Registered number: 00408759

KEELER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

KEELER LIMITED

COMPANY INFORMATION

Directors	Dr A Sotoudeh J B Wilson (resigned 8 October 2015) A Beasley (resigned 13 June 2016) D J Keeler (resigned 30 June 2015) A J Meyers (resigned 3 October 2015) K M Read R Stoner E K Kosanovic (appointed 15 June 2015) A C Lang (appointed 1 December 2015) J C Vega (appointed 3 October 2015)
Company secretary	A Lang
Registered number	00408759
Registered office	Clewer Hill Road Windsor Berkshire SL4 4AA
Independent auditor	Deloitte LLP Chartered Accountants and Statutory Auditor Reading United Kingdom
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

KEELER LIMITED

CONTENTS

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

Keeler continued to progress along its strategic lines of investing in new products and in manufacturing expansion. One further new product was put into production during the year and the early indications are that it is achieving planned sales levels. Further expansion in manufacturing space and investments in clean room facilities , training and quality resources were made during the year to accommodate the growth in sales for the Keeler Slit Lamp range of the products which were introduced in April 2013. The Slit Lamp range continues to develop into a significant contributor to the company's long term objectives.

During the period the Company sold some land and property adjacent to its site for a profit of £1,609,424 (*2015 - £nil*).

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.

Principal risks and uncertainties

Competitive pressure

Competitive pressure in all the company's markets is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by investing in research and development in order to supply a differentiated product range with clear end user advantages, by maintaining strong relationships with customers and by offering fast response times not only in supplying products but in handling all customer queries.

Regulated markets

The company operates in regulated markets and failure to comply with these regulations risks damaging the company. The company manages this risk through operating an internationally approved quality system.

Foreign exchange

A significant proportion of the company's sales outside of the UK are made in Euros and US Dollars and therefore the company is exposed to the movement in the Euro and US Dollar to Pound Sterling exchange rates. The company takes out forward exchange contracts to manage this risk.

Financial key performance indicators

The Halma plc group assesses performance and allocates resources by sector. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Medical reporting sector of Halma plc, which includes the company, is discussed in the group's Annual Report which does not form part of these financial statements.

STRATEGIC REPORT (continued)
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

Approval

This report was approved by the board on 18 November 2016 and signed on its behalf.

Dr A Sotoudeh
Director

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

The directors present their annual report and the audited financial statements for the 53 week period ended 2 April 2016.

Results and dividends

The profit for the 53 week period, after taxation, amounted to £5,449,364 *(2015 - £3,707,330)*.

An interim dividend of £3,000,000 (*2015 - £3,750,000*) on ordinary shares was paid during the period. The directors do not propose the payment of a final dividend (*2015 - £NIL*).

Directors

The directors who served during the 53 week period, and to the date of this report, were:

Dr A Sotoudeh
J B Wilson (resigned 8 October 2015)
A Beasley (resigned 13 June 2016)
D J Keeler (resigned 30 June 2015)
A J Meyers (resigned 3 October 2015)
K M Read
R Stoner
E K Kosanovic (appointed 15 June 2015)
A C Lang (appointed 1 December 2015)
J C Vega (appointed 3 October 2015)

Environmental matters

The Halma plc group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's Annual Report, which does not form part of this report. Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

Employee involvement

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event any member of staff became disabled, every effort would be made to ensure that their employment with the company continued and the appropriate training would be arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Matters covered in the strategic report

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

DIRECTORS' REPORT (CONTINUED)
FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

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 2016.

Post balance sheet events

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

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approval
This report was approved by the board on 18 November 2016 and signed on its behalf.

