1,476,290</u>
CAPITAL AND RESERVES		Authorised	Issued and fully paid	Authorised	Issued and fully paid
CALLED UP SHARE CAPITAL					
Ordinary share capital @ £1 each		900	900	900	900
Preference shares @ £1 each	20	100	100	100	100
Called up share capital			<u>1,000</u>		<u>1,000</u>
Profit and loss account	21		1,459,442		1,475,290
SHAREHOLDER'S FUNDS	22		<u>1,460,442</u>		<u>1,476,290</u>

These financial statements of Volumatic Limited (registration number 01069143) were approved by the Board of Directors on 12 August 2010

Signed on behalf of the Board of Directors


C P Amos
Director


J M Summerfield
Director

NOTES TO THE ACCOUNTS
53 week period ended 3 April 2010

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year with the exception of the policy for FRS 26 Financial Instruments Recognition and Measurement which has been adopted during the year. See note 6 for further information.

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).

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The current economic conditions create uncertainty over the level of demand for the company's products. The company has net assets, net current 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). After making enquiries the directors have a reasonable expectation that despite the current economic uncertainty the company has adequate resources to continue in operational existence for 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, the cost less estimated residual value of each item being written off over its estimated life. The principal annual rates used for this purpose are:

Plant, equipment and vehicles	8% to 20%
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Residual value is calculated on prices prevailing at the date of acquisition.

Product development costs

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.

NOTES TO THE ACCOUNTS

53 week period ended 3 April 2010

1. ACCOUNTING POLICIES (CONTINUED)

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

UK Corporation 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.

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 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.

NOTES TO THE ACCOUNTS

53 week period ended 3 April 2010

1. ACCOUNTING POLICIES (CONTINUED)

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.

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. Provision is made for obsolete, slow moving or defective items where appropriate.

Pensions

The company makes pension contributions to the Halma group pension plan on behalf of its employees. 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 the company to determine its share of the underlying assets and liabilities and accordingly accounts for its contributions as if it were a defined contribution plan.

Share-based payments

The Halma plc 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

53 week period ended 3 April 2010

2. TURNOVER

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

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
United Kingdom	2,457,476	2,488,881
Rest of Europe	708,941	1,050,749
Rest of World	157,430	314,863
	<u>3,323,847</u>	<u>3,854,493</u>

Turnover originates from the United kingdom and derives from a single business activity, that of the assembly, servicing and distribution of intelligent Cash Handling products

3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

This arises wholly from continuing activities, and is arrived at after charging/(crediting)

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Depreciation - owned assets	188,388	231,625
Amortisation	156,127	153,181
Research and development	545,622	550,933
Auditors' remuneration - audit fees	12,300	12,845
Loss/(profit) on disposal of fixed assets	1,954	(1,244)
Operating lease rentals - plant and machinery	14,300	14,300
	<u>1,018,791</u>	<u>1,053,640</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Bank interest payable	501	-
Group loan interest payable	7,371	234
Change in fair value of derivative financial instruments	157	-
	<u>8,029</u>	<u>234</u>

NOTES TO THE ACCOUNTS

53 week period ended 3 April 2010

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Bank interest receivable	-	7,260
Interest on corporation tax repayment	1,771	-
	<u>1,771</u>	<u>7,260</u>

6. DERIVATIVE FINANCIAL INSTRUMENTS

	<u>Carrying value</u>	
	2010 £	2009 £
Financial assets carried at fair value through profit and loss (FVTPL)		
FX Forward contracts	252	-
Financial liabilities carried at fair value through profit and loss (FVTPL)	409	
FX Forward contracts		-

As highlighted in the accounting policies (note 1), FRS 26 Financial Instruments Recognition and Measurement has been adopted during the year. The increased use of derivative financial instruments makes the adoption of this accounting policy appropriate. Derivative financial instruments are now being accounted for at fair value through profit and loss. The impact on the prior year has been considered, it is not deemed to be material and thus the prior year has not been restated.

7. DIRECTORS' EMOLUMENTS

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Aggregate emoluments (excluding pension contributions)	220,690	243,899
Pension contributions	<u>31,541</u>	<u>31,405</u>
Highest paid director	<u>90,648</u>	<u>95,255</u>
Highest paid director – accrued pension	<u>-</u>	<u>-</u>

The cost for directors who are also directors of Halma plc is borne by Halma plc. The allocation of their remuneration in respect of services to the company is £nil (2009 £nil).

