Registered number: 00408759

KEELER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

KEELER LIMITED

COMPANY INFORMATION

Directors	E K Kosanovic M Hallam G K Trevor (appointed 1 April 2022) A D J Harbidge C Ferguson (appointed 1 April 2022) L Forrest (appointed 1 January 2023) C G Mccord (appointed 1 January 2023)
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

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The Directors present their Strategic Report for the year ended 31 March 2023 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 company performed well in the year as global markets further recovered from the COVID-19 pandemic. We have 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.

Despite disruption to global supply chains, higher than normal rates of inflation and the impact of sanctions as a result of the conflict in Ukraine, the company has performed well and this is reflected in the financial results which show an increase in revenue of 14% to £37,928,152 (2022: £33,262,860) and an increase in profit before tax of 27% to £6,754,736 (2022: £5,307,102). While there are some concerns about maroeconomic risks impacting customer demand, in particular relatively high inflation and interest rates, the directors maintain confidence in the company's financial prospects and have paid a dividend of £3,445,000 for the year ended 31 March 2023.

The company continues to invest in the research and development of new products and enhancing its existing products. Total research and development charge for the year was £1,396,620 (2022: £1,153,915).

The company finished the year with net assets of £25,511,629 *(2022: £23,530,832)* 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 2023 and at the approval date of these financial statements, its cash flows, liquidity position and borrowing facilities. The directors have prepared forecasts up to 31 December 2024, 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 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.

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. Another group company takes out forward exchange contracts to manage this risk on behalf of the company.

Financial key performance indicators

Revenue and profit before tax are key performance indicators for the company and 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

The company assessed the inflation risk and wherever possible implemented mitigating measures. Further 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 29.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

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. Disclosures in respect of Streamlined Energy and Carbon (SECR) are made in the consolidated financial statements of the ultimate parent company. These statements can be obtained as disclosed in note 29 below.

Details of how the directors of Halma plc group discharged their S.172(1) duty when taking principal decisions during the year are set out in the Strategic Report of the Halma plc group annual report which can be obtained as disclosed in Note 29 below.

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 4 August 2023 and signed on its behalf.

A D J Harbidge
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the for the year ended 31 March 2023.

Statement of directors' responsibilities in respect of the financial statements

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 for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law) .

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements,
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 also 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 £5,425,797 *(2022 - £4,224,362).*

An interim dividend of £3,445,000 (2022 - £2,860,000) on ordinary shares was paid during the period. The directors do not propose the payment of a final dividend (2022 - £NIL) .

Directors

The directors who served during the year were:

E K Kosanovic
M Hallam
D Stojkovic (resigned 1 August 2022)
G K Trevor (appointed 1 April 2022)
A D J Harbidge
C Ferguson (appointed 1 April 2022)
L Forrest (appointed 1 January 2023)
C G Mccord (appointed 1 January 2023)

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 29. 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.

Qualifying third party indemnity provisions

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

Matters covered in the strategic report

The Directors's statement on going concern, future developments, financial risk management, engagement with suppliers, research and development, 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.

Post balance sheet events

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

Independent auditors

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

This report was approved by the board on 4 August 2023 and signed on its behalf.

M Hallam
Director

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 2023 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, including 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 2023; 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.

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 2023 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.

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 non-compliance with product quality and registration requirements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and non-compliance with UK tax legislation. 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 the financial statement disclosures and agreeing those disclosures back to supporting documentation;
- Identifying and testing journal entries posted with unusual account combinations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Challenging assumptions and judgements made by management in their assessment of key sources of estimation uncertainty and critical judgements.

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.

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.

Ruaridh Macphee (Senior Statutory Auditor)

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

4 August 2023

KEELER LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Revenue	4	**37,928,152**	*33,262,860*
Cost of sales		**(26,558,054)**	*(23,803,750)*
Gross profit		**11,370,098**	*9,459,110*
Distribution costs		**(859,310)**	*(827,765)*
Administrative expenses		**(4,154,763)**	*(3,275,775)*
Other operating income	5	**101,739**	*78,962*
Operating profit	6	**6,457,764**	*5,434,532*
Interest receivable and similar income	10	**50,113**	*37,570*
Change in fair value of derivative financial instruments		**246,859**	*(165,000)*
Profit before tax		**6,754,736**	*5,307,102*
Tax on profit	11	**(1,328,939)**	*(1,082,740)*
Profit and total comprehensive income for the financial year		**5,425,797**	*4,224,362*

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 16 to 39 form part of these financial statements.