Dr A Sotoudeh
Director

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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements 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 financial statements 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEELER LIMITED

We have audited the financial statements of Keeler 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 32. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEELER 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

James Hunter (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Chartered Accountants and Statutory Auditor

Reading
United Kingdom

18 November 2016

STATEMENT OF COMPREHENSIVE INCOME, INCORPORATING PROFIT AND LOSS FOR THE 53 WEEK PERIOD ENDED 2 APRIL 2016

	Note	53 weeks ended 2 April 2016 £	52 weeks ended 28 March 2015 £
Turnover	4	21,288,181	19,629,471
Cost of sales		(13,942,049)	(12,522,317)
Gross profit		7,346,132	7,107,154
Distribution costs		(366,311)	(380,467)
Administrative expenses		(2,266,111)	(1,979,906)
Other operating income	5	1,649,280	69,238
Operating profit	6	6,362,990	4,816,019
Interest receivable and similar income	10	13,929	29,420
Interest payable and similar charges	11	(22)	(65)
Change in fair value of derivative financial instruments		19,443	(196,433)
Profit before tax		6,396,340	4,648,941
Tax on profit	12	(946,976)	(941,611)
Profit for the period		5,449,364	3,707,330

The notes on pages 12 to 35 form part of these financial statements.

All amounts relate to continuing operations.

KEELER LIMITED
REGISTERED NUMBER: 00408759

BALANCE SHEET
AS AT 2 APRIL 2016

	Note	£	2 April 2016 £	£	*28 March 2015 £*
Fixed assets					
Intangible assets	14		**1,489,179**		*1,216,525*
Tangible assets	15		**2,012,913**		*2,372,994*
Investments	16		**450**		*450*
			3,502,542		*3,589,969*
Current assets					
Stocks	17	**2,668,418**		*2,675,908*	
Debtors: amounts falling due within one year	18	**10,786,904**		*8,420,970*	
Cash at bank and in hand	19	**607,499**		*453,675*	
		14,062,821		*11,550,553*	
Creditors: amounts falling due within one year	20	**(2,457,313)**		*(2,526,756)*	
Net current assets			**11,605,508**		*9,023,797*
Total assets less current liabilities			**15,108,050**		*12,613,766*
Provisions for liabilities					
Deferred taxation		**(171,431)**		*(172,932)*	
Other provisions	23	**(78,038)**		*(31,617)*	
			(249,469)		*(204,549)*
Net assets			**14,858,581**		*12,409,217*

BALANCE SHEET (continued)
AS AT 2 APRIL 2016

	Note	2 April 2016 £	*28 March 2015 £*
Capital and reserves			
Called up share capital	24	**5,008,004**	*5,008,004*
Share premium account	25	**2,531,777**	*2,531,777*
Profit and loss account	25	**7,318,800**	*4,869,436*
Shareholder's funds		**14,858,581**	*12,409,217*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 November 2016.

Dr A Sotoudeh
Director

A C Lang
Director

The notes on pages 12 to 35 form part of these financial statements.

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 29 March 2015	5,008,004	2,531,777	4,869,436	12,409,217
Profit for the period	-	-	5,449,364	5,449,364
Total comprehensive income for the period	-	-	5,449,364	5,449,364
Dividends: Equity capital	-	-	(3,000,000)	(3,000,000)
Total transactions with owners	-	-	(3,000,000)	(3,000,000)
At 2 April 2016	5,008,004	2,531,777	7,318,800	14,858,581

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 30 March 2014	5,008,004	2,531,777	4,912,106	12,451,887
Profit for the period	-	-	3,707,330	3,707,330
Total comprehensive income for the period	-	-	3,707,330	3,707,330
Dividends: Equity capital	-	-	(3,750,000)	(3,750,000)
Total transactions with owners	-	-	(3,750,000)	(3,750,000)
At 28 March 2015	5,008,004	2,531,777	4,869,436	12,409,217

The notes on pages 12 to 35 form part of these financial statements.

1. General information

Keeler Limited is a company incorporated in the United Kingdom under the Companies Act 2006.

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. Accordingly, in the period ended 2 April 2016 the Company has changed its accounting framework from pre-2015 UK GAAP to FRS 101 and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices.

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 32.

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).

The prior year financial statements were restated for material adjustments on adoption of FRS 101 in the current year. For more information see note below.