The services of one of the company's directors are provided under an agreement with the immediate holding company. The total costs incurred under this agreement were £84,000 (2009 £82,445).

NOTES TO THE ACCOUNTS
53 week period ended 3 April 2010

8. 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 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 scheme is assessed in accordance with the advice of independent qualified actuaries. Independent valuations were carried out as at 1 December 2008 and updated to 3 April 2010 by an independent qualified actuary.

The assets of the scheme and the expected long-term rates of return were

Halma group pension plan	2010		2009		2008	
	%	£'000	%	£'000	%	£'000
Equities	7.75	67,007	7.50	46,148	7.50	62,120
Bonds	5.20	29,789	6.00	24,209	5.85	26,497
Property	6.75	10,099	7.50	3,026	6.00	2,938
S75 debt	-	-		2,269		2,087
Total market value of assets		106,895		75,652		93,642
Present value of scheme liabilities		(142,067)		(111,230)		(122,089)
Deficit in the scheme		(35,172)		(35,578)		(28,447)
Related deferred tax		9,848		9,962		7,966
Net pension liability		(25,324)		(25,616)		(20,481)

Further disclosures can be found in the accounts of Halma plc

The total defined benefit pension cost of the company was £252,151 (2009 £431,521). Retirement benefits are accruing to two directors (2009 two) under this scheme.

Defined Contribution Scheme

The amount charged to the income statement in respect of the defined contribution scheme was £14,307 (2009 £14,740).

9. SHARE-BASED PAYMENTS

The total cost recognised in the profit and loss account in respect of share-based payment schemes was £20,233 (2009 £23,348).

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 years' service. The costs of providing this plan are recognised in the Profit and Loss Account over the three-year vesting period.

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.

NOTES TO THE ACCOUNTS

53 week period ended 3 April 2010

9 SHARE-BASED PAYMENTS (CONTINUED)

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

	2010	2009	2008
Expected volatility (%)	27.5	25	19
Expected life (years)	3	3	3
Share price on date of grant (p)	196.9	192.75	240.67
Option price (p)	nil	nil	nil
Fair value per option (%)	61.8	56	55
Fair value per option (p)	121.68	107.94	132.37

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

10. EMPLOYEE INFORMATION

	53 weeks ended 3 April 2010 No.	52 weeks ended 28 March 2009 No.
The average number of persons employed by the company during the period (including directors) was		
Full time	23	33
Employee costs of the company (including directors) comprised		
	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Wages and salaries	836,375	990,047
Social security costs	70,953	88,484
Other pension costs	266,458	446,261
Share based payments	20,233	23,348
	1,194,019	1,548,140

NOTES TO THE ACCOUNTS

53 week period ended 3 April 2010

11. TAX ON PROFIT ON ORDINARY ACTIVITIES

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Current tax		
UK corporation tax on profits of the period	53,317	55,736
Prior year adjustment	38,934	(55,455)
	<u>92,251</u>	<u>281</u>
Foreign tax		
Foreign tax on profits for the period	1,447	-
Prior year adjustment	1,350	-
	<u>95,048</u>	<u>281</u>
Total current tax		
Deferred tax		
Origination and reversal of timing differences	(62,151)	(119,499)
Adjustments in respect of previous periods	5,898	78,084
	<u>(56,253)</u>	<u>(41,415)</u>
Total deferred tax		
Tax charge/(credit) on profit/(loss) on ordinary activities	<u>38,795</u>	<u>(41,134)</u>

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

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Profit/(loss) on ordinary activities before tax	22,947	(176,930)
Applying standard rate of UK corporation tax (28%)	6,425	(49,540)
Research and development tax credit	(16,491)	(16,028)
Other permanent differences	(4,434)	(4,732)
Other timing differences	47,301	98,518
Depreciation in excess of capital allowances	20,516	27,518
Foreign tax	1,447	-
Adjustment in respect of prior periods	40,284	(55,455)
	<u>95,048</u>	<u>281</u>
Current UK corporation tax charge		

The company earns its profits in the United Kingdom. Therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 28%