All amounts relate to continuing operations.

KEELER LIMITED
REGISTERED NUMBER: 00408759

BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		2022 £
Fixed assets					
Intangible assets	13		**1,237,819**		*1,431,498*
Tangible assets	14		**1,744,078**		*1,789,740*
Investments	15		**450**		*450*
			2,982,347		*3,221,688*
Current assets					
Stocks	16	**7,836,775**		*5,253,890*	
Debtors: amounts falling due within one year	17	**18,909,156**		*19,003,818*	
Cash at bank and in hand	18	**177,298**		*350,343*	
		26,923,229		*24,608,051*	
Creditors: amounts falling due within one year	19	**(4,180,970)**		*(4,210,995)*	
Net current assets			**22,742,259**		*20,397,056*
Total assets less current liabilities			**25,724,606**		*23,618,744*
Provisions for liabilities					
Deferred taxation	21	**(196,048)**		*(72,531)*	
Other provisions	22	**(16,929)**		*(15,381)*	
			(212,977)		*(87,912)*
Net assets			**25,511,629**		*23,530,832*

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Capital and reserves			
Called up share capital	23	**5,008,004**	*5,008,004*
Share premium account	24	**2,531,777**	*2,531,777*
Profit and loss account	24	**17,971,848**	*15,991,051*
Total shareholders' funds		**25,511,629**	*23,530,832*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 August 2023.

A D J Harbidge
Director

M Hallam
Director

The notes on pages 16 to 39 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2022	5,008,004	2,531,777	15,991,051	23,530,832
Comprehensive income for the year				
Profit for the year	-	-	5,425,797	5,425,797
Total comprehensive income for the year	-	-	5,425,797	5,425,797
Dividends	-	-	(3,445,000)	(3,445,000)
Total transactions with owners	-	-	(3,445,000)	(3,445,000)
At 31 March 2023	5,008,004	2,531,777	17,971,848	25,511,629

The notes on pages 16 to 39 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	5,008,004	2,531,777	14,626,689	22,166,470
Comprehensive income for the year				
Profit for the year	-	-	4,224,362	4,224,362
Total comprehensive income for the year	-	-	4,224,362	4,224,362
Dividends	-	-	(2,860,000)	(2,860,000)
Total transactions with owners	-	-	(2,860,000)	(2,860,000)
At 31 March 2022	5,008,004	2,531,777	15,991,051	23,530,832

The notes on pages 16 to 39 form part of these financial statements.

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. The principal activities of the Company are manufacturing and designing of leading eye care and diagnostic products.

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 173 of the consolidated financial statements of the ultimate parent. New standards applied for the first time are disclosed in on page 173 of the consolidated financial statements of the ultimate parent. These statements can be obtained as disclosed in note 29 below.

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

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 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.

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 2023 and at the approval date of these financial statements, its cash flows, liquidity position and borrowing facilities. The directors have prepared forecasts up to 31 December 2024, 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 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. Accounting policies (continued)

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.

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, net of 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.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The company applies the practical expedient in IFRS 15 (paragraph 63) and does not adjust the promised amount of consideration for the effects of a significant financing component if the company expects, at contract inception, that the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

The company applies the practical expedient in IFRS 15 (paragraph 94) and recognises incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the company would otherwise have recognised is one year or less.

2.6 Interest income

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

2. Accounting policies (continued)

2.7 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.

2.8 Share based payments

Where share options are awarded in the parent entity, Halma plc, 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.

2. Accounting policies (continued)

2.9 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.

2.10 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.

Annual amortisation is provided on the following bases:

Computer software	-	20 % to 33 % straight line per annum
Development costs	-	33 % straight line per annum

Amortisation on development costs commences once the development period has ended and the project is handed over for commercial use or production.

2. Accounting policies (continued)

2.11 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.

2.12 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.

Annual depreciation is provided on the following basis:

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

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. Accounting policies (continued)

2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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.

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. Accounting policies (continued)

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 offset against the provision carried in the Balance Sheet.

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

The Company's financial assets other than those which meet the criteria to be measured at amortised cost 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.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

2. Accounting policies (continued)

2.19 Financial instruments (continued)

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

Financial liabilities

Fair value through profit or loss

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

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 and recoverability 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.

Valuation of stock (Note 16)

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 and adjustment that could be material to the financial statements.

