REMUNERATION COMMITTEE REPORT

Members
- Steve Marshall (Chairman)
- Geoff Unwin
- Stephen Pettit
- Norman Blackwell

Responsibilities
The primary responsibilities of the Committee are:

- The Committee makes recommendations to the Board on the framework for executive Directors' and senior executives' remuneration based on proposals formulated by the Chief Executive;
- determining and agreeing with the Board the policy and framework for the remuneration of the Chairman, Chief Executive, the executive Directors, the Company Secretary and members of the Executive Board;
- approving the design of, and determining targets for, any performance-related pay plans operated by the Company and agreeing the total annual payments made under such plans;
- reviewing the design of all share incentive plans for approval by the Board and shareholders, and determining, each year, whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive Directors and other senior executives and the performance targets to be set; and
- determining the policy for, and scope of, pension arrangements for each executive Director and other senior executives.

The Committee also monitors and considers, with the Chief Executive, the framework of remuneration for subsidiary chief executives and directors and ensures a consistent approach is applied.

The full terms of reference, which were reviewed during the year, but last updated in February 2011, can be found on the Company's website or can be obtained from the Company Secretary.

Governance
The Remuneration Committee, which meets at least twice per year, was in place throughout the financial year. All members are independent in accordance with provision C.3.1 of the UK Corporate Governance Code.

None of the Committee has any personal financial interest (other than as shareholders), conflicts of interests arising from cross directorships or day-to-day involvement in running the business.

The Committee makes recommendations to the Board. No Director plays a part in any discussion about his or her own remuneration. In determining the Directors' remuneration for the year, the Committee consults Andrew Williams' (Chief Executive) proposals and relates the proposals to remuneration packages at comparable listed companies. The Committee consults Kepler Associates, who was appointed during the year, regarding the structuring of executive remuneration packages and reviews other external published material. Independent pension advice is provided to the Company by Lane, Clark & Peacock LLP. Neither Kepler Associates nor Lane, Clark & Peacock LLP are connected parties.

Activities
During 2011/12, the Committee continued to review the Company's remuneration strategy such that executives remain appropriately incentivised to meet the Group's objectives. Our prudent remuneration arrangements seek to support the demands of our business model and take into account principles of sound risk management and the social climate in which we operate. The company's strategy is that a substantial proportion of the remuneration of executive Directors should be performance related. The strategy relies upon three key components which produce an appropriate balance between fixed and variable pay over the short and long term:

- setting salaries just below median market rate levels;
- a performance related bonus scheme, rewarding growth in economic value added; and
- a performance-granted long-term equity-based incentive rewarding relative TSR performance and ROTIC.

Accordingly the Committee agreed that:

- executive Director base salaries for 2012/13 should be increased by an average of 3.6% (2011/12: 4.6%);
- the annual targets for the granting of performance shares were set appropriately; and
- the award of bonuses in respect of 2011/12 should only be based on objective measures and be related to the Company's performance.

The Committee has reviewed the Remuneration Report for 2011/12 and the Company's remuneration strategy, policy and details of executive remuneration follow.

On behalf of the Remuneration Committee

Steve Marshall
Chairman
14 June 2012

REMUNERATION REPORT

Report on Remuneration Strategy and Policy

Introduction

This report has been prepared in accordance with Schedule 8 to the Accounting Regulations under the Companies Act 2006. The report also meets the relevant requirements of the Listing Rules of the Financial Services Authority and describes how the Board has applied the principles relating to directors' remuneration in the UK Corporate Governance Code. As required by the Act, a resolution to approve the report will be proposed at the Annual General Meeting of the Company at which the financial statements will be approved.

The Act requires the auditors to report to the Company's members on certain parts of the Directors' Remuneration Report and to state whether in their opinion those parts of the report have been properly prepared in accordance with the Accounting Regulations. The report has therefore been divided into separate sections for audited and unaudited information.

UNAUDITED INFORMATION

Remuneration policy

Executive remuneration packages are designed to attract, retain and motivate the high calibre executives needed to manage the Group successfully and align their interests with those of the shareholders by rewarding them for enhancing value to shareholders.

