
HALMA FINANCING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



HALMA FINANCING LIMITED

COMPANY INFORMATION

Directors	A J Williams M A Ronchetti (appointed 1 July 2018)
Company secretary	M A Jenkins
Registered number	05112079
Registered office	Misbourne Court Rectory Way Amersham Buckinghamshire HP7 0DE
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 10 Bricket Road St. Albans United Kingdom AL1 3JX

HALMA FINANCING LIMITED

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HALMA FINANCING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Introduction

The Directors present their Strategic Report for the year ended 31 March 2019 as follows:

Business review

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

During the year the company issued four (2018 - one) shares to its parent company for consideration of \$50,057,000 (2018 - \$4,500,000).

As a holding company the company has minimal income and expenditure transactions other than income from its subsidiaries. The profit for the year increased by 26% to \$84,346,000 (2018: \$66,933,000). The company finished the year with net assets of \$1,008,953,000 (2018: \$958,898,000) and a positive cash balance.

Going concern

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 a £550m revolving credit facility running to November 2023, held with a core group of well-established banks, of which £476m was undrawn at 31 March 2019. The directors have a high level of confidence that despite the current economic uncertainty the company has access to 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.

Financial risk management

Details of the financial risk management objectives and policies, as well as details of exposure to foreign currency risk, interest rate risk, credit risk, and liquidity risk, can be found in Note 27 to the Halma plc group financial statements. These can be obtained as disclosed in Note 17.

This report was approved by the board on 22 July 2019 and signed on its behalf.



M A Ronchetti
Director

HALMA FINANCING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their Annual report and the audited financial statements for the year ended 31 March 2019.

Results and dividends

The profit for the year, after taxation, amounted to \$84,346,000 (2018 - \$66,933,000).

The directors have proposed and paid dividends of \$84,348,259 in the year (2018 - \$66,936,072). The directors do not propose the payment of a final dividend (2018 - \$NIL).

Directors

The directors who served during the year, and to the date of this report, were:

A J Williams
M A Ronchetti (appointed 1 July 2018)
K J Thompson (resigned 1 July 2018)

Qualifying third party indemnity provisions

The company has qualifying third party indemnity provisions for the benefit of its directors which were in place during the year and remain in force at the date of this report.

Matters covered in the strategic report

The directors' statement on going concern, future developments, and financial risk management is included in the Strategic Report.

Disclosure of information to auditors

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

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

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 22 July 2019 and signed by its order.



M A Jenkins
Secretary

HALMA FINANCING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 , the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements
- make judgements 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 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.

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.

HALMA FINANCING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HALMA FINANCING LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Halma Financing Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standard, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2019, the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

HALMA FINANCING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HALMA FINANCING LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

HALMA FINANCING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HALMA FINANCING LIMITED

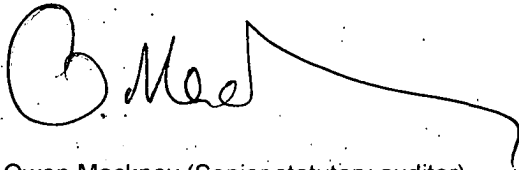
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Owen Mackney (Senior statutory auditor)

for and on behalf of

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
St. Albans

22 July 2019

HALMA FINANCING LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 \$000	2018 \$000
Administrative expenses		(2)	(2)
Operating loss		(2)	(2)
Income from shares in group undertakings		84,348	66,936
Profit on ordinary activities before taxation		84,346	66,934
Taxation on profit on ordinary activities	6	-	(1)
Profit and total comprehensive income for the financial year		84,346	66,933

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 10 to 22 form part of these financial statements.


All amounts relate to continuing operations.

