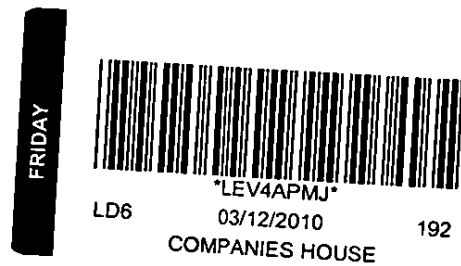


Klaxon Signals Limited

Report and Financial Statements

53 week period ended 3 April 2010



Klaxon Signals Limited

REPORT AND FINANCIAL STATEMENTS 2010

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Klaxon Signals Limited

REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

B O Coughlan	resigned	8/12/2009
S B Mason	resigned	8/12/2009
N J B Trodd	resigned	9/12/2009
JE Ludwig	appointed	8/12/2009
DG Cummins	appointed	8/12/2009

SECRETARY

P J F Jennings	resigned	8/12/2009
DG Cummins	appointed	8/12/2009

REGISTERED OFFICE

Wrigley Street
Oldham
Lancashire
OL4 1HW

BANKERS

HSBC Bank plc
109, Union Street
Oldham
Lancashire
OL1 1RT

AUDITORS

Deloitte LLP
Reading, United Kingdom

Klaxon Signals Limited

DIRECTORS' REPORT

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

RESULTS AND DIVIDENDS

The profit and loss account shows a profit before taxation of £84,710 (2009 £186,874) and the profit after taxation amounts to £80,497 (2009 £159,800) No interim dividend on the Ordinary shares was paid (2009 £nil) The Directors do not recommend the payment of a final dividend (2009 £nil)

BUSINESS REVIEW AND PRINCIPAL ACTIVITY

The company is a wholly owned subsidiary of Halma plc and operates as part of the group's Infrastructure Sensors division

During March 2010 the trade and assets of the company were transferred to another Halma PLC group company, Texecom Limited Klaxon Signals Limited has now ceased trading and is dormant Therefore, the directors no longer consider the company a going concern

The company's principal activity was the manufacture and sale of audio visual signalling equipment to the fire, security and industrial sectors throughout the world There have not been any significant changes to the company's principal activity in the year under review

The company continued to invest in research and development This resulted in the introduction of the Nexus product range and 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

As shown in the company's profit and loss account on page 7, the company's sales have decreased by 24.3% over the prior year and profit after tax has decreased by 49.6%

The balance sheet on page 8 of the financial statements shows that the company's financial position at the year end, in net assets terms, improved since prior year due to the retained profit for the period Amounts owed to its parent company are included within amounts due to group companies in note 13 on page 15

The Halma plc 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 Infrastructure Sensors division of Halma plc, which includes the company, is discussed in the group's Annual Report which does not form part of this Report

PRINCIPAL RISKS AND UNCERTAINTIES

The company has ceased trading and is now dormant Therefore, the company is no longer exposed to any significant risks and uncertainties

Environment

The Halma plc 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

DIRECTORS

The Directors, who served during the period and to the date of signing, are shown on page 1

Klaxon Signals Limited

DIRECTORS' REPORT (CONTINUED)

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 indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

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



DG Cummins
Secretary

18 October 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, 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 KLAXON SIGNALS LIMITED

We have audited the financial statements of Klaxon Signals Limited for the 53 weeks ended 3 April 2010 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 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

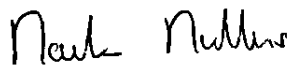
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KLAXON SIGNALS LIMITED (CONTINUED)

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, United Kingdom
18 October 2010

Klaxon Signals 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	4,610,771		6,094,588	
Cost of sales		(3,602,217)		(4,888,807)	
Gross profit		1,008,554		1,205,781	
Distribution costs		(203,253)		(277,459)	
Administrative expenses		(725,840)		(721,339)	
Other operating income/(expenses)		6,854		(22,318)	
		(922,239)		(1,021,116)	
OPERATING PROFIT	3	86,315		184,665	
Interest payable and similar charges	7	(2,194)		-	
Interest receivable and similar income	8	589		2,209	
		(1,605)		2,209	
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		84,710		186,874	
Tax on profit on ordinary activities	9	(4,213)		(27,074)	
RETAINED PROFIT FOR THE PERIOD	17, 18	80,497		159,800	

All amounts derive from discontinued operations

The Company has no recognised gains or losses during the current or preceding period other than those reflected in the profit and loss account above. Accordingly, no statement of total recognised gains and losses is given.

