
HALMA FINANCING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016



HALMA FINANCING LIMITED

COMPANY INFORMATION

Directors	A J Williams K J Thompson
Company secretary	C T Chesney
Registered number	05112079
Registered office	Misbourne Court Rectory Way Amersham Buckinghamshire HP7 0DE
Independent auditor	Deloitte LLP Chartered Accountant and Statutory Auditor Reading United Kingdom

HALMA FINANCING LIMITED

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HALMA FINANCING LIMITED

STRATEGIC REPORT FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

Introduction

The Directors present their Strategic Report for the 53 week period ended 2 April 2016 as follows:

Business review

The company acts as an intermediate holding company in the Halma group. The activity for the period has been as expected by the Directors. The current level of activity is expected to continue.

During the period the company issued 1,087 shares to its parent company for consideration of \$144,446,218.

The current economic conditions continue to create economic uncertainty. The company has net assets and a positive cash balance as set out in the balance sheet. The company is part of the Halma plc group of companies and as such has access to considerable financial resources, including the £360m five-year revolving credit facility held with a core group well-established banks, of which £236m was undrawn at 2 April 2016. The directors have a high level of confidence that despite the current economic uncertainty the company has the necessary liquid resources to meet its liabilities as they fall due and will be able to sustain its business model, strategy and operations and remain solvent for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the financial statements.

Principal risks and uncertainties

Investments

The company acts as a holding company of investments. The risk facing the company is the underlying performance of its investments. The directors address this by ensuring the subsidiaries have sufficient resources from within the Halma group to be able to continue trading.

Financial key performance indicators

The Directors do not use KPIs to monitor the performance of the company and do not feel they are necessary for an understanding of the business.

Approval

This report was approved by the board on 27 July 2016 and signed on its behalf.



K J Thompson
Director

HALMA FINANCING LIMITED

**DIRECTORS' REPORT
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016**

The directors present their annual report on the affairs of the company together with the financial statements and auditor's report for the 53 week period ended 2 April 2016.

Results and dividends

The profit for the 53 week period, after taxation, amounted to \$45,898,652 (2015: \$59,513,297).

The directors have proposed and paid dividends of \$45,900,947 in the period (2015: \$59,515,561).

Directors

The directors who served during the 53 week period were:

A J Williams
K J Thompson

Matters covered in the strategic report

The directors' statement on going concern is included in the strategic report.

Disclosure 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 relevant audit information and to establish that the Company's auditor is aware of that information.

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

Post balance sheet events

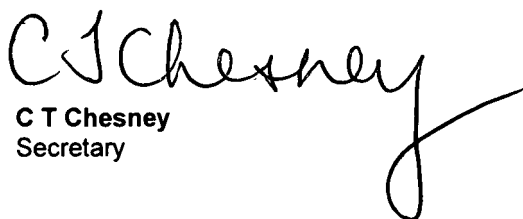
There have been no significant events affecting the Company since the year end.

Auditors

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 auditor in accordance with section 485 of the Companies Act 2006.

Approval

This report was approved by the board on 27 July 2016 and signed on its behalf.


C T Chesney
Secretary

HALMA FINANCING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

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 for each financial year. Under that law the directors have elected to prepare the in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the directors must not approve the unless they are satisfied that they give 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 , 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;
- 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.

HALMA FINANCING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALMA FINANCING LIMITED

We have audited the financial statements of Halma Financing Limited for the 53 week period ended 2 April 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20. 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), including FRS101 "Reduced Disclosure Framework".

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 Director's 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 April 2016 and of its profit for the 53 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 Strategic report and the Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

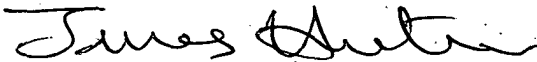
HALMA FINANCING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HALMA FINANCING 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.



