

Registered number: 00408759

KEELER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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KEELER LIMITED

COMPANY INFORMATION

Directors	E K Kosanovic M Hallam D Stojkovic M Barley
Company secretary	M Hallam
Registered number	00408759
Registered office	Clewer Hill Road Windsor Berkshire SL4 4AA
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 40 Clarendon Road Watford Hertfordshire WD17 1JJ

KEELER LIMITED

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KEELER LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

Introduction

The Directors present their Strategic Report for the year ended 31 March 2021 as follows:

Business review and future developments

Keeler Limited has been manufacturing and designing leading eye care and diagnostic products since 1917. During the year the company continued to progress its strategic initiatives of investing in new products to meet unmet needs, improving its operational capability and further increasing the engagement of its employees.

The overriding priority for the company during this year of the COVID-19 pandemic has been the safety and wellbeing of our employees and their families. We have also continued to pursue our strategic initiatives of investing in the development of innovative new products, improving the company's operational and commercial capabilities and further increasing the skills and engagement of our employees. The financial results of the company were impacted by the lockdowns imposed to combat COVID-19, with revenue declining 17% to £24,575,705 (2020: £29,463,171) and profit before tax falling 62% to £1,755,535 (2020: £4,678,104). The higher rate of profit decline is mostly due to operating costs remaining relatively unchanged as a result of the decision to maintain our skilled workforce in what was expected to be a temporary downturn due to COVID-19.

Whilst we placed a proportion of our own workforce on furlough we did not make any claim under the UK Government's Coronavirus Job Retention Scheme. Instead this was funded by the company.

Despite the effects of the pandemic, the company continued to invest so as to be able to support the present and future needs of our customers. Towards the end of the financial year and during Q1 of the current financial year demand for our products recovered to pre-pandemic levels and the directors believe the company is well placed to return to growth.

The company finished the year with net assets of £22,166,470 (2020: £21,284,368) and a positive cash balance.

Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis the directors have considered the company's business activities, together with the main trends and factors likely to affect its future development, performance and position, and the financial position of the company as at 31 March 2021 and at the approval date of these financial statements, its cash flows, liquidity position and borrowing facilities. The directors have prepared forecasts up to 30 September 2022, and these forecasts show that the company is expected to remain profitable and even in a severe but plausible downside scenario the company is still able to meet its debts as they fall due.

The directors have a high level of confidence that despite the current economic uncertainty and the ongoing COVID-19 pandemic 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 even in the event of the severe but plausible downside scenario. Thus, the directors believe there is no material uncertainty in the use of the going concern assumption.

KEELER LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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 and there have been no instances of non-compliance during the year.

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 company's directors believe that further key performance indicators for the company other than those disclosed in the business review are not necessary or appropriate for an understanding of the development, performance or position 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 30.

KEELER LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Directors' statement of compliance with duty to promote the success of the Company

The Companies (Miscellaneous Reporting) Regulations 2018 require that Directors explain how they have had regard to the matters set out in section 172(1) (a) to (f) (S.172(1)) of the Companies Act 2006 when performing their duty to promote the success of the company. Throughout the year, while discharging their S.172(1) duty, the directors have acted in a way that they considered, in good faith, would be most likely to promote the success of the company for the benefit of shareholders, and in doing so had regard, amongst other matters, to:

- the likely consequences of any decision in the long term.
- the need to foster the company's business relationships with suppliers and others.
- the impact of the company's operations on the community and the environment.
- the desirability of the company maintaining a reputation for high standards of business conduct.
- the need to act fairly between members of the company.

The directors also considered the interests of a wider set of stakeholders including its subsidiary undertakings, acquisition prospects and business partners.

The section below sets out the company's stakeholders, the key issues the directors considered relevant, and the engagement methods of directors and responses during the year.

Our people

Developing and attracting high quality talent is a key driver of our success. We strive to build leadership teams which are diverse, effective, and engaged. Our employees are a key resource, dedicated to creating, selling and supporting our products and services. We engage with employees through regular meetings and an annual engagement survey.

Customers

Our customers play an essential role in ensuring the sustainability of the company. By delivering our products and services to the end market where they serve to protect and improve the quality of life, they play a pivotal role in the fulfilment of our purpose.

Suppliers

Developing strong relationships with our suppliers is key to the operational success of our businesses and ensures that we have agility to develop new and market competitive solutions to meet our customers' needs.