4. Revenue

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

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	**8,477,279**	*7,517,628*
Rest of Europe	**6,918,961**	*7,029,331*
Rest of the world	**22,531,912**	*18,715,901*
	37,928,152	*33,262,860*

5. Other operating income

	2023 £	2022 £
R&D expenditure credits	**101,739**	*78,962*

6. Operating profit

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

	2023 £	2022 £
Research and development charged	**1,396,620**	*1,153,915*
Depreciation of tangible fixed assets (note 14)	**350,607**	*388,782*
Amortisation of intangible assets (note 13)	**215,448**	*257,483*
Impairment of intangible assets	**251,000**	*-*
Exchange differences	**432,960**	*(52,597)*
(Profit)/loss on sales of fixed assets	**(3,747)**	*69,986*
Staff costs (note 8)	**8,501,621**	*7,893,318*
Cost of stocks recognised as an expense	**16,016,531**	*14,530,979*
Including:		
- (write-up)/write-down stocks to net realisable value	**-**	*80,793*
- reversals of impairments in stock	**(198,052)**	*(90,457)*

7. Auditors' remuneration

	2023 £	*2022 £*
Fees for the audit of the Company	**35,436**	*29,314*
	35,436	*29,314*

8. Employees

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

	2023 £	*2022 £*
Wages and salaries	**7,438,847**	*6,930,142*
Social security costs	**500,673**	*570,015*
Cost of defined contribution scheme	**595,309**	*393,161*
	8,534,829	*7,893,318*

In addition to the defined contribution scheme costs included in the table above, the company incurred costs of £740,880 *(2022: £520,925)* 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:

	2023 No.	*2022 No.*
Production	**104**	*101*
Sales and distribution	**31**	*33*
Administration	**22**	*21*
Other	**2**	*-*
	159	*155*

9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	**1,324,575**	*764,215*
Amounts receivable under long-term incentive schemes	**28,549**	*38,490*
Company contributions to defined contribution pension schemes	**62,166**	*43,978*
	1,415,290	*846,683*

During the year retirement benefits were accruing to 6 directors *(2022 - 5)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £321,295 *(2022 - £274,401)*.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16,209 *(2022 - £14,836)*.

The highest paid director received £17,373 under long-term incentive schemes *(2022: £10,249)*.

During the period, share awards over shares in Halma plc, the ultimate parent company, vested to three directors *(2022: four)*. Share awards represent remuneration for qualifying services to the company.

1,292 (2022: 373) share awards vested to the highest paid director.

Two *(2022* - two) directors were remunerated by other group companies. The amount relating to their services to the company was £nil *(2022: £nil)*.

Halma plc charges the Company an annual management fee reflecting a proportion of centrally incurred administrative costs for support functions such as sector oversight, technology, finance, talent, legal and compliance. The management fee includes the services of the Company's directors who are not remunerated directly by the Company. Having made reasonable efforts, the remuneration of these directors in respect of qualifying services to the Company cannot be determined.

10. Interest receivable and similar income

	2023 £	2022 £
Interest receivable from group companies	**50,113**	*37,570*
	50,113	*37,570*

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the period	**1,265,926**	*1,071,059*
Adjustments in respect of previous periods	**(60,504)**	*39,062*
	1,205,422	*1,110,121*
Total current tax	**1,205,422**	*1,110,121*
Deferred tax		
Origination and reversal of timing differences	**61,915**	*(45,064)*
Adjustments in respect of previous periods	**61,602**	*17,683*
Total deferred tax	**123,517**	*(27,381)*
Taxation on profit/(loss)	**1,328,939**	*1,082,740*

11. Taxation (continued)

Factors affecting tax charge/(credit) for the period

The tax assessed for the period is higher than *(2022 - higher than)* the standard rate of corporation tax in the UK of 19% *(2022 - 19%)*. The differences are explained below:

	2023 £	*2022 £*
Profit before tax	**6,754,736**	*5,307,102*
Profit multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	**1,283,400**	*1,008,349*
Effects of:		
Expenses not deductible for tax purposes	**7,565**	*3,966*
Adjustments in respect of previous periods	**1,098**	*56,745*
Other differences	**36,876**	*13,680*
Group relief	**(30,632)**	*(4,912)*
Transfer pricing adjustments	**30,632**	*4,912*
Total tax charge for the year	**1,328,939**	*1,082,740*

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

12. Dividends

	2023 £	*2022 £*
Dividends paid - Ordinary shares	**3,445,000**	*2,860,000*

The company paid a dividend of £0.69 per ordinary share (2022: £0.57 per ordinary share).