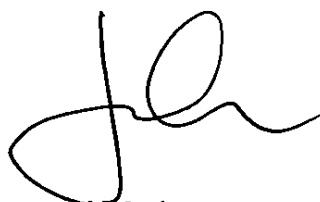
Klaxon Signals Limited

BALANCE SHEET 3 April 2010

	Note	3 April 2010		28 March 2009	
		£	£	£	£
FIXED ASSETS					
Tangible assets	10		-		280,088
CURRENT ASSETS					
Stocks	11	-		644,786	
Debtors	12	835,647		1,564,574	
Cash at bank and in hand		-		317,526	
		835,647		2,526,886	
CREDITORS: amounts falling due within one year	13	(141,109)		(2,151,377)	
NET CURRENT ASSETS			694,538		375,509
TOTAL ASSETS LESS CURRENT LIABILITIES			694,538		655,597
Provisions for liabilities and charges	15		-		(41,556)
NET ASSETS			694,538		614,041
CAPITAL AND RESERVES					
		Authorised	Issued and fully paid	Authorised	Issued and fully paid
Called up share capital	21	10,000	10,000	10,000	10,000
Profit and loss account	17		684,538		604,041
SHAREHOLDER'S FUNDS	18		694,538		614,041

The financial statements of Klaxon Signals Limited (registration number 01638313) were approved by the Board of Directors on 18 October 2010

Signed on behalf of the Board of Directors



J E Ludwig
Director

Klaxon Signals Limited

NOTES TO THE ACCOUNTS

53 week period ended 3 April 2010

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the current and prior periods in dealing with items considered material in relation to the accounts

Basis of preparation

As explained in the director's report, the company is now dormant. Therefore, the accounts have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's assets to net realisable value. The financial statements do not include any costs incurred since the balance sheet date or any provision for the future costs of transferring the business of the company to Texecom Limited except to the extent that such costs were committed at the balance sheet date.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents sales, less returns, excluding value added tax. Turnover is recognised when goods are delivered and title has passed.

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 useful life. The principle annual rates used for this purpose are

Leasehold properties	Period of lease
Plant, Machinery and Equipment	8% to 20%
Motor Vehicles	20%
Short Life Tooling	33 1/3%

Research and development

Expenditure on research is written off in the period 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.

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 (CONTINUED)

53 week period ended 3 April 2010

1. ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rate ruling on the date of the transaction. Balance Sheet items denominated in foreign currencies are translated at the exchange rate ruling on the Balance Sheet date. Foreign currency exchange differences are dealt with in the Profit and Loss Account.

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 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.

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.

Klaxon Signals Limited

NOTES TO THE ACCOUNTS (CONTINUED)

53 week period ended 3 April 2010

2. TURNOVER

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

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
United Kingdom	2,299,246	3,654,609
Europe excluding UK	1,614,272	1,566,644
Far East and Australasia	310,898	496,378
Africa, Near and Middle East	338,785	277,857
North and South America	47,570	99,100
	<u>4,610,771</u>	<u>6,094,588</u>

Turnover derives from a single business activity, that of the sale of audio visual signalling devices

3. OPERATING PROFIT

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Operating profit is arrived at after charging/(crediting)		
Depreciation	115,490	144,012
Research and development	244,535	293,599
Auditors' remuneration - audit fees	6,295	10,429
Operating lease rents - plant & machinery	15,282	17,024
- other	56,853	55,450
Profit on disposal of fixed assets	(1,430)	(1,718)
Foreign exchange (gain)/loss	(6,854)	22,318
	<u></u>	<u></u>

4 DIRECTORS' EMOLUMENTS

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Aggregate emoluments (excluding pension contributions)	176,876	136,776
Pension contributions	22,644	11,179
	<u></u>	<u></u>

One (2009 one) director exercised share options in the year Retirement benefits are accruing in respect of qualifying services for the Halma Group Pension Plan to two (2009 two) directors

NJB Trodd is an executive of Halma plc, and is remunerated for his services to that company It is not practical to allocate this remuneration between his services as an executive to the Company and to fellow Group subsidiaries