HALMA FINANCING LIMITED
REGISTERED NUMBER:05112079

**BALANCE SHEET
AS AT 31 MARCH 2019**

	Note	2019 \$000	2018 \$000
Fixed assets			
Investments	8	1,008,872	958,815
		<u>1,008,872</u>	<u>958,815</u>
Current assets			
Debtors	9	114	114
Cash at bank and in hand	10	2	2
		<u>116</u>	<u>116</u>
Creditors: amounts falling due within one year	11	(35)	(3)
Net current assets		<u>81</u>	<u>113</u>
Total assets less current liabilities		<u>1,008,953</u>	<u>958,928</u>
Creditors: amounts falling due after more than one year	12	-	(30)
Net assets		<u><u>1,008,953</u></u>	<u><u>958,898</u></u>
Capital and reserves			
Called up share capital	14	36,006	36,006
Share premium account	15	972,866	922,809
Profit and loss account	15	81	83
Shareholders' funds		<u><u>1,008,953</u></u>	<u><u>958,898</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 July 2019.


A J Williams
Director


M A Ronchetti
Director

The notes on pages 10 to 22 form part of these financial statements.

HALMA FINANCING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
At 1 April 2018	36,006	922,809	83	958,898
Profit for the year	-	-	84,346	84,346
Dividends: Equity capital	-	-	(84,348)	(84,348)
Shares issued during the year	-	50,057	-	50,057
Total transactions with owners	-	50,057	(84,348)	(34,291)
At 31 March 2019	36,006	972,866	81	1,008,953

The notes on pages 10 to 22 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital \$000	Share premium account \$000	Profit and loss account \$000	Total equity \$000
At 2 April 2017	36,006	918,309	86	954,401
Profit for the year	-	-	66,933	66,933
Dividends: Equity capital	-	-	(66,936)	(66,936)
Shares issued during the year	-	4,500	-	4,500
Total transactions with owners	-	4,500	(66,936)	(62,436)
At 31 March 2018	36,006	922,809	83	958,898

The notes on pages 10 to 22 form part of these financial statements.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Halma Financing Limited is a private company limited by shares incorporated and domiciled 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 from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006 because it is included in the group financial statements of Halma plc. The group financial statements can be obtained as set out in note 18. 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 Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

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

New standards and interpretations not yet applied are disclosed on pages 128 to 129 of the consolidated financial statements of the ultimate parent Halma plc. New standards applied for the first time are disclosed in section 2.4 and on pages 126 to 128 of the consolidated financial statements of the ultimate parent. These statements can be obtained as disclosed in note 17 below.

The following principal accounting policies have been applied:

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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 and 18A 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 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Going concern

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 a £550m revolving credit facility running to November 2023, held with a core group of well-established banks, of which £476m was undrawn at 31 March 2019. The directors have a high level of confidence that despite the current economic uncertainty the company has access to 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 Impact of new international reporting standards, amendments and interpretations

IFRS 9

There has been no material impact on the Company's financial statements as a result of adopting IFRS 9 from 1 April 2018.

IFRS 15

There has been no impact on the Company's financial statements as a result of adopting IFRS 15 from 1 April 2018.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 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.

2.8 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 and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.8 Financial instruments (continued)

held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.9 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.10 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.

2.11 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.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.12 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.13 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge 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.

3. Judgements 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 is the critical judgement, 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 estimate 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.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4. Auditors' remuneration

	2019 \$000	2018 \$000
Fees payable for the audit of the Company	2	2

5. Employees

The Company has no employees (2018 - NIL).

The directors are also directors of Halma plc and are remunerated by that company. The allocation of the total remuneration that relates to their services to this company is \$NIL (2018 - \$NIL).

6. Taxation

	2019 \$000	2018 \$000
Current tax on profits for the year	-	-
	-	-
Deferred tax		
Adjustments in respect of prior years	-	1
Total deferred tax	-	1
Taxation on profit on ordinary activities	-	1

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 \$000	2018 \$000
Profit on ordinary activities before tax	84,346	66,934
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	16,026	12,717
Effects of:		
Adjustments to tax charge in respect of prior periods	-	1
Non-taxable income	(16,026)	(12,718)
Group relief	-	1
Total tax charge for the year	-	1

Factors that may affect future tax charges

The UK Corporation tax rate reduction to 17%, effective from 1 April 2020 has been substantively enacted.