Society & Community

We have a duty to conduct business in a responsible and sustainable way that aligns with our purpose and values and supports the communities in which we operate.

This report was approved by the board on 27 July 2021 and signed on its behalf.



M Hallam
Director

KEELER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and the audited financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

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 the 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 United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,777,102 (2020 - £3,752,444).

An interim dividend of £895,000 (2020 - £3,000,000) on ordinary shares was paid during the period. The directors do not propose the payment of a final dividend (2020 - £NIL).

Directors

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

E K Kosanovic
M Hallam
D Stojkovic
M Barley
C N Japp (resigned 18 February 2021)
J R Hirsh (resigned 18 February 2021)
L Stoltenberg (resigned 18 February 2021)
M J Osborne (appointed 18 February 2021, resigned 28 April 2021)

KEELER LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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. These can be obtained as disclosed in Note 30. Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

Engagement with employees

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 continues and 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, future developments, financial risk management, engagement with suppliers and compliance with duty to promote the success of the company 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.

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

Post balance sheet events

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

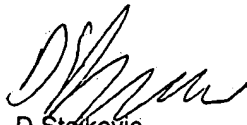
Independent auditor

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

KEELER LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

This report was approved by the board on 27 July 2021 and signed on its behalf.



D Stojkovic
Director

KEELER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEELER LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Keeler Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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 Standards, 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 2021; 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

KEELER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEELER 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 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, 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 intend 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

KEELER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEELER LIMITED

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, Employment regulation and Health and safety regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent journal entries, designed to manipulate the financial performance and/or position of the company and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inquiry with management in respect of potential non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation;
- Testing journal entries meeting specific risk criteria, testing accounting estimates for indication of management bias, and evaluating the business rationale of any significant transactions outside the normal course of business; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

KEELER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEELER 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 obtained 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.

Aeyork

Amy York (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford

27 July 2021

KEELER LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Revenue	4	24,575,705	29,463,171
Cost of sales		(18,624,574)	(20,433,741)
Gross profit		5,951,131	9,029,430
Distribution costs		(541,631)	(544,710)
Administrative expenses		(3,839,889)	(3,826,528)
Other operating income	5	50,980	59,499
Operating profit	6	1,620,591	4,717,691
Interest receivable and similar income	10	396	33,397
Interest payable and similar expenses	11	(1,870)	-
Change in fair value of derivative financial instruments		136,418	(72,984)
Profit before taxation		1,755,535	4,678,104
Taxation on profit	12	21,567	(925,660)
Profit and total comprehensive income for the year		1,777,102	3,752,444

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 15 to 38 form part of these financial statements.

All amounts relate to continuing operations.

KEELER LIMITED
REGISTERED NUMBER: 00408759

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	1,453,364	1,490,649
Tangible assets	15	1,924,132	2,259,552
Investments	16	450	450
		<u>3,377,946</u>	<u>3,750,651</u>
Current assets			
Stocks	17	4,449,639	5,284,691
Debtors: amounts falling due after more than one year	18	195,911	-
Debtors: amounts falling due within one year	18	16,234,661	14,280,956
Cash at bank and in hand	19	1,348,148	989,038
		<u>22,228,359</u>	<u>20,554,685</u>
Creditors: amounts falling due within one year	20	(3,336,626)	(2,872,661)
Net current assets		<u>18,891,733</u>	<u>17,682,024</u>
Total assets less current liabilities		<u>22,269,679</u>	<u>21,432,675</u>
Provisions for liabilities			
Deferred taxation	22	(99,912)	(132,261)
Other provisions	23	(3,297)	(16,046)
		<u>(103,209)</u>	<u>(148,307)</u>
Net assets		<u><u>22,166,470</u></u>	<u><u>21,284,368</u></u>

KEELER LIMITED
REGISTERED NUMBER: 00408759

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
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	14,626,689	13,744,587
Total shareholders' funds		<u>22,166,470</u>	<u>21,284,368</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2021.


D Stojkovic
Director


M Hallam
Director

The notes on pages 15 to 38 form part of these financial statements.