The packages also seek to reward achievement of stretching performance targets without driving unacceptable behaviours or encouraging excessive risk taking.

The performance measurement of the executive Directors and key members of senior management and the determination of their annual remuneration package are undertaken by the Remuneration Committee.

There are four main elements of the remuneration package for executive Directors and senior management:

Element of remuneration	How this supports the strategy	Opportunity 2011/12	Performance measures/structure	Changes for 2012/13
Salary	Provides fixed remuneration that will attract and retain key employees and reflect their experience and personal contribution to Group strategy.	CEO – £435,000 CFO – £280,000 UK DCE – £223,000 US DCE – $380,000	Reviewed annually from 1 April. Benchmarked against appropriate market comparators. Linked to individual performance and contribution.	CEO – £450,000 CFO – £290,000 UK DCE – £231,000 US DCE – $394,000
Annual incentive	Incentivises the achievement of an objective annual target which supports the short – to medium-term strategy of the Group.	100% of salary paid in cash	Bonus is based 100% on growth in the Economic Value Added (EVA) compared with a target based on a weighted average of the previous three financial years. There are no individual objectives.	The EVA bonus is capped at 90% of salary with a further bonus of up to 25% of salary, subject to the overall cap of 100% of salary, being earned if revenue growth outside the UK, USA and Europe exceeds certain pre-set percentages (with this bonus fully payable at 25% growth).
Equity incentive	Incentivises executives to achieve superior returns to shareholders over a three-year period. Retains key individuals and aligns interests with shareholders reflecting the sustainability of the business model over the long term.	All executive Directors – up to 140% of salary delivered in Halma plc shares	50% based on TSR relative to a comparator group of the FTSE 250 excluding financial companies; full vesting requires upper quartile performance. 50% based on ROTIC exceeding 9.5%; full vesting requires ROTIC to be 14% or greater.	The ROTIC target for full vesting of awards is increased to 17% with partial vesting occurring when ROTIC is between 9.5% and 17%.
Pension	Provides competitive post-retirement benefits.	CEO – pensionable salary* of £139,185 plus cash supplement paid CFO – deferred member of pension plan; cash supplement paid UK DCE – retired member of pension plan US DCE – 401k participant	Executives participate in either a Group defined benefit pension plan, Group defined contribution pension plan or the US 401k money purchase arrangement. Cash supplements in lieu of company pension contributions are made to some individuals.	CEO – pensionable salary* of £146,423 plus cash supplement.

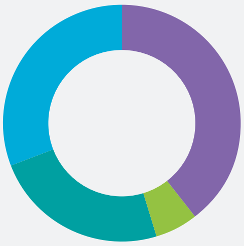
* The maximum pensionable salary on which future pensions are based is capped. The cap is increased each April by CPI. Final pensions are a proportion of the final pensionable salary based on the number of years of service.

As described above and below, executive Directors may earn annual bonus payments of up to 100% of their basic salary together with the benefits of participation in share plans which are subject to a maximum value, in the year of grant, of 140% of basic salary.

Each executive Director currently holds shares in the Company in excess of the guideline of one year's salary (see page 85).

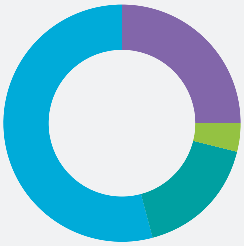
Executive Director pay mix (2011/12)

Split of package (expected)



	Salary (base)	40%
	Pension (employer contributions)	6%
	Annual incentive (expected)	24%
	Equity incentive (expected value at grant)	31%

Split of package (actual)



	Salary (base)	25%
	Pension (employer contributions)	4%
	Annual incentive (paid)	17%
	Equity incentive (vested)	54%

The split of the actual package in the year under review reflects modest outcomes (of between threshold and target) under the annual bonus plan and the full vesting of the 2008 PSP awards in relation to the achievement of top quartile TSR and ROTIC of more than 14% p.a. over the past three years. The Committee is satisfied that this outcome is closely aligned with, and reflective of, Halma's strong underlying performance over this period.

