

Halma Financing Limited

Report and Financial Statements

31 March 2007

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REPORT AND FINANCIAL STATEMENTS 2007

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Halma Financing Limited

REPORT AND FINANCIAL STATEMENTS 2007

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A J Williams
K J Thompson

SECRETARY

C T Chesney

REGISTERED OFFICE

Misbourne Court
Rectory Way
Amersham
Bucks HP7 0DE

AUDITORS

Deloitte & Touche LLP
Reading

DIRECTORS' REPORT

The directors present the annual report and the audited financial statements for the 52 weeks to 31 March 2007

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985

ACTIVITIES

The Company acts as a holding company. The Company is a subsidiary of Halma Holdings, Inc., a member of the Halma plc group of companies.

RESULTS AND DIVIDENDS

The profit transferred to reserves was US\$93,630 (2006 US\$73,202). The directors expect the current level of activity to continue. The directors have proposed no dividends in the period.

DIRECTORS

The directors of the company during the period were as follows:

A J Williams
K J Thompson

AUDITORS

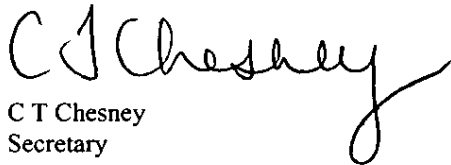
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that they ought to have taken as a director in order 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 S234ZA of the Companies Act 1985.

Deloitte & Touche 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



C T Chesney
Secretary

25 January 2008

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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 proper accounting records that 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 1985. 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 HALMA FINANCING LIMITED

We have audited the financial statements of Halma Financing Limited for the 52 weeks to 31 March 2007 which comprise the profit and loss account, the balance sheet, movement in shareholder's funds and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report for the above period and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

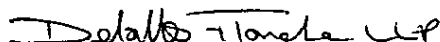
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the 52 weeks to 31 March 2007,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information included within the Directors' Report is consistent with the financial statements.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Reading, United Kingdom

31 January 2008

Halma Financing Limited

PROFIT AND LOSS ACCOUNT 52 weeks ended 31 March 2007

		Period ended 31 March 2007 US\$	Period ended 1 April 2006 US\$
	Notes		
Administrative expenses		(31)	(1,720)
Operating loss		(31)	(1,720)
Interest receivable and similar income			
Interest receivable from group undertakings		11,497,464	9,129,179
Foreign exchange gains		591	-
		11,498,055	9,129,179
Interest payable and similar charges – group undertakings		(11,358,516)	(9,022,885)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		139,508	104,574
Tax charge on profit on ordinary activities	4	(45,878)	(31,372)
PROFIT FOR THE FINANCIAL PERIOD	9	93,630	73,202

The results for the period are from continuing operations

There are no recognised gains or losses for the current and preceding financial periods other than as stated above
Accordingly, no statement of total recognised gains and losses is presented


Halma Financing Limited

BALANCE SHEET 31 March 2007

	Notes	31 March 2007 US\$	1 April 2006 US\$
INVESTMENTS	5	<u>161,374,002</u>	<u>161,374,002</u>
DEBTORS:			
Amounts falling due within one year			
Deferred tax	6	1,473	47,351
Amounts falling due after more than one year			
Amounts owed by group companies		<u>149,074,016</u>	<u>112,177,625</u>
		149,075,489	112,224,976
CREDITORS: amounts falling due after more than one year			
Amounts owed to group companies	7	(149,092,344)	(112,335,461)
NET ASSETS		<u>161,357,147</u>	<u>161,263,517</u>
CAPITAL AND RESERVES			
Share capital	8	36,000,002	36,000,002
Share premium account	9	125,374,000	125,374,000
Profit and loss account	9	(16,855)	(110,485)
SHAREHOLDER'S FUNDS		<u>161,357,147</u>	<u>161,263,517</u>

These financial statements were approved by the Board of Directors on 25 January 2008

Signed on behalf of the Board of Directors


A J Williams
Director


K J Thompson
Director

Halma Financing Limited

MOVEMENTS IN SHAREHOLDER'S FUNDS 52 weeks ended 1 April 2007

	52 weeks ended 31 March 2007 US\$	52 weeks ended 1 April 2006 US\$
Shareholder's funds brought forward	161,263,517	161,190,315
Profit for the financial period	93,630	73,202
Shareholder's funds carried forward	<u>161,357,147</u>	<u>161,263,517</u>

NOTES TO THE ACCOUNTS
52 weeks ended 31 March 2007

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Except as noted below, the accounting policies have been applied consistently throughout the current and preceding period.