7. Dividends

	2019 \$000	2018 \$000
Dividend on equity capital	84,348	66,936

Dividends paid during the year amounted to \$4.22 (2018: \$3.35) per share.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

8. Investments

	Investments in subsidiary companies \$000
Cost	
At 1 April 2018	958,815
Additions	50,057
At 31 March 2019	<u>1,008,872</u>

On 1 June 2018, the company made an additional investment in its direct subsidiary of \$4,685,000 in order for another subsidiary to settle a deferred contingent consideration arrangement on a previous acquisition.

On 20 June 2018, through its indirect subsidiary, CenTrak Inc, the company acquired the trade and assets of Awarepoint for an initial cash consideration of \$1,970,000.

On 31 August 2018, through its indirect subsidiary, CenTrak Inc, the company acquired the trade and certain assets of Elpas for an initial cash consideration of \$1,000,000.

On 17 January 2019, through its direct subsidiary, Halma Investment Holdings Limited, the company acquired the entire share capital of Business Marketers Group, Inc trading as Rath Communications, based in USA, for an initial cash consideration of \$42,402,000.

HALMA FINANCING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Halma Investment Holdings Limited*	Misbourne Court, Rectory Way, Amersham, Buckinghamshire HP7 0DE	Ordinary	100%
ADI Holdings LLC	240 Kenneth Welch Drive, Lakeville MA 02347	Ordinary	100%
Accutome, Inc.	3222 Phoenixville Pike, Malvern PA 19355	Ordinary	100%
Advanced Fire Systems Inc.	100 South Street, Hopkinton MA 01748	Ordinary	100%
Alicat Scientific, Inc.	7641 N Business Park Drive, Tucson AZ85743	Ordinary	100%
Apollo America, Inc.	25 Corporate Drive, Auburn Hills MI 48326	Ordinary	100%
Aquionics, Inc.	1455 Jamike Avenue, Suite 100, Erlanger Kentucky 41018	Ordinary	100%
Avire Inc.	415 Oser Avenue, Suite Q, Hauppauge NY11788	Ordinary	100%
Avo Photonics, Inc.	700 Business Center Drive, Suite 125, Horsham PA 19044	Ordinary	100%
Avo Photonics (Canada) Inc.	20 Mural Street, Unit 7, Richmond Hill, Ontario L4B 1K3	Ordinary	100%
BEA Holdings, Inc	100 Enterprise Drive, RIDC West, Pittsburgh PA 15275	Ordinary	100%
BEA Investments, Inc	100 Enterprise Drive, RIDC West, Pittsburgh PA 15275	Ordinary	100%
BEA, Inc.	100 Enterprise Drive, RIDC West, Pittsburgh PA 15275	Ordinary	100%
Bio-Chem Fluidics, Inc.	85 Fulton Street, Boonton New Jersey 07005	Ordinary	100%
Business Marketers Group, Inc (trading as Rath Communications)	24720 N Corporate Cir, Sussex, WI 53089	Ordinary	100%
Castell Interlocks, Inc.	Suite 865, 150 N Michigan Avenue, Chicago Illinois 60601	Ordinary	100%
CenTrak, Inc	125 Pheasant Run, Newton PA 18940	Ordinary	100%
Clinical Patents, LLC	125 Pheasant Run, Newton PA 18940	Ordinary	100%
Diba Industries, Inc.	4 Precision Road, Danbury CT 06810	Ordinary	100%
Fiberguide Industries, Inc.	1 Bay Street, Stirling NJ 07980	Ordinary	100%
Firetrace USA, LLC	8435 N. 90th Street, Scottsdale AZ 85258	Ordinary	100%
Firetrace Aerospace, LLC	15690 N 83rd Way #B, Scottsdale AZ 85260-1844	Ordinary	100%
Firetrace International Asia Pte. Ltd	16 Collyer Quay, #11-01, Hitachi Tower, Singapore, 049318	Ordinary	100%
Fluid Conservation Systems, Inc.	502 Technecenter Drive, Suite B, Milford OH 45150	Ordinary	100%
FluxData Inc.	176 Anderson Ave, STE F304, Rochester, NY 14607	Ordinary	100%
Keeler Instruments, Inc.	456 Parkway, Lawrence Park Ind. Estate, Broomall PA 19008	Ordinary	100%