Basic salary

Prior to the beginning of each year, each executive Director's basic salary is reviewed by the Committee against the market, Company performance and future strategy and when an individual changes position or responsibility. The Chief Executive is responsible for assessing the performance of each senior executive taking account of the complexity of the operations under their control, their opportunities for advancement with the Group, their remuneration relative to other executives in the Group and their bonus earning potential. He then formulates a remuneration proposal for the Committee's consideration. In deciding appropriate remuneration levels, the Committee also considers the Group as a whole and relies on objective external research which gives information on a comparator group of companies.

Basic salaries are reviewed in February of each year with increases, if appropriate, taking effect from 1 April. Executive Directors' contracts of service which include details of remuneration will be available for inspection at the Annual General Meeting.

Annual bonus payments

During the year the Committee carefully assessed existing incentive arrangements and determined that incentive levels are appropriately set. The Committee established the economic value added (EVA) objectives that must be met for each financial year if a cash bonus is to be paid. In setting appropriate bonus parameters the Committee determined that bonuses of approximately 60% of salary are payable on the achievement of targeted levels of growth. The maximum performance-related bonus that can be paid is 100% of basic annual salary.

For the Chief Executive and Finance Director, bonuses are calculated as above but based on Group profit exceeding a target calculated from the profits for the three preceding financial years after charging cost of capital, including the cost of acquisitions.

In the case of a Divisional Chief Executive a bonus is earned if the profit of the Division for which they are responsible exceeds a target calculated from the profits of the three preceding financial years. The profits calculated for this purpose regard each Division as a standalone group of companies charging it with the cost of capital it utilises including the cost of acquisitions.

Executive Director bonus payments for 2012 totalled £725,000 versus £1,127,000 in the prior year reflecting the Group's performance in terms of reported profit, EVA and the relative contributions of organic and acquisition growth.

This performance-related bonus plan, which applies to executive Directors and Divisional Chief Executives, is reviewed annually by the Committee and approved by the Board.

EVA calculation

Profit for each year	Minus	Minus	Plus/minus	Minus	Equals
	a charge on working capital	a charge on cost of acquisitions	unrealised profit in inventory	the resultant bonus itself (to make it self-financing)	the Economic Value Added (EVA) for each year

Transitional provisions exist for divisional restructuring to ensure Divisional Chief Executives remain appropriately incentivised. Subsidiary directors participate in bonus arrangements similar to those established for senior executives.

Performance share plan (PSP)

The Directors have long believed that share plans are an excellent way to provide motivation and align the longer-term interests of senior management with those of shareholders. The Committee, recognising the need to assess and evaluate such incentives, adopted a performance share plan following shareholder approval at the 2005 annual general meeting. This PSP replaced the existing share option plans in respect of future share awards. The Committee has responsibility for supervising the PSP and the grants under its terms.

How the PSP works

Performance criteria determine the amount to be granted and, after three years, the amount to vest as illustrated below:

Stages	Award criteria		Award assessment		Vesting criteria		Final shares vested
Process	Performance criteria determine the number of shares to be granted out of a Maximum Award level. Primary emphasis is placed upon the attainment of personal strategic objectives coupled with financial and operational success.		The assessment of the individual's achievement of their objectives establishes the proportion of the Maximum Award that an individual is granted (the Actual Award in the table below).		50% of the amount granted is subject to TSR growth relative to the FTSE 250, excluding financial companies, over the three-year vesting period. 50% of the amount granted is subject to ROTIC performance over each of the three years.		Awards vest on a sliding scale, as set out in the PSP vesting table below.
Timeline	Criteria set one year prior to grant.		Assessment occurs immediately prior to grant.		Vesting conditions apply throughout the three-year vesting period.		Three years from grant or pro- rata for good leavers.
PSP value	Opportunity to receive maximum Award.	X	% attainment of individual objectives.	X	% attainment of Group performance conditions.	=	Final shares vested.