JE Ludwig and DG Cummins were also appointed as directors during the year They are also directors of, and remunerated by, another Halma plc group company, Texecom Limited It is not practical to allocate their remuneration to the services provided to Klaxon Signals Limited

NOTES TO THE ACCOUNTS (CONTINUED)

53 week period ended 3 April 2010

5. 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

	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		<u>(25,324)</u>		<u>(25,616)</u>		<u>(20,481)</u>

Further disclosures can be found in the financial statements of Halma plc

6 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 (including directors) during the period was	<u>51</u>	<u>64</u>
Employee costs (including directors) of the company comprised	£	£
Wages and salaries	1,072,377	1,213,240
Social security costs	81,227	98,437
Other pension costs	171,094	85,202
Share based payments	2,330	18,209
	<u>1,327,028</u>	<u>1,415,088</u>

Klaxon Signals Limited

NOTES TO THE ACCOUNTS (CONTINUED)

53 week period ended 3 April 2010

7. INTEREST PAYABLE AND SIMILAR CHARGES

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Bank interest	2,194	-

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Bank interest	-	1,867
Group interest	589	342
	589	2,209

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
UK corporation tax on profits of the period	33,951	83,452
Adjustments in respect of previous periods	(23,285)	(39,855)
Total current tax	10,666	43,597
Deferred tax		
Origination and reversal of timing differences	15,670	(41,829)
Adjustments in respect of previous periods	(22,123)	25,306
	4,213	27,074

Klaxon Signals Limited

NOTES TO THE ACCOUNTS (CONTINUED)

53 week period ended 3 April 2010

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The UK corporation tax assessed for the period is in line with the standard rate of corporation tax in the UK of 28% (2009 28%) once allowance is made for the factors listed below

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Profit on ordinary activities before tax	84,710	186,874
Applying standard rate of UK corporation tax 28%	23,719	52,325
Expenses not deductible for tax purposes	3,207	2,633
Other permanent differences	(9,594)	(8,208)
Capital allowances less than depreciation	19,956	15,086
Other timing differences	6,807	31,842
Research and development claim	(10,144)	(10,226)
Adjustments in respect of previous periods	(23,285)	(39,855)
Current UK corporation tax charge	10,666	43,597

10. TANGIBLE FIXED ASSETS

	Land and buildings short leases £	Plant, equipment and vehicles £	Total £
Cost			
At 29 March 2009	61,329	1,247,117	1,308,446
Additions	10,500	22,300	32,800
Disposals	(71,829)	(880,487)	(952,316)
Transferred to another group company	-	(388,930)	(388,930)
At 3 April 2010	-	-	-
Accumulated depreciation			
At 29 March 2009	61,329	967,029	1,028,358
Charge for the period	3,534	111,956	115,490
Disposals	(64,863)	(844,450)	(909,313)
Transferred to another group company	-	(234,535)	(234,535)
At 3 April 2010	-	-	-
Net book value			
At 3 April 2010	-	-	-
At 28 March 2009	-	280,088	280,088

Klaxon Signals Limited

NOTES TO THE ACCOUNTS (CONTINUED)

53 week period ended 3 April 2010

11. STOCKS

	3 April 2010 £	28 March 2009 £
Raw materials and consumables	-	339,674
Work in progress	-	103,051
Finished goods for resale	-	202,062
	<u>-</u>	<u>644,786</u>

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

12. DEBTORS

	3 April 2010 £	28 March 2009 £
Trade debtors	-	1,364,032
Amounts due from group companies	709,881	10,058
Corporation tax	101,628	73,934
Deferred tax (note 14)	-	39,760
Prepayments and accrued income	24,138	76,790
	<u>835,647</u>	<u>1,564,574</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	3 April 2010 £	28 March 2009 £
'A' Ordinary shares (see note 21)	10,000	10,000
Bank overdraft	53,609	-
Trade creditors	-	835,499
Amounts due to Group companies	-	1,086,013
Other taxes and social security	-	91,972
Other creditors	-	19,119
Accruals and deferred income	77,500	108,774
	<u>141,109</u>	<u>2,151,377</u>

NOTES TO THE ACCOUNTS (CONTINUED)