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:

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 45(b) and 46-52 of IFRS 2 Share based payment
- 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;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- 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

Current economic conditions continue to impose a degree of uncertainty on the level of demand for the company's products. The company is part of the Halma plc group of companies and as such has access to considerable financial resources, including the £360m 5-year revolving credit facility, running to November 2018, held with a core group of well-established banks, of which £236m was undrawn at 02 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. Accounting policies (continued)

2.4 Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Computer software	-	% 20% to 33% straight line
Development expenditure	-	% 33% straight line
Other intangible fixed assets	-	% 20% to 33% straight line

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant and equipment, motor vehicles and short life tooling	- 8% to 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.7 Development costs

Research expenditure is written off in the financial year in which it is incurred.

Development expenditure is written off in the financial year in which it is incurred, unless it relates to the development of a new or substantially improved product, is incurred after the technical feasibility and economic viability of the product has been proven and the decision to complete the development as been taken, and can be measured reliably. Such expenditure is recognised as an intangible asset in the balance sheet, initially at cost. After recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development expenditure assets are considered to have a finite useful life of three years.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 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.

2.10 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. Accounting policies (continued)

2.11 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 its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

Fair value through profit or loss

The Company comprises only out-of-the-money derivatives. They are carried in the Balance sheet at fair value recognised in the Profit and loss account.

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.

2. *Accounting policies (continued)*

2.12 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.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

2.14 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.

2.15 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.

2.16 Operating leases: lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

Group pension plan

Where the risks of a defined benefit plan are shared between entities under common control, the net defined benefit cost is recognised in the financial statements of the Group entity which is legally responsible for the plan and all other Group entities recognise a cost equal to their contribution payable for the period.

2.18 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.19 *Provisions for liabilities*

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2. Accounting policies (continued)

2.20 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.

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 1 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.

Capitalisation of internally generated development costs
In capitalising internal development costs the Company must make certain judgements about the technical feasibility of a project and also the estimation of the future cash flows that product might generate. These judgements could differ from the ultimate outcome and result in an adjustment that could be material to the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and 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, are discussed below.

Recoverability of trade receivables
In determining the recoverability of trade receivables the Company makes an estimation of the expected future cash flows that will be received. Such estimates are based on the current knowledge and prior experience in relation to each customer along with the outcome of the Company credit assessment procedures. Despite this unforeseen events could result in the ultimate outcome differing from the Company's assessment and could result in a material adjustment to the financial statements.

4. Turnover

The whole of the turnover is attributable to the manufacture and distribution of opthalmic, optometric and medical products.

Analysis of turnover by country of destination:

	53 weeks ended 2 April 2016 £	*52 weeks ended 28 March 2015 £*
United Kingdom	**6,730,266**	*6,199,523*
Rest of Europe	**2,508,656**	*2,107,946*
Rest of the world	**12,049,259**	*11,322,002*
	21,288,181	*19,629,471*

5. Other operating income

	53 weeks ended 2 April 2016 £	*52 weeks ended 28 March 2015 £*
Other operating income	**39,856**	*24,610*
Net rents receivable	-	*44,628*
Profit on disposal of freehold property	**1,609,424**	-
	1,649,280	*69,238*

6. Operating profit

The operating profit is stated after charging/(crediting):

	53 weeks ended 2 April 2016 £	52 weeks ended 28 March 2015 £
Research & development charged as an expense	**422,840**	*259,344*
Depreciation of tangible fixed assets	**364,561**	*303,197*
Profit on disposal of tangible fixed assets	**(1,614,448)**	*-*
Amortisation of intangible assets	**665,636**	*558,616*
Exchange differences	**31,378**	*(124,755)*
Staff costs (see note 8)	**4,905,626**	*4,443,764*
Cost of stocks recognised as an expense	**7,974,937**	*6,916,732*
Including:		
- write-down stocks to net realisable value	**-**	*16,950*
- reversals of impairments in stock	**(13,879)**	*-*
Operating lease payments	**31,622**	*31,622*

7. Auditor's remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	53 weeks ended 2 April 2016 £	52 weeks ended 28 March 2015 £
Fees for the audit of the Company	**20,800**	*20,480*

8. Employees

Staff costs, including directors' remuneration, were as follows:

	53 weeks ended 2 April 2016 £	52 weeks ended 28 March 2015 £
Wages and salaries	3,580,064	3,289,173
Social security costs	389,540	322,123
Cost of defined contribution scheme	936,022	832,378
	4,905,626	4,443,674

The average monthly number of employees, including the directors, during the 53 week period was as follows:

	53 weeks ended 2 April 2016 No.	52 weeks ended 28 March 2015 No.
Production	82	72
Sales and distribution	23	22
Administration	18	18
	123	112

9. Directors' remuneration

	53 weeks ended 2 April 2016 £	*52 weeks ended 28 March 2015 £*
Directors' emoluments	**620,662**	*464,564*
Amounts receivable under long-term incentive schemes	**73,595**	*-*
Company contributions to defined contribution pension schemes	**69,832**	*69,918*
	764,089	*534,482*

During the 53 week period retirement benefits were accruing to 6 directors *(2015 - 5)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £242,253 *(2015 - £137,350)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £24,487 *(2015 - £6,735)*.

The total accrued pension provision of the highest paid director at 2 April 2016 amounted to £NIL *(2015 - £60,460)*.

During the 53 week period retirement benefits were accruing to no directors (*2015 - 3*) in respect of defined benefit pension schemes.

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (*2015 - £17,254*)

During the period, share awards over shares in Halma plc, the ultimate parent company, vested to 4 directors (*2015* - 4). Share awards represent remuneration for qualifying services to the company.

6,884 (*2015 - 8,027*) share awards vested to the highest paid director.

Two (*2015 - two*) other directors were remunerated by other group companies. The amount relating to their services to the company was £nil (2015: £nil).

10. Interest receivable and similar income

	53 weeks ended 2 April 2016 £	52 weeks ended 28 March 2015 £
Interest receivable from group companies	13,246	29,420
Other interest receivable	683	-
	13,929	29,420

11. Interest payable and similar charges

	53 weeks ended 2 April 2016 £	52 weeks ended 28 March 2015 £
Bank interest payable	22	65

12. Taxation

	53 weeks ended 2 April 2016 £	52 weeks ended 28 March 2015 £
Corporation tax		
Current tax on profits for the period	946,746	1,041,826
Adjustments in respect of previous periods	1,731	(1,796)
	948,477	1,040,030
Total current tax	948,477	1,040,030
Deferred tax		
Origination and reversal of timing differences	(853)	(92,779)
Changes to tax rates	(648)	(5,640)
Total deferred tax	(1,501)	(98,419)
Taxation on profit on ordinary activities	946,976	941,611

12. 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	**6,396,340**	*4,648,941*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	**1,279,268**	*976,278*
Effects of:		
Expenses not deductible for tax purposes	**602**	*2,123*
Adjustments to tax charge in respect of prior periods	**1,731**	*(1,796)*
Non-taxable income	**(323,684)**	*-*
Other differences	**(10,941)**	*(34,994)*
Group relief	**(6,446)**	*(5,493)*
Transfer pricing adjustments	**6,446**	*5,493*
Total tax charge for the period	**946,976**	*941,611*

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.

13. Dividends

	2 April 2016 £	*28 March 2015 £*
Dividends paid on equity capital	**3,000,000**	*3,750,000*

14. Intangible assets

	Computer software	Development costs	Other intangibles	Total
	£	£	£	£
Cost				
At 29 March 2015	182,301	3,187,222	11,541	3,381,064
Additions - external	206,944	699,239	32,107	938,290
At 2 April 2016	389,245	3,886,461	43,648	4,319,354
Amortisation				
At 29 March 2015	178,285	1,980,520	5,734	2,164,539
Charge for the year	4,414	653,833	7,389	665,636
At 2 April 2016	182,699	2,634,353	13,123	2,830,175
Net book value				
At 2 April 2016	206,546	1,252,108	30,525	1,489,179
At 28 March 2015	*4,016*	*1,206,702*	*5,807*	*1,216,525*