The Committee believes that any incentive compensation awarded should be tied to the interests of the Company's shareholders. It therefore decided that the principal measures of those interests should be Relative Total Shareholder Return (TSR) and Return on Total Invested Capital (ROTIC).

PSP vesting table %

Future awards Percentage of award which vests		TSR (percentile) <50%	50%	75%	100%
ROTIC (post-tax)	≤9.5%	0.0	16.7	50.0	50.0
	12.0%	16.7	33.3	66.7	66.7
	14.5%	33.3	50.0	83.3	83.3
	17.0%	50.0	66.7	100.0	100.0

Subsisting awards Percentage of award which vests		TSR (percentile) <50%	50%	75%	100%
ROTIC (post-tax)	≤9.5%	0.0	16.7	50.0	50.0
	11.0%	16.7	33.3	66.7	66.7
	12.5%	33.3	50.0	83.3	83.3
	14.0%	50.0	66.7	100.0	100.0

The Committee recognises that the Group's improving performance in respect of its absolute ROTIC percentage metric merits a recalibration of the performance target at which full vesting of the ROTIC element is achieved. To that end, the Committee has determined that full vesting will now occur at a ROTIC performance of 17% for awards made in 2012.

ROTIC (Return on total invested capital) %

Vested awards are satisfied in shares with sufficient shares being sold to meet tax and social costs owing, at the recipient's direction, and the net balance of shares transferred to the individual.

Awards lapse if they do not vest on the third anniversary of their award.

Current vesting expectations for awards made in 2009, 2010 and 2011 range from 50% to 99%.

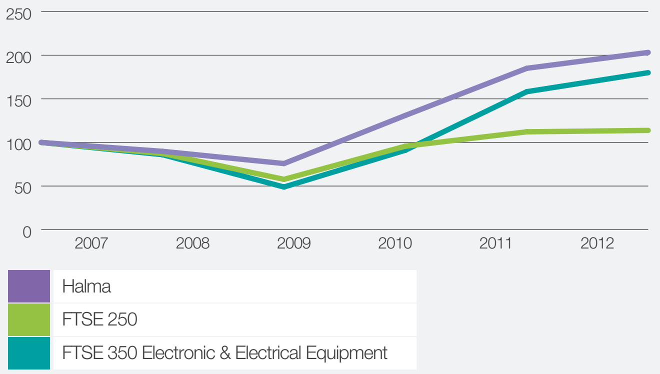
Performance against objectives	Maximum award permitted*		Actual award 2011/12*		Estimate of vesting in 2014/15*
Chief Executive	140%	At individual % assessment level	138%	At 68.6% vesting expectation	95%
Finance Director	140%		135%		93%
Executive Directors	140%		134%		92%
Divisional Chief Executives	100%		96%		66%
Managing Directors and Divisional Finance Directors	40%		31%		21%

* Expressed as a percentage of 2011/12 base salary.

Awards vest after three years on a sliding scale, as set out above, subject to the Company's relative TSR performance against the FTSE 250, excluding financial companies, combined with a measure based upon an absolute ROTIC.

The Plan contains provisions permitting share option grants, restricted share awards and performance share awards. To date, the Committee has used the PSP only to award both approved and unapproved performance shares.

Total shareholder return (five years)



The five-year graph to the left shows the Company's TSR performance over the five years to 31 March 2012 as compared to the FTSE 250 and the FTSE 350 Electronic & Electrical Equipment sector indices, the latter of which the Company has been a constituent since it was reclassified in June 2006. Over the period indicated, the Company's TSR was 203% compared to 114% for the FTSE 250 and 180% for the FTSE 350 Electronic & Electrical Equipment sector.

At the commencement of the five-year period depicted in the graph, the Halma plc ordinary share price was 220.25p and the total of dividends paid in the year ended 31 March 2007 was 6.97p per share. The Halma plc ordinary share price at 31 March 2012 was 380.6p and the total of dividends paid in the year then ended was 9.35p per share.