53 week period ended 3 April 2010

14. DEFERRED TAX

	3 April 2010 £	28 March 2009 £
Decelerated capital allowances	-	26,695
Other short term timing differences	-	13,065
	<u>-</u>	<u>39,760</u>
Deferred tax asset	-	39,760
	<u>-</u>	<u>39,760</u>
The movement on deferred taxation comprises		
	£	£
At 29 March 2009	39,760	23,237
Credited to profit and loss account (note 9)	6,453	16,523
Transferred to another group company	(46,213)	-
	<u>-</u>	<u>-</u>
At 3 April 2010	-	39,760
	<u>-</u>	<u>39,760</u>

The deferred tax asset at 28 March 2009 is included within debtors in note 12

15. PROVISIONS

	3 April 2010 £	28 March 2009 £
Product warranties		
Opening balance	41,556	30,000
Utilised	(19,702)	(18,444)
Charged to profit and loss account	-	30,000
Transferred to another group company	(21,854)	-
	<u>-</u>	<u>-</u>
At 28 March 2009	-	41,556
	<u>-</u>	<u>41,556</u>

The provision for product warranties relates to expected warranty claims on products sold in the last year Prior to the transfer of the business it was expected that all of this expenditure will be incurred within one year

16. FINANCIAL COMMITMENTS

Capital commitments

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

Commitments under Operating Leases

The Company had annual commitments under non-cancellable operating leases expiring as follows

	Land and buildings		Other	
	3 April 2010 £	28 March 2009 £	3 April 2010 £	28 March 2009 £
Leases expiring				
- within one year	3,519	5,199	-	-
- between two and five years	-	2,425	-	10,438
	<u>3,519</u>	<u>7,624</u>	<u>-</u>	<u>10,438</u>

Klaxon Signals Limited

NOTES TO THE ACCOUNTS (CONTINUED)

53 week period ended 3 April 2010

17. RESERVES

	Profit and loss account £
Brought forward	604,041
Retained profit for the financial period	80,497
Carried forward	<u>684,538</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	53 weeks ended 3 April 2010 £	52 weeks ended 28 March 2009 £
Profit for the financial period	80,497	159,800
Net increase in shareholder's funds	80,497	159,800
Brought forward	614,041	454,241
Carried forward	<u>694,538</u>	<u>614,041</u>

19. 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 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

20. ULTIMATE AND IMMEDIATE PARENT COMPANY

The ultimate and immediate parent company of Klaxon Signals Limited and the parent company of the only group for which consolidated accounts are prepared which include the Company is Halma plc. The accounts of Halma plc can be obtained from the Company Secretary, Misbourne Court, Rectory Way, Amersham, Bucks HP7 0DE

21. SHARE CAPITAL

The rights of the shareholders of the 'A' Ordinary Shares are as follows

- the shares shall not be entitled to participate in any profits which the Company may determine to distribute in respect of any financial year of the Company,
- on a return of capital on liquidation or otherwise they shall be entitled to repayment of the capital paid upon such 'A' shares only after payment to the holders of the ordinary shares of the sum of £10,000 per share and shall not be entitled to any further or other right to participate in the assets of the Company,
- they shall not receive notice of or attend or vote at any General Meeting of the Company, and
- the special rights attached to the 'A' shares shall not be deemed to be varied by the creation or issue of further shares ranking in any manner whatsoever in priority thereto

These shares are shown as a liability, under the requirements of FRS25

NOTES TO THE ACCOUNTS (CONTINUED)

53 week period ended 3 April 2010

22. SHARE-BASED PAYMENTS

The total cost recognised in the Profit and Loss account in respect of share-based payment schemes was £15,555 (2009 £18,209)

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.

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 Halma plc group's relative Total shareholder return against, for 2008/09, 2007/08 and 2006/07, the FTSE 250 excluding financial companies and for 2005/06, the Engineering and Machinery sector, combined with an absolute Return on total invested capital measure. Awards which do not vest on the third anniversary of their award lapse.

	2010	2009
Outstanding at beginning of year	20,318	28,785
Granted during the year	7,408	6,572
Vested during the year	(10,592)	(6,902)
Lapsed during the year	(1,016)	(8,137)
Outstanding at end of year	16,118	20,318
Exercisable at end of year	-	-

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 (pence)	196.9	192.75	240.67
Option price (pence)	nil	nil	nil
Fair value per option (%)	61.8%	56	55
Fair value per option (pence)	121.68	107.94	132.37