15. Tangible fixed assets

	Freehold property	Plant, equipment, motor vehicles and short life tooling	Total
	£	£	£
Cost			
At 29 March 2015	1,658,461	6,172,435	7,830,896
Additions	-	293,525	293,525
Disposals	(435,714)	(91,598)	(527,312)
At 2 April 2016	1,222,747	6,374,362	7,597,109
Depreciation			
At 29 March 2015	416,973	5,040,929	5,457,902
Charge owned for the period	27,046	337,515	364,561
Disposals	(152,146)	(86,121)	(238,267)
At 2 April 2016	291,873	5,292,323	5,584,196
Net book value			
At 2 April 2016	930,874	1,082,039	2,012,913
At 28 March 2015	*1,241,488*	*1,131,506*	*2,372,994*

16. Fixed asset investments

	Fixed asset investments in group undertakings
	£
Cost or valuation	
At 29 March 2015	**450**
At 2 April 2016	**450**
Net book value	
At 2 April 2016	**450**
At 28 March 2015	*450*

Participating interests

The company owns 1% of the share capital of Halma Saùde e Ótica do Brasil - Importação, Exportação e Distribuição Ltda, a company incorporated in Brazil. The company's principal activity is the distribution of optical products. The remaining 99% of the share capital is owned by Halma International Limited.

17. Stocks

	2 April 2016	*28 March 2015*
	£	*£*
Raw materials and consumables	**1,280,657**	*892,815*
Work in progress (goods to be sold)	**5,993**	*246,684*
Finished goods and goods for resale	**1,381,768**	*1,536,409*
	2,668,418	*2,675,908*

Replacement costs of stock

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors: Amounts falling due within one year

	2 April 2016 £	*28 March 2015 £*
Trade debtors	**3,030,599**	*2,381,367*
Amounts owed by group undertakings	**7,671,091**	*5,895,246*
Other debtors	**-**	*18,704*
Prepayments and accrued income	**85,214**	*125,653*
	10,786,904	*8,420,970*

19. Cash and cash equivalents

	2 April 2016 £	*28 March 2015 £*
Cash at bank and in hand	**607,499**	*453,675*

20. Creditors: Amounts falling due within one year

	2 April 2016 £	*28 March 2015 £*
Trade creditors	**1,480,267**	*1,427,244*
Amounts owed to group undertakings	**321,402**	*307,002*
Corporation tax	**200,320**	*387,853*
Taxation and social security	**41,901**	*6,597*
Other creditors	**7,498**	*7,499*
Accruals and deferred income	**317,312**	*282,505*
Financial instruments	**88,613**	*108,056*
	2,457,313	*2,526,756*

21. Financial instruments

	2 April 2016 £	*28 March 2015 £*
Financial assets		
Financial assets measured at fair value through profit or loss	**607,499**	*453,675*
Financial assets that are debt instruments measured at amortised cost	**10,701,690**	*8,295,317*
	11,309,189	*8,748,992*
Financial liabilities		
Financial liabilities measured at amortised cost	**(2,021,649)**	*(1,948,838)*
Financial liabilities measured at fair value through profit or loss	**(88,613)**	*(108,056)*
	(2,110,262)	*(2,056,894)*

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

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities at amortised cost comprise trade creditors, amounts owed to group undertakings and other creditors.

Financial liabilities measured at fair value through profit or loss comprise derivative financial instruments.

Derivatives
The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risk.

It is the policy of the Company to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts.

The fair values of derivative instruments are calculated using quoted prices. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

22. Deferred tax

	Accelerated capital allowances £	Other timing differences £	Total £
At 29 March 2015	**32,465**	**(205,397)**	**(172,932)**
Credited/(charged) to profit and loss	**7,837**	**(6,336)**	**1,501**
At 2 April 2016	**40,302**	**(211,733)**	**(171,431)**

	Accelerated capital allowances £	*Other timing differences £*	*Total £*
At 30 March 2014	*27,950*	*(299,301)*	*(271,351)*
Credited to profit and loss	*4,515*	*93,904*	*98,419*
At 28 March 2015	*32,465*	*(205,397)*	*(172,932)*

23 Provisions

	Product warranty £	Dilapidations £	Total £
At 29 March 2015	**16,367**	**15,250**	**31,617**
Charged to the profit or loss	**6,421**	**40,000**	**46,421**
At 2 April 2016	**22,788**	**55,250**	**78,038**

Product warranty
The warranty provision relates to expected warranty claims on goods sold in the last year. It is expected to be utilised within one year.