Share option plans

The 1999 share option plan provided for the grant of two categories of option both of which are subject to performance criteria. The exercise criteria for this plan are noted in note 23 to the accounts.

No further grants may be made from this plan which has been replaced by the PSP approved by shareholders at the 2005 annual general meeting. The granting of options was spread over the life of the plan.

Dilution

The total dilution effect under these various discretionary share plans is less than 5%.

The Company does not operate any long-term incentive plans other than the share plans described above. No significant amendments are proposed to be made to the terms and conditions of any entitlement of a Director to share options or performance share awards.

Pension arrangements

Except as noted below, the executive Directors participate in the appropriate section of the Halma Group Pension Plan (the Plan). This section is a funded final salary occupational pension plan registered with HM Revenue & Customs, which provides a maximum pension of two-thirds of final pensionable salary after 25 or more years' service at normal pension age (60). Up to 5 April 2006, final pensionable salary was the greatest salary of the last three complete tax years immediately before retirement or leaving service. From 6 April 2011, final pensionable salary was capped at £139,185 and is increased annually thereafter by CPI.

Bonuses and other fluctuating emoluments and benefits-in-kind are not pensionable nor subject to any pension accrued supplement. The Plan also provides for life cover of three times salary, pensions in the event of early retirement through ill-health and dependants' pensions of one-half of the member's prospective pension.

Early retirement pensions, currently possible from age 55 with the consent of the Company and the Trustees of the Plan, are subject to actuarial reduction. Pensions in payment increase by 3% per annum for service up to 5 April 1997, by price inflation (subject to a maximum of 5%) through to 31 March 2007 and 3% thereafter.

Whilst pension benefits are accruing, executive Directors receive pension supplements to compensate them for the fact that their pension accrual entitlement under the Halma Group Pension Plan defined benefit arrangements is limited by a pensionable salary cap introduced from 6 April 2006. The Company introduced a pensionable salary cap in order to address changes affecting the Plan made in the Pension Act 2006. Without the introduction of such a cap, there would, effectively, have been no benefit limits. This could have resulted in benefits in excess of prescribed levels with some individuals suffering penal rates of tax and potentially causing a limitation on the tax deductibility of employer contributions. The Company obtained external advice regarding the changes to the Plan and executive pension arrangements and required each affected executive to obtain independent advice prior to implementing the changes. These changes reduce the Plan's future liabilities and their associated funding risk.

Prior to receiving pension payments, to the extent that an executive's current salary exceeds the Plan salary cap, the Company compensates him at an annual rate of 26% of the excess. In April 2006, Kevin Thompson chose to cease entirely future service accrual in the Halma Group Pension Plan in return for the pension supplement on his full salary.

Benefits-in-kind

The executive Directors receive certain benefits-in-kind, principally use of a car and private medical insurance.

Directors' contracts

It is the Company's policy that executive Directors should have contracts with an indefinite term providing for a maximum of one year's notice. The details of the Directors' contracts are summarised in the table below:

	Date of contract	Notice period
Andrew Williams	April 2003	one year
Kevin Thompson	April 2003	one year
Neil Quinn	April 2003	one year
Adam Meyers	July 2008	one year

In the event of early termination, no predetermined compensation is provided for in the Directors' contracts.

Non-executive Directors

Unless otherwise indicated, all non-executive Directors have a specific three-year term of engagement which may be renewed for further three-year terms if both the Director and the Board agree. Stephen Pettit, who is proposed for re-election had his terms of engagement extended for a third three-year term in 2009 and has agreed to remain on the Board for an additional period of at least one year to provide stability and continuity following the appointment of three non-executive Directors in the past two years. The Board will evaluate this mandate annually.

The remuneration of the Chairman and the non-executive Directors is determined by the Committee and the Board based on independent surveys of fees paid to the Chairman and the non-executive Directors of similar companies. The Chairman receives a basic fee and the non-executive Directors receive a basic fee supplemented by additional fees for membership and/or chairmanship of the Audit, Remuneration and Nomination Committees.