KEELER LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2020	5,008,004	2,531,777	13,744,587	21,284,368
Comprehensive income for the year				
Profit for the year	-	-	1,777,102	1,777,102
Total comprehensive income for the year	-	-	1,777,102	1,777,102
Dividends: Equity capital	-	-	(895,000)	(895,000)
Total transactions with owners	-	-	(895,000)	(895,000)
At 31 March 2021	5,008,004	2,531,777	14,626,689	22,166,470

The notes on pages 15 to 38 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2019	5,008,004	2,531,777	12,992,143	20,531,924
Comprehensive income for the year				
Profit for the year	-	-	3,752,444	3,752,444
Total comprehensive income for the year	-	-	3,752,444	3,752,444
Dividends: Equity capital	-	-	(3,000,000)	(3,000,000)
Total transactions with owners	-	-	(3,000,000)	(3,000,000)
At 31 March 2020	5,008,004	2,531,777	13,744,587	21,284,368

The notes on pages 15 to 38 form part of these financial statements.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Keeler Limited is a private company limited by shares incorporated and domiciled in England, 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.

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 judgment in applying the Company's accounting policies (see note 3).

New standards and interpretations not yet applied are disclosed on page 158 of the consolidated financial statements of the ultimate parent. New standards applied for the first time are disclosed in on page 158 of the consolidated financial statements of the ultimate parent. These statements can be obtained as disclosed in note 30 below.

There was no material impact from new standards in these financial statements.

The following principal accounting policies have been applied:

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- 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 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.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis the directors have considered the company's business activities, together with the main trends and factors likely to affect its future development, performance and position, and the financial position of the company as at 31 March 2021 and at the approval date of these financial statements, its cash flows, liquidity position and borrowing facilities. The directors have prepared forecasts up to 30 September 2022, and these forecasts show that the company is expected to remain profitable and even in a severe but plausible downside scenario the company is still able to meet its debts as they fall due.

The directors have a high level of confidence that despite the current economic uncertainty and the ongoing COVID-19 pandemic 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 even in the event of the severe but plausible downside scenario. Thus, the directors believe there is no material uncertainty in the use of the going concern assumption.

2.4 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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the company and the customer.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss 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.

2.8 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 payment obligations.

The contributions are recognised as an expense in profit or loss 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.

2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

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.

2.11 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.

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.

Amortisation is provided on the following bases:

Computer software	-	20% to 33% straight line
Development expenditure	-	33% straight line

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.12 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 has 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.

2.13 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.

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 profit or loss.

2.14 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.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.15 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.

2.16 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.

2.17 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.

2.18 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 profit or loss 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.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.19 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 Effective Credit Losses ('ECL') for trade receivables and amounts due on contracts with customers. The ECL 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.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.19 Financial instruments (continued)

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 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.

2.20 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.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

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 source 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 uses lifetime expected credit losses method based on historical bad debt experience adjusted for future risk; such estimates are based on forward-looking information. 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.

Valuation of stock

Stock is stated at the lower of cost or net realisable value, and the Company makes an estimation to determine the net realisable value of stock at the end of each reporting period. The net realisable value of stock is mainly determined based on assumptions of future demand within a specific time horizon. These estimates could differ from the ultimate outcome and result in an adjustment that could be material to the financial statements.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Revenue

The whole of the revenue is attributable to the manufacture and distribution of ophthalmic, optometric and medical products.

Analysis of revenue by country of destination:

	2021 £	2020 £
United Kingdom	5,032,059	6,789,733
Rest of Europe	4,874,233	5,519,093
Rest of the world	14,669,413	17,154,345
	<u>24,575,705</u>	<u>29,463,171</u>

5. Other operating income

	2021 £	2020 £
R&D expenditure credits	<u>50,980</u>	<u>59,499</u>

6. Operating profit

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

	2021 £	2020 £
Research and development charged	614,551	575,511
Depreciation of tangible fixed assets (note 15)	444,062	372,736
Amortisation of intangible assets (note 14)	629,127	604,842
Exchange differences	15,907	141,314
Loss/(profit) on sales of fixed assets	20,843	(4,768)
Staff costs (note 8)	5,162,020	6,478,137
Cost of stocks recognised as an expense	10,809,318	12,031,187
Including:		
- write-down stocks to net realisable value	215,200	-
- reversals of impairments in stock	-	(32,379)
	<u></u>	<u></u>

In the prior year write-downs against inventory have been reversed as a result of increased sales in certain markets or where previously written down inventories have been disposed.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Auditors' remuneration

Fees payable to the company's auditors for the audit of the company's annual financial statements	29,286	26,624
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8. Employees

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

	2021 £	2020 £
Wages and salaries	4,274,208	5,542,764
Social security costs	555,887	592,347
Cost of defined contribution scheme	331,925	343,026
	<u>5,162,020</u>	<u>6,478,137</u>

In addition to the defined contribution scheme costs included in the table above, the company incurred costs of £664,676 (2020: £621,515) in relation to the Halma group's deficit reduction payments for the groups defined benefit pension schemes. Further details are included in note 27.