James Hunter (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Chartered Accountant and Statutory Auditor

Reading
United Kingdom

27 July 2016

HALMA FINANCING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016**

	Note	53 weeks ended 2 April 2016 \$	52 weeks ended 28 March 2015 \$
Administrative expenses		(2,241)	(2,230)
Operating loss	4	<u>(2,241)</u>	<u>(2,230)</u>
Income from shares in group companies		49,322,380	62,779,457
Interest payable and similar charges	7	(3,421,431)	(3,263,894)
Profit before tax		<u>45,898,708</u>	<u>59,513,333</u>
Tax on profit	8	(56)	(36)
Profit for the period		<u><u>45,898,652</u></u>	<u><u>59,513,297</u></u>

The notes on pages 9 to 23 form part of these financial statements.


All amounts relate to continuing operations.

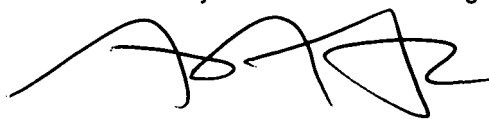
HALMA FINANCING LIMITED
REGISTERED NUMBER: 05112079

BALANCE SHEET
AS AT 2 APRIL 2016

	Note	2 April 2016 \$	28 March 2015 \$
Fixed assets			
Investments	10	706,593,242	562,147,024
		<u>706,593,242</u>	<u>562,147,024</u>
Current assets			
Debtors: amounts falling due after more than one year	11	114,738	116,981
Debtors: amounts falling due within one year	15	1,296	1,351
Cash at bank and in hand	12	1,977	1,974
Net current assets		<u>118,011</u>	<u>120,306</u>
Total assets less current liabilities		<u>706,711,253</u>	<u>562,267,330</u>
Creditors: amounts falling due after more than one year	13	(67,030,073)	(67,030,073)
Net assets		<u><u>639,681,180</u></u>	<u><u>495,237,257</u></u>
Capital and reserves			
Called up share capital	16	36,006,126	36,004,482
Share premium account	17	603,587,116	459,142,542
Profit and loss account		87,938	90,233
Shareholder's funds		<u><u>639,681,180</u></u>	<u><u>495,237,257</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2016.


A J Williams
 Director


K J Thompson
 Director

The notes on pages 9 to 23 form part of these financial statements.

HALMA FINANCING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016**

	Share capital \$	Share premium \$	Profit and loss account \$	Total equity \$
At 29 March 2015	36,004,482	459,142,542	90,233	495,237,257
Profit for the period	-	-	45,898,652	45,898,652
Total comprehensive income for the period	-	-	45,898,652	45,898,652
Dividends: Equity capital	-	-	(45,900,947)	(45,900,947)
Shares issued during the period	1,644	144,444,574	-	144,446,218
Total transactions with owners	1,644	144,444,574	(45,900,947)	98,545,271
At 2 April 2016	36,006,126	603,587,116	87,938	639,681,180

**STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2015**

	Share capital \$	Share premium \$	Profit and loss account \$	Total equity \$
At 30 March 2014	36,003,029	342,575,468	92,497	378,670,994
Profit for the period	-	-	59,513,297	59,513,297
Total comprehensive income for the period	-	-	59,513,297	59,513,297
Dividends: Equity capital	-	-	(59,515,561)	(59,515,561)
Shares issued during the period	1,453	116,567,074	-	116,568,527
Total transactions with owners	1,453	116,567,074	(59,515,561)	57,052,966
At 28 March 2015	36,004,482	459,142,542	90,233	495,237,257

The notes on pages 9 to 23 form part of these financial statements.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

1. General information

Halma Financing Limited is a company incorporated in the United Kingdom under the Companies Act 2006. These financial statements are separate financial statements. The company is itself a subsidiary company and is exempt for the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006 because it is included in the group accounts of Halma plc. The group accounts can be obtained as set out in note 19. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 101 is given in note 20.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

First time application of FRS 100 and FRS 101

In the current 53 week period the Company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. Consequently the principal accounting policies are unchanged from the prior period. The change in basis of preparation has enabled the Company to take advantage of all of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below. There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

The following principal accounting policies have been applied:

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Going concern

The current economic conditions continue to create economic uncertainty. The company has net assets and a positive cash balance as set out in the balance sheet. The company is part of the Halma plc group of companies and as such has access to considerable financial resources, including the £360m five-year revolving credit facility held with a core group well-established banks, of which £236m was undrawn at 2 April 2016. The directors have a high level of confidence that despite the current economic uncertainty the company has the necessary liquid resources to meet its liabilities as they fall due and will be able to sustain its business model, strategy and operations and remain solvent for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the financial statements.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

2. Accounting policies (continued)

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company recognises its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Other than the financial assets in a qualifying hedging relationship, the Company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises only in-the-money derivatives. These are carried in the Balance sheet at fair value with changes in fair value recognised in the Profit and loss account.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Profit and loss account. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance sheet.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

2. Accounting policies (continued)

2.6 Financial instruments (continued)

2.7 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.8 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the 53 week period comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Impairment of investments

The company acts as a holding company of investments. The directors must consider whether based on the underlying performance of the investments there is indicator of impairment present that would warrant an impairment review. Where such indicators are present the directors consider the value in use of the investment. The value in use calculation involves an estimation of the present value of future cash flows of the investment. The future cash flows are based on annual budgets, to which the management's expectation of market-share and long-term growth rates are applied. The present value is then calculated based on management's judgment of future discount rates.

Key sources of estimation uncertainty

The directors do not consider that there are any key assumptions concerning the future, or other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Operating loss

The operating loss is stated after charging:

	53 weeks ended 2 April 2016 \$	52 weeks ended 28 March 2015 \$
Exchange differences	(73)	424

During the 53 week period, no director received any emoluments (2015 - \$NIL).

5. Auditors' remuneration

The audit fee of \$1,552 (2015 - \$1,608) was borne by another group company.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - \$NIL).

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 (2015 - \$nil).

7. Interest payable and similar charges

	53 weeks ended 2 April 2016 \$	52 weeks ended 28 March 2015 \$
Loans from group undertakings	3,421,431	3,263,894

8. Taxation

	53 weeks ended 2 April 2016 \$	52 weeks ended 28 March 2015 \$
Deferred tax		
Adjustments in respect of prior years	56	36
Total deferred tax	56	36
Taxation on profit on ordinary activities	56	36

HALMA FINANCING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016**

8. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	53 weeks ended 2 April 2016 \$	52 weeks ended 28 March 2015 \$
Profit on ordinary activities before tax	45,898,708	59,513,333
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	9,179,742	12,497,800
Effects of:		
Adjustments to tax charge in respect of prior periods	56	36
Non-taxable income	(9,864,476)	(13,183,686)
Group relief	684,734	685,886
Total tax charge for the period	56	36

Factors that may affect future tax charges

The UK corporation tax rate was reduced to 20% from 21% with effect from 1 April 2015. A further reduction in the UK tax rate to 19%, effective from 1 April 2017, was substantively enacted in the UK Finance Act 2015.

9. Dividends

	2 April 2016 \$	28 March 2015 \$
Dividend on equity capital	45,900,947	59,515,561

HALMA FINANCING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016**

10. Fixed asset investments

	Investments in subsidiary companies \$
Cost or valuation	
At 29 March 2015	562,147,024
Additions	144,446,218
	<hr/>
At 2 April 2016	706,593,242
	<hr/>
Net book value	
At 2 April 2016	706,593,242
	<hr/> <hr/>
At 28 March 2015	562,147,024
	<hr/> <hr/>

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding
Halma Investment Holdings Limited	England and Wales	Ordinary	100 %

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding
Accudynamics, LLC	USA	Ordinary	100 %
Accutome, Inc.	USA	Ordinary	100 %
Advanced Fire Systems Inc.	USA	Ordinary	100 %
Alicat Scientific, Inc.	USA	Ordinary	100 %
Apollo America, Inc.	USA	Ordinary	100 %
Aquionics, Inc.	USA	Ordinary	100 %
Avire Inc. (formerly Janus Elevator Products Inc.)	USA	Ordinary	100 %
Avo Photonics, Inc.	USA	Ordinary	100 %
Avo Photonics (Canada) Inc.	Canada	Ordinary	100 %
BEA Holdings, Inc	USA	Ordinary	100 %
BEA Investments, Inc	USA	Ordinary	100 %