The contract in respect of Geoff Unwin's services provides for termination, by either party, by giving not less than six months' notice. Stephen Pettit, Jane Aikman, Norman Blackwell, Steve Marshall and Daniela Barone Soares have contracts in respect of their non-executive Director services which can be terminated, by either party, by giving not less than three months' notice.

The Chairman's and the non-executive Directors' fees were reviewed by the Board in April 2012 with increases taking effect from April 2012.

AUDITED INFORMATION

Aggregate Directors' remuneration

The total amounts for Directors' remuneration were as follows:

	2012 £000	2011 £000
Emoluments	**2,307**	2,649
Pension supplements	**150**	142
Gains on vesting of performance shares	**2,587**	1,377
Gains on exercise of share options	**126**	228
	5,170	4,396

Directors' remuneration

	Salaries and fees £000	Bonus £000	Benefits £000	Pension supplement £000	**2012 Total £000**	2011 Total £000
Geoff Unwin	145	–	–	–	**145**	145
Andrew Williams	435	173	26	77	**711**	926
Kevin Thompson	280	111	10	73	**474**	617
Stephen Pettit	46	–	–	–	**46**	42
Neil Quinn	223	203	15	–	**441**	444
Richard Stone**	17	–	–	–	**17**	52
Jane Aikman	42	–	–	–	**42**	43
Adam Meyers*	238	238	3	–	**479**	467
Norman Blackwell	40	–	–	–	**40**	27
Steve Marshall	46	–	–	–	**46**	28
Daniela Barone Soares**	16	–	–	–	**16**	–
	1,528	725	54	150	**2,457**	2,791

* Remunerated in US Dollars and translated at the prevailing average exchange rate for the year.
** To/from date of retirement/appointment.

Directors' interests

The Directors who held office at 31 March 2012 had the following interests in the ordinary shares of the Company:

	Shares 31 March 2012	Shares 2 April 2011
Geoff Unwin	68,250	68,250
Andrew Williams	420,806	364,885
Kevin Thompson	315,154	279,553
Stephen Pettit	2,000	2,000
Neil Quinn	261,041	219,571
Jane Aikman	2,000	2,000
Adam Meyers	203,064	182,929
Norman Blackwell	2,000	2,000
Steve Marshall	2,000	2,000
Daniela Barone Soares	–	–

There are no non-beneficial interests of Directors. There were no changes in Directors' interests from 31 March 2012 to 14 June 2012.

Performance share plan

The movements in performance share awards during the financial year were as follows:

	Date of grant	As at 2 April 2011	**Granted/(vested) in the year**	**Five-day average share price on grant (pence)**	**As at 31 March 2012**
Andrew Williams	Aug-08	274,297	(274,297)	201.30	**–**
	Aug-09	226,610		194.36	**226,610**
	Aug-10	200,215		281.08	**200,215**
	Aug-11		164,912	362.34	**164,912**
Kevin Thompson	Aug-08	173,154	(173,154)	201.30	**–**
	Aug-09	157,473		194.36	**157,473**
	Aug-10	124,126		281.08	**124,126**
	Aug-11		103,571	362.34	**103,571**
Neil Quinn	Aug-08	143,964	(143,964)	201.30	**–**
	Aug-09	125,620		194.36	**125,620**
	Aug-10	97,531		281.08	**97,531**
	Aug-11		80,810	362.34	**80,810**
Adam Meyers	Aug-08	110,507	(110,507)	201.30	**–**
	Aug-09	80,909		194.36	**80,909**
	Aug-10	110,005		281.08	**110,005**
	Aug-11		88,552	362.34	**88,552**

Performance conditions for the awards made in the financial year are set out above. The 2008 grants vested in August 2011 at a value of 368.597 per share with 100% of the original number of shares granted being transferred to participants net of any tax and social charges. The current vesting expectation for grants made in 2009 is 98.5%; for grants made in 2010, 99% and for grants made in 2011, 50%.