NOTES TO THE ACCOUNTS
53 week period ended 3 April 2010

12. DIVIDENDS

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Interim dividends paid on Ordinary shares of £nil (2009 £166 67) per share	-	150,000

13. INTANGIBLE FIXED ASSETS

	Development costs £
Cost	
At 29 March 2009	775,156
At 3 April 2010	775,156
Amortisation	
At 29 March 2009	533,601
Charge for the period	156,127
At 3 April 2010	689,728
Net book value	
At 3 April 2010	85,428
At 28 March 2009	241,555

14. TANGIBLE FIXED ASSETS

	Plant, equipment and vehicles £
Cost	
At 29 March 2009	1,788,496
Additions	50,690
Disposals	(34,612)
At 3 April 2010	1,804,574
Accumulated depreciation	
At 29 March 2009	1,242,227
Charge for the period	188,388
Disposals	(28,158)
At 3 April 2010	1,402,457
Net book value	
At 3 April 2010	402,117
At 28 March 2009	546,269

NOTES TO THE ACCOUNTS

53 week period ended 3 April 2010

15. STOCKS

	3 April 2010 £	28 March 2009 £
Raw materials and consumables	499,605	478,546
Finished goods and goods for resale	198,989	262,209
	<u>698,594</u>	<u>740,755</u>

There is no material difference between the balance sheet value of stock and its replacement cost

16. DEBTORS

	3 April 2010 £	28 March 2009 £
Trade debtors	730,841	685,024
Amounts due from group companies	185	99,908
Corporation tax recoverable	58,732	-
Derivative financial instruments	252	-
Prepayments and accrued income	89,310	157,927
	<u>879,320</u>	<u>942,859</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	3 April 2010 £	28 March 2009 £
Trade creditors	321,850	247,683
Amounts due to group companies	201,547	735,292
UK Corporation tax	-	(136,423)
Other taxes and social security	87,064	65,290
Derivative financial instruments	409	-
Accruals and deferred income	242,225	329,196
	<u>853,095</u>	<u>1,241,038</u>

18. PROVISIONS FOR LIABILITIES AND CHARGES

	3 April 2010 £	28 March 2009 £
Accelerated capital allowances	(9,180)	11,570
Other timing differences	28,175	63,678
Provision for deferred tax	<u>18,995</u>	<u>75,248</u>

Deferred tax liabilities have not been discounted

NOTES TO THE ACCOUNTS

53 week period ended 3 April 2010

18. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

The movement on deferred taxation comprises

	£
At 28 March 2009	75,248
Credited to profit and loss (Note 11)	(56,253)
At 3 April 2010	<u>18,995</u>

The amount of deferred tax that has not been provided is £nil (2009 £nil)

19. COMMITMENTS

Capital commitments

Capital expenditure authorised and contracted at 3 April 2010, but not provided in these accounts amounts to £nil (2009 £4,301)

Commitments under operating leases

At 3 April 2010 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Plant and machinery	
	3 April 2010	28 March 2009
	£	£
Within two to five years	<u>14,300</u>	<u>14,300</u>

20. PREFERENCE SHARES

The preference shares are presented as equity and included as called-up share capital in the balance sheet as the shares are non-convertible, irredeemable and there is no obligation to pay dividends to the preference shareholders

21. RESERVES

	Profit & loss account £
At 28 March 2009	1,475,290
Loss for the financial period	(15,848)
At 3 April 2010	<u>1,459,442</u>

NOTES TO THE ACCOUNTS

53 week period ended 3 April 2010

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	3 April 2010 £	28 March 2009 £
Opening shareholder's funds	1,476,290	1,762,086
Loss for the financial period	(15,848)	(135,796)
Dividends	-	(150,000)
Net movement in shareholder's funds	(15,848)	(285,796)
Closing shareholder's funds	<u>1,460,442</u>	<u>1,476,290</u>

23. CASH FLOW STATEMENT AND RELATED PARTIES

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)

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

24. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling party of Volumatic Limited and the parent company of the only group for which consolidated accounts are prepared which include the company is Halma p l c

The accounts of Halma p l c can be obtained from the Company Secretary, Misbourne Court, Rectory Way, Amersham, Bucks HP7 0DE