HALMA FINANCING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016**

10. Fixed asset investments (continued)

BEA, Inc.	USA	Ordinary	100 %
Bio-Chem Fluidics, Inc.	USA	Ordinary	100 %
Castell Interlocks, Inc.	USA	Ordinary	100 %
CenTrak, Inc	USA	Ordinary	100 %
Diba Industries, Inc.	USA	Ordinary	100 %
Fiberguide Industries, Inc.	USA	Ordinary	100 %
Firetrace USA, LLC	USA	Ordinary	100 %
F.I.R.E. Panel, LLC	USA	Ordinary	100 %
Firetrace Aerospace, LLC	USA	Ordinary	100 %
Firetrace Export Corporation	USA	Ordinary	100 %
Firetrace International Asia Pte. Ltd	Singapore	Ordinary	100 %
Fluid Conservation Systems, Inc.	USA	Ordinary	100 %
Keeler Instruments, Inc.	USA	Ordinary	100 %
Kirk Key Interlock Company, LLC	USA	Ordinary	100 %
Labsphere, Inc.	USA	Ordinary	100 %
MicroSurgical Technology, Inc.	USA	Ordinary	100 %
Ocean Optics Asia LLC	USA	Ordinary	100 %
Ocean Optics, Inc.	USA	Ordinary	100 %
Oklahoma Safety Equipment Co, Inc.	USA	Ordinary	100 %
Halma Do Brasil – Equipamentos De Segurança Ltda	Brazil	Ordinary	100 %
Perma Pure, LLC	USA	Ordinary	100 %
Pixelteq, Inc.	USA	Ordinary	100 %
Riester USA, LLC	USA	Ordinary	100 %
Rohrback Cosasco International Limited	Virgin Islands, British	Ordinary	100 %
Cosasco Middle East (FZE)	UAE	Ordinary	100 %
RCS Corrosion Services Sdn. Bhd	Malaysia	Ordinary	100 %
Rohrback Cosasco System China Corporation	China	Ordinary	100 %
Rohrback Cosasco Systems Pte Ltd	Singapore	Ordinary	100 %
Cosasco Canada Ltd	Canada	Ordinary	100 %
Rohrback Cosasco Systems Pty Ltd	Australia	Ordinary	100 %
Rohrback Cosasco Systems, Inc.	USA	Ordinary	100 %
Rohrback Cosasco Systems UK Limited	England & Wales	Ordinary	100 %
Rohrback Cosasco Systems LLC	Saudi Arabia	Ordinary	100 %
Sensorex Corporation	USA	Ordinary	100 %
Smith Flow Control, Inc	USA	Ordinary	100 %
SunTech Medical (USA), LLC	USA	Ordinary	100 %
SunTech Medical, Inc	USA	Ordinary	100 %
Visual Performance Diagnostics, Inc.	USA	Ordinary	100 %
Volk Optical Inc.	USA	Ordinary	100 %

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

11. Debtors

	2 April 2016 \$	28 March 2015 \$
Due after more than one year		
Amounts owed by group undertakings	<u>114,738</u>	<u>116,981</u>

12. Cash and cash equivalents

	2 April 2016 \$	28 March 2015 \$
Cash at bank and in hand	<u>1,977</u>	<u>1,974</u>

13. Creditors: Amounts falling due after more than one year

	2 April 2016 \$	28 March 2015 \$
Amounts owed to group undertakings	<u>67,030,073</u>	<u>67,030,073</u>

\$67,000,000 of the above balance is due to the company's immediate parent company, Halma Holdings Inc. The entire balance is redeemable in full on 2 April 2018.

The permissory note is subject to interest at the rate of 4.5% above six month US Libor payable half yearly in arrears.