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Production	87	104
Sales and distribution	41	29
Administration	22	15
Other	4	11
	<u>154</u>	<u>159</u>

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	534,292	813,305
Company contributions to defined contribution pension schemes	50,788	73,331
	<u>585,080</u>	<u>886,636</u>

During the year retirement benefits were accruing to 6 directors (2020 - 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £147,912 (2020 - £180,691).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,224 (2020 - £20,879).

During the period, share awards over shares in Halma plc, the ultimate parent company, vested to no directors (2020 - none) and 3 previous directors in the prior year. Share awards represent remuneration for qualifying services to the company.

Two (2020 - one) directors were remunerated by other group companies. The amount relating to their services to the company was £nil (2020: £nil).

10. Interest receivable and similar income

	2021 £	2020 £
Interest receivable from group companies	-	30,290
Bank interest receivable	396	3,107
	<u>396</u>	<u>33,397</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	1,870	-

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the period	-	923,533
Adjustments in respect of previous periods	10,782	29,540
	<u>10,782</u>	<u>953,073</u>
Total current tax	<u>10,782</u>	<u>953,073</u>
Deferred tax		
Origination and reversal of timing differences	(35,974)	(33,405)
Adjustments in respect of previous periods	3,625	5,992
	<u>(32,349)</u>	<u>(27,413)</u>
Taxation on profit	<u>(21,567)</u>	<u>925,660</u>

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit before tax	<u>1,755,535</u>	<u>4,678,104</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	333,552	888,840
Effects of:		
Expenses not deductible for tax purposes	4,256	9,121
Adjustments to tax charge in respect of previous periods	14,407	35,532
Other differences	(18,846)	(7,833)
Group relief	(357,124)	(13,657)
Transfer pricing adjustments	2,188	13,657
Total tax (credit)/charge for the year	<u>(21,567)</u>	<u>925,660</u>

Factors that may affect future tax charges

The UK government announced in the Budget on 3 March 2021 an intention to increase the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. This change will impact the value of our deferred tax balances as well as the tax charged on profits from the effective date.

13. Dividends

	2021 £	2020 £
Dividends paid on equity capital	<u>895,000</u>	<u>3,000,000</u>

KEELER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Intangible assets

	Computer software £	Development costs £	Total £
Cost			
At 1 April 2020	1,046,659	5,178,012	6,224,671
Additions	217,449	374,393	591,842
At 31 March 2021	<u>1,264,108</u>	<u>5,552,405</u>	<u>6,816,513</u>
Accumulated amortisation			
At 1 April 2020	517,185	4,216,837	4,734,022
Charge for the year on owned assets	179,582	449,545	629,127
At 31 March 2021	<u>696,767</u>	<u>4,666,382</u>	<u>5,363,149</u>
Net book value			
At 31 March 2021	<u>567,341</u>	<u>886,023</u>	<u>1,453,364</u>
At 31 March 2020	<u>529,474</u>	<u>961,175</u>	<u>1,490,649</u>

Development costs have been capitalised in accordance with the measurement and recognition bases of IAS 38 Intangible Assets and are therefore not treated, for dividend purposes, as a realised loss. These costs related to the development of new products. Two projects are in development. Production has commenced on the remaining one product and the related costs will be written off over three years. Amortisation expense is included within Cost of sales in the Statement of comprehensive income.

KEELER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15. Tangible assets

	Freehold property £	Plant, equipment, motor vehicles and short life tooling £	Total £
Cost			
At 1 April 2020	1,222,747	7,288,361	8,511,108
Additions	-	154,194	154,194
Disposals	-	(114,852)	(114,852)
At 31 March 2021	<u>1,222,747</u>	<u>7,327,703</u>	<u>8,550,450</u>
Accumulated depreciation			
At 1 April 2020	367,620	5,883,936	6,251,556
Charge for the year on owned assets	18,937	425,125	444,062
Disposals	-	(69,300)	(69,300)
At 31 March 2021	<u>386,557</u>	<u>6,239,761</u>	<u>6,626,318</u>
Net book value			
At 31 March 2021	<u>836,190</u>	<u>1,087,942</u>	<u>1,924,132</u>
At 31 March 2020	<u>855,127</u>	<u>1,404,425</u>	<u>2,259,552</u>