Share incentive plan

As part of their participation in the performance share plan, UK executive Directors were awarded a proportion of their 2011 awards in Free Shares under the provisions of the UK share incentive plan (SIP) on 1 October 2011, as follows: Andrew Williams, 921 shares; Kevin Thompson, 949 shares; and Neil Quinn, 949 shares. The Free Shares are held in trust for the participants and may transfer to them from the third anniversary of the award, on request and subject to continued employment. The share price on the award date was 315.6p. SIP shareholdings are included in Directors' interests above.

Directors' share options

The movements in share options during the financial year were as follows:

	As at 2 April 2011	**Lapsed**	**Exercised**	**Share price on exercise (p)**	**As at 31 March 2012**	**2012 Gains on Exercise (£)**	2011 Gains on Exercise (£)
Andrew Williams	103,837	(12,000)	–	–	91,837	–	–
Kevin Thompson	177,286	(33,100)	–	–	144,186	–	–
Neil Quinn	170,256	(33,100)	–	–	137,156	–	75,246
Adam Meyers	352,781	(23,300)	60,000	355.20	269,481	125,718	153,169

There were no share option grants during the financial year. The gains are calculated by deducting the exercise price from the closing middle market price at the date of exercise or the actual gross sales proceeds if appropriate.

Details of Directors' options outstanding at 31 March 2012 are set out in the table below. The status of the options can be summarised as follows:

1. Exercisable at that date at a price less than 380.6p.

2. Not yet exercisable, will only be exercisable when the performance criteria, set out in note 22 to the accounts, have been met and have an exercise price per share of less than 380.6p.

	Status of options	Year of grant	Number of shares	Weighted average exercise price (pence) per share
Andrew Williams	2	2002-2004	91,837	140.03
Kevin Thompson	2	2002-2004	144,186	140.10
Neil Quinn	2	2002-2004	137,156	139.99
Adam Meyers	1	2003-2005	158,783	137.99
	2	2002-2004	110,698	140.07

All options lapse if not exercised within ten years from the date of grant.

The Company's Register of Directors' Interests, which is open to inspection at the Registered Office, contains full details of Directors' shareholdings and share options.

There have been no variations to the terms and conditions or performance criteria for share options during the financial year.

The closing middle market price of the Company's ordinary shares on Friday, 30 March 2012, the last trading day preceding the financial year end, was 380.6p per share and the range during the year was 306.3p to 429.6p.

Directors' pension entitlements

Two Directors are accruing benefits under the Company's defined benefit pension plan as follows:

	Age at 31 March 2012	Years of pensionable service at 31 March 2012	Accrued pension 2011 £000	Increase in the year £000	Accrued pension 2012 £000
Andrew Williams	44	17	44	6	50
Kevin Thompson	52	18	100	3	103

The accrued pension shown is that which would be paid annually on retirement at age 60 based on service to the end of the year. Kevin Thompson's increase in accrued pension relates entirely to inflation as he ceased future service accrual in 2006.

	Transfer value 2 April 2011	Directors' contributions £000	Increase in value net of contributions £000	Transfer value 31 March 2012
Andrew Williams	497	15	179	691
Kevin Thompson	1,573	-	365	1,938

The transfer values disclosed above do not represent a sum paid or payable to the individual Director. Instead they represent a potential liability of the pension plan. The transfer values are Gilt related and depend upon the relative standings of the Gilt market at the respective valuation dates. The increase in transfer values is predominantly due to the significant reduction in the yields available on UK Gilts over the year. The fall in yields has been widely attributed to the Bank of England's continued policy on Quantitative Easing and the Euro crisis. Other factors that have increased the transfer values are the impact of any additional service, revaluation in line with inflation and any real salary increases as well as the anticipated ageing of the members.

These values have been calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note GN11.

Adam Meyers is a member of the US 401k money purchase scheme. Company contributions paid in the year were $12,489 (£7,806) (2011: $24,015 (£15,394)).

The report was approved by the Board of Directors and signed on its behalf by:

Steve Marshall
Remuneration Committee (Chairman)
14 June 2012