Dilapidations
The dilapidations provision relates to various dilapidations where the expenditureis expected to be incurred during 2016.

24. Called up share capital

	2 April 2016 £	*28 March 2015 £*
Shares classified as equity		
Allotted, called up and fully paid		
5,008,004 Ordinary shares of £1 each	**5,008,004**	*5,008,004*

25. Reserves

Share premium

Share premium represents the excess consideration received for shares issued over par value.

26. Share based payments

The total cost recognised in profit and loss in respect of share-based payment schemes was £95,117 *(2015 - £81,562)*.

Share incentive plan
Halma plc shares awarded under this Plan are purchased in the market by the Plan's trustees at the time of the award and are held in trust until their transfer to qualifying employees; vesting is conditional upon completion of three years' service. The costs of providing this Plan are recognised in profit and loss over the three-year vesting period.

Performance share plan (PSP)
The Halma plc group operates a performance share plan in which the company's employees participated until the period ended 28 March 2015. During the year the PSP was replaced with the Executive share plan.

Awards made under this Plan vest after three years on a sliding scale subject to the Group's relative Total Shareholder Return against the FTSE 250 excluding financial companies, combined with an absolute Return on Total Invested Capital measure. Awards which do not vest, lapse on the third anniversary of their award.

Executive share plan (ESP)
During the year ended 2 April 2016 the Halma plc group introduced the ESP in which Executive directors and certain senior employees participate.

Awards made under this Plan are either performance awards or deferred awards. Performance awards vest after three years based on Earnings Per Share and Return on Total Invested Capital (ROTIC) targets, and after two or three years for deferred share awards based on the continuing service of the employee only. Awards which do not vest, lapse on the second or third anniversary of their grant.

Further details of the Halma plc group's share based payment plans can be found in note 23 of the consolidated financial statements of the ultimate parent company, which are available as disclosed in note 31 below.

27. Contingent liabilities

The company has provided a bank guarantee to Her Majesty's revenue & Customs in respect of the duty deferment scheme. At 2 April 2016, guarantees outstanding amounted to £20,000 (*2015 - £20,000*).

28. Pension commitments

The Company participates in the Halma Group Pension Plan, which operates both a defined benefit and defined contribution section. The assets of the plans are held separately from those of the Company in funds under the control of trustees.

Defined contribution scheme
Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to income of £272,171 (*2015 - £136,044*) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. As at 2 April 2016 there were no contributions in respect of the current reporting period that had not been paid over to the schemes (*2015 - £514*).

Defined benefit scheme
During the period ended 29 March 2014 the defined benefit plan closed to future accrual and all members joined the defined contribution section within the plan.

There is no contractual agreement or stated policy for charging the net defined benefit cost and, therefore, the ultimate parent company, which is the sponsoring employer of the scheme, recognises the whole of the scheme surplus or deficit in its financial statements. In accordance with IAS 19 (Revised 2011), the Company recognises a cost equal to its contribution payable for the period, which in the period ended 2 April 2016 was £663,851 (*2015 - £696,334*).

Further details of the Group defined benefit scheme are disclosed on note 28 of the consolidated financial statements of the ultimate parent company, which are available as disclosed in note 31 below.

29. Commitments under operating leases

At 2 April 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2 April 2016 £	*28 March 2015 £*
Not later than 1 year	**7,905**	*31,622*
Later than 1 year and not later than 5 years	**-**	*7,905*
	7,905	*39,527*

30. Related party transactions

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

31. *Controlling party*

The immediate and ultimate parent company of Keeler Limited and the parent company of the only group for which consolidate 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.

32. First time adoption of FRS 101

This is the first year that the Company has presented its financial statements under FRS 101. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (pre-2015 UK GAAP) were for the 52 week period ended 28 March 2015 and the date of transition to FRS 101 was therefore 30 March 2014.

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.