In these accounts Financial Reporting Standard 20 "Share-Based Payment" has been applied for the first time. Adopting this new standard did not have a material effect in either the current or the preceding financial period.

Basis of accounting

The financial statements are prepared under the historical cost convention.

Investments

Fixed asset investments are shown at cost less any provision for impairment.

Taxation

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the 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

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, except to the extent they relate to movements in the company's investment in overseas companies, in which case they are taken to the statement of total recognised gains and losses.

Consolidation

The Company has taken advantage of the exemption from preparing consolidated accounts permitted by S228 of the Companies Act 1985 because it is a wholly-owned subsidiary of Halma plc which prepares consolidated accounts that are publicly available. Hence the information provided in these financial statements presents information about the company as an individual undertaking and not as a group.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees during the period other than the directors. The directors are also directors of other group companies and their remuneration has been borne by those companies. The allocation of the total remuneration that relates to their services to this company is £nil (2006 £nil).

3 AUDITORS' REMUNERATION

The auditors' remuneration charge of £720 (2006 £700) for audit services in both periods has been borne by Halma plc.

NOTES TO THE ACCOUNTS
52 weeks ended 31 March 2007

4 TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	52 weeks ended 31 March 2007 US\$	52 weeks ended 1 April 2006 US\$
<i>Current taxation</i>		
UK corporation tax on profits of the period	-	-
Tax charge on profit on ordinary activities	-	-
<i>Deferred taxation</i>		
Origination and reversal of timing differences	41,852	31,372
Adjustments in respect of previous periods	4,026	-
Tax charge on profit on ordinary activities	45,878	31,372
	52 weeks ended 31 March 2007 US\$	52 weeks ended 1 April 2006 US\$
Profit on ordinary activities before tax	139,508	104,574
Applying standard rate of UK corporation tax 30%	41,852	31,372
Utilisation of tax losses	(41,852)	(31,372)
Current tax on profit on ordinary activities	-	-

A deferred tax asset of US\$1,473 (2006 US\$47,351) has been recognised on the basis that the company will generate sufficient future taxable profits (note 6)

5. INVESTMENTS

	US\$
At 31 March 2007 and 1 April 2006	161,374,002

The company holds 100% of the ordinary shares in Halma Investment Holdings Limited, which is incorporated in the United Kingdom

NOTES TO THE ACCOUNTS
52 weeks ended 31 March 2007

6 DEFERRED TAX ASSET

	31 March 2007 US\$	1 April 2006 US\$
Tax losses carried forward	<u>1,473</u>	<u>47,351</u>
The movement on deferred taxation comprises		
At 1 April 2006	47,351	
Charged to profit and loss (note 4)	<u>(45,878)</u>	
At 31 March 2007	<u><u>1,473</u></u>	

7. CREDITORS: amounts falling due after more than one year

These amounts are unsecured and incur interest at rates of 8.46%-8.75%. All amounts fall due within two to five years

8 SHARE CAPITAL

	Authorised Number	Issued and fully paid Number	Issued and fully paid US\$
Ordinary shares of £1 each			
At 31 March 2007 and 1 April 2006	<u>96,000,000</u>	<u>20,000,001</u>	<u>36,000,002</u>

9. RESERVES

The movement of reserves during the period was as follows

	Share premium account US\$	Profit and loss account US\$
At 1 April 2006	125,374,000	(110,485)
Profit transferred to reserves	<u>-</u>	<u>93,630</u>
At 31 March 2007	<u><u>125,374,000</u></u>	<u><u>(16,855)</u></u>

10. 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

NOTES TO THE ACCOUNTS

52 weeks ended 31 March 2007

11. ULTIMATE PARENT COMPANY

The ultimate parent company of Halma Financing Limited and the parent of the largest and smallest group for which consolidated accounts are prepared which includes 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.