HALMA FINANCING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Kirk Key Interlock Company, LLC	9048 Meridian Circle NW, North Canton OH 44720	Ordinary	100%
Labsphere, Inc.	231 Shaker Street, North Sutton NH 03260	Ordinary	100%
MicroSurgical Technology, Inc.	8415 154th Avenue NE, Redmond WA 98052	Ordinary	100%
Ocean Optics Asia LLC	Suite 601, Kirin Tower, 666 Gubei Road, Shanghai, 200336	Ordinary	100%
Ocean Optics, Inc.	830 Douglas Avenue, Dunedin FL 34698	Ordinary	100%
Oklahoma Safety Equipment Co, Inc.	PO Box 1327, 1701 West Tacoma, Broken Arrow OK 74013	Ordinary	100%
Halma Do Brasil –Equipamentos De Segurança Ltda	Av. Tancredo Neves 620, Salas 1003/1004, Caminho das Árvores, Salvador, Bahia, 41.820-020	Ordinary	100%
Perma Pure, LLC	1001 New Hampshire Ave., Lakewood NJ 08701	Ordinary	100%
Pixelteq, Inc.	8060A Bryan Dairy Road, Largo FL 33777	Ordinary	100%
Riester USA, LLC	507 Airport Blvd Ste 113, Morrisville NC 27560-8200	Ordinary	100%
Rohrback Cosasco Systems, Inc.	11841 Smith Ave, Santa Fe Springs CA 90670	Ordinary	100%
Sensorex Corporation	11751 Markon Drive, Garden Grove CA 92841	Ordinary	100%
Smith Flow Control, Inc	1390 Donaldson Rd, Suite B, Erlanger Kentucky 41018	Ordinary	100%
SunTech Medical (USA), LLC	507 Airport Boulevard, Suite 117, Morrisville NC 27560-8200	Ordinary	100%
SunTech Medical, Inc	507 Airport Boulevard, Suite 117, Morrisville NC 27560-8200	Ordinary	100%
Visual Performance Diagnostics, Inc.	26895 Aliso Creek Rd, Suite B223, Aliso Viejo CA 92656	Ordinary	100%
Value Added Solutions LLC	26 Duane Lane, Burlington, CT 06013	Ordinary	100%
Volk Optical Inc.	7893 Enterprise Drive, Mentor Ohio 44060	Ordinary	100%

* Directly held by the company

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. Debtors

	2019 \$000	2018 \$000
Due within one year		
Amounts owed by group undertakings	114	114
	<u>114</u>	<u>114</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10. Cash and cash equivalents

	2019 \$000	2018 \$000
Cash at bank and in hand	2	2
	<u>2</u>	<u>2</u>

11. Creditors: Amounts falling due within one year

	2019 \$000	2018 \$000
Amounts owed to group undertakings	35	3
	<u>35</u>	<u>3</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

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

	2019 \$000	2018 \$000
Amounts owed to group undertakings	-	30
	<u>-</u>	<u>30</u>

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. Financial instruments

	2019 \$000	2018 \$000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>116</u>	<u>116</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(35)</u>	<u>(33)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise amount owed to group undertakings.

HALMA FINANCING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Called up share capital

	2019 \$000	2018 \$000
Allotted, called up and fully paid		
20,004,133 (2018 - 20,004,129) Ordinary shares shares of £ 1 each	<u>36,006</u>	<u>36,006</u>

Concurrently with the transactions listed in note 9, the company issued four ordinary £1 shares to its parent, Halma Holdings, Inc. for a total consideration of £50,057,000.

15. Reserves

Share premium account

The premium on shares issued represents the residual value of total consideration received in respect of shares issued less the nominal value of share capital issued.

16. 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.

17. 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.