The company has the option to repay the loan, partially or in full, without penalty at any time until the maturity date.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

14. Financial instruments

	2 April 2016 \$	28 March 2015 \$
Financial assets		
Financial assets measured at fair value through profit or loss	1,977	1,974
Financial assets that are debt instruments measured at amortised cost	114,738	116,981
	<u>116,715</u>	<u>118,955</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(67,030,073)</u>	<u>(67,030,073)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets measured at amortised cost comprise amounts owed by group undertakings.

Financial Liabilities measured at amortised cost comprise amounts owed to group undertakings.

HALMA FINANCING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016**

15. Deferred taxation

	Deferred tax \$
At 29 March 2015	1,351
Charged to the profit or loss	(55)
At 2 April 2016	<u><u>1,296</u></u>

	Deferred tax \$
At 30 March 2014	1,387
Charged to the profit or loss	(36)
At 28 March 2015	<u><u>1,351</u></u>

The deferred tax asset is made up as follows:

	2 April 2016 \$	28 March 2015 \$
Other timing differences	<u><u>1,296</u></u>	<u><u>1,351</u></u>

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

16. Share capital

	2 April 2016	28 March 2015
	\$	\$
Allotted, called up and fully paid		
20,004,126 (2015 - 20,003,039) Ordinary shares shares of £1 each	36,006,126	36,004,482

On 19 May 2015 the Company, through its direct subsidiary holding company, acquired the entire interest in Value Added Solutions, LLC. An initial cash consideration of US\$5,000,000 was paid.

On 5 October 2015 the Company, through its direct subsidiary holding company, acquired the entire interest in Firetrace USA, LLC (Firetrace) and its subsidiary companies, based in Scottsdale, Arizona, USA. Total cash consideration of US\$110,000,000 was paid, adjustable based on the closing date net assets. The adjustment was determined to be US\$nil.

On 16 December 2015 the Company, through its direct subsidiary holding company, acquired the entire share capital of Visual Performance Diagnostics, Inc.(part of Visiometrics). Initial consideration paid for the company was €18,794,000 (\$20,567,000), including €6,300,000 (\$6,894,928) of contingent consideration paid into escrow to be released to the vendors based on meeting certain agreed targets.

On 3 February 2016 the Company, through its direct subsidiary holding company, acquired the entire share capital of CenTrak, Inc., located in Newtown, Pennsylvania, USA. Initial consideration paid for the company was US\$140,000,000 plus an initial payment for the estimated value of net tangible assets and cash at closing of US\$1,780,000 (£1,237,000).

Further details on the above transactions can be found in the Halma PLC annual report, details of which can be found in note 19.

Concurrent with these transactions, the company subscribed for 38 shares, 816 shares, 155 shares and 10 shares in its direct subsidiary, Halma Investment Holdings Limited (HIHL), for total consideration of \$135,384,868. On 2 October the company had also subscribed for a further 68 shares in HIHL for \$9,035,120. The total increase in the company's investment in HIHL throughout the year therefore was \$144,446,218.

Also on the same dates the company itself allotted a total 1087 additional ordinary shares to Halma Holdings Inc. for total consideration of \$144,446,218.

17. Reserves

Share premium

The premium on shares issued represents the residual value of total consideration received in respect of shares issued of \$144,446,218 less the nominal value of share capital issued of \$1,644.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

18. Related party transactions

The company is exempt under the terms of FRS 101 from disclosing related party transactions entered into between two or more members of a group, provided any subsidiary that is party to the transaction is wholly owned by such a member.

19. Controlling party

The immediate parent company of Halma Financing Limited is Halma Holdings, Inc a company incorporated in the United States of America. The ultimate parent company and controlling party, and the parent company of the only group for which consolidated financial statements are prepared which include this company, is Halma plc, which is incorporated in England and Wales. The financial statements of Halma plc can be obtained from the Company Secretary, Misbourne Court, Rectory Way, Amersham, Buckinghamshire, HP7 0DE.

20. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.