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

16. Investments

	Investments in associates £
Cost and net book value	
At 1 April 2020	450
At 31 March 2021	<u>450</u>

Participating interests

The company owns 1% of the share capital of Halma Saúde 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

	2021 £	2020 £
Raw materials and consumables	1,996,184	2,032,585
Work in progress (goods to be sold)	136,355	145,401
Finished goods and goods for resale	2,317,100	3,106,705
	<u>4,449,639</u>	<u>5,284,691</u>

Stock is stated after provisions of impairment of £588,382 (2020: £373,182).

Replacement costs of stock

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

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

18. Debtors

	2021 £	2020 £
Due after more than one year		
Amounts owed by group undertakings	195,911	-
	<u>195,911</u>	<u>-</u>
	2021 £	2020 £
Due within one year		
Trade debtors	3,643,301	3,840,589
Amounts owed by group undertakings	11,122,430	9,609,931
Other debtors	1,227,690	651,146
Prepayments and accrued income	182,109	179,290
Financial instruments	59,131	-
	<u>16,234,661</u>	<u>14,280,956</u>

Included in other debtors is corporation tax receivable of £1,176,846 (2020: £520,964).

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

Trade debtors are stated after provisions for impairment of £1,781 (2020: £3,097).

19. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,348,148	989,038
	<u>1,348,148</u>	<u>989,038</u>

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,145,559	1,849,930
Amounts owed to group undertakings	519,290	772,354
Other taxation and social security	7,105	10,047
Accruals and deferred income	664,672	163,043
Financial instruments	-	77,287
	<u>3,336,626</u>	<u>2,872,661</u>

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

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

21. Financial instruments

	2021 £	2020 £
Financial assets		
Financial assets measured at fair value through profit or loss	59,131	-
Financial assets that are debt instruments measured at amortised cost	16,360,634	14,569,740
	<u>16,419,765</u>	<u>14,569,740</u>
Financial liabilities		
Financial liabilities measured at fair value through profit	-	(77,287)
Financial liabilities measured at amortised cost	(3,294,067)	(2,758,537)
	<u>(3,294,067)</u>	<u>(2,835,824)</u>

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

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

Financial liabilities at amortised cost comprise trade creditors, accruals, 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 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.

KEELER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

22. Deferred taxation

	Accelerated capital allowances £	Other timing differences £	Total £
At 1 April 2020	31,403	(163,664)	(132,261)
Credited/(charged) to profit and loss	42,343	(9,994)	32,349
At 31 March 2021	73,746	(173,658)	(99,912)
	<i>Accelerated capital allowances £</i>	<i>Other timing differences £</i>	<i>Total £</i>
At 1 April 2019	18,016	(177,690)	(159,674)
Credited to profit and loss	13,387	14,026	27,413
At 31 March 2020	31,403	(163,664)	(132,261)

23. Other provisions

	Product warranty £
At 1 April 2020	16,046
Credited to profit and loss	(12,749)
At 31 March 2021	3,297

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.

KEELER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

24. Called up share capital

	2021 £	2020 £
Allotted, called up and fully paid		
5,008,004 (2020 - 5,008,004) Ordinary shares of £1.00 each	<u>5,008,004</u>	<u>5,008,004</u>

25. Reserves

Share premium account

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 £140,012 (2020 - £146,693).

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 the profit and loss over the three-year vesting period.

Executive share plan (ESP)

The ESP introduced in FY15/16 in which Executive directors and certain senior employees participate replaced the PSP.

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 24 of the consolidated financial statements of the ultimate parent company, which are available as disclosed in note 30 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 31 March 2021, guarantees outstanding amounted to £20,000 (2020 - £20,000) with no expiry date.

KEELER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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 £331,925 (2020 - £343,026) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. As at 31 March 2021 there were no outstanding contributions payable (2020 - £nil) in respect of the current reporting period that had not been paid over to the schemes.

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 year ended 31 March 2021 was £664,676 (2020 - £621,515).

Further details of the Group defined benefit scheme are disclosed on note 29 of the consolidated financial statements of the ultimate parent company, which are available as disclosed in note 30 below.

29. 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.

30. Controlling party

The immediate and ultimate parent company of Keeler Limited 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 or at www.halma.com.