13. Intangible assets

	Computer software £	Development costs £	Total £
Cost			
At 1 April 2022	**1,046,150**	**5,920,078**	**6,966,228**
Additions - external	**11,200**	**261,569**	**272,769**
At 31 March 2023	**1,057,350**	**6,181,647**	**7,238,997**
Accumulated Amortisation			
At 1 April 2022	**821,431**	**4,713,299**	**5,534,730**
Charge for the year on owned assets	**168,531**	**46,917**	**215,448**
Impairment charge	**-**	**251,000**	**251,000**
At 31 March 2023	**989,962**	**5,011,216**	**6,001,178**
Net book value			
At 31 March 2023	**67,388**	**1,170,431**	**1,237,819**
At 31 March 2022	*224,719*	*1,206,779*	*1,431,498*

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.

Development costs related to the development of new products. Two projects are in development, one of which has a carrying value of £800,325 and relates to the development of a next generation ophthalmoscope . 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.

During the year an impairment of development costs of £251k was recognised in cost of sales, this was as a result of changes in the expected outcome of a project.

14. Tangible assets

	Freehold property £	Plant, equipment, motor vehicles and short life tooling £	Total £
Cost			
At 1 April 2022	1,222,747	4,029,863	5,252,610
Additions	-	341,292	341,292
Disposals	-	(71,600)	(71,600)
At 31 March 2023	1,222,747	4,299,555	5,522,302
Accumulated depreciation			
At 1 April 2022	405,494	3,057,376	3,462,870
Charge for the year on owned assets	18,937	331,670	350,607
Disposals	-	(35,253)	(35,253)
At 31 March 2023	424,431	3,353,793	3,778,224
Net book value			
At 31 March 2023	798,316	945,762	1,744,078
At 31 March 2022	*817,253*	*972,487*	*1,789,740*

15. Investments

	Investments in associates £
Cost and net book value	
At 1 April 2022	**450**
At 31 March 2023	**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.

16. Stocks

	2023 £	*2022 £*
Raw materials and consumables	**3,455,874**	*2,388,236*
Work in progress (goods to be sold)	**337,181**	*289,557*
Finished goods and goods for resale	**4,043,720**	*2,576,097*
	7,836,775	*5,253,890*

Stock is stated after provisions of impairment of £380,666 (2022: £578,718).

Replacement costs of stock

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

17. Debtors

	2023 £	2022 £
Amounts falling due within one year		
Trade debtors	**4,409,313**	*3,981,187*
Amounts owed by group undertakings	**13,539,580**	*14,310,445*
Other debtors	**546,811**	*519,113*
Prepayments and accrued income	**272,462**	*193,073*
Financial Instruments - intercompany derivatives (Note 20)	**140,990**	-
	18,909,156	*19,003,818*

Included in other debtors is corporation tax receivable of £494,185 *(2022: £361,200).*

The Company participates in cash pooling arrangements with other companies within the Halma Group and has transferred £7,191,115 to the pool as at 31 March 2023, (2022: £2,558,202) and this now forms part of the amount owed by group undertakings. The amounts pooled attract interest at 1.5% above base rate in the financial year in which they are initially pooled and then become interest free balances at the end of the relevant financial year. At the end of the financial year all intercompany balances are interest free, unsecured, have no fixed date for repayment and are repayable on demand.

Trade debtors are stated after provisions for impairment of £8,198 (2022: £9,896) .

18. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	**177,298**	*350,343*

The Company participates in cash pooling arrangements with other companies within the Halma Group and has transferred £7,191,202 to the pool as at 31 March 2023 (2022: £2,558,202).

19. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	**2,555,338**	*2,273,493*
Amounts owed to group undertakings	**251,787**	*428,587*
Other taxation and social security	**8,403**	*5,884*
Accruals	**1,365,442**	*1,397,162*
Financial Instruments - intercompany derivatives (Note 20)	**-**	*105,869*
	4,180,970	*4,210,995*

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

20. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through profit or loss	**140,990**	-
Financial assets that are debt instruments measured at amortised cost	**18,178,817**	*18,799,888*
	18,319,807	*18,799,888*
Financial liabilities		
Financial liabilities measured at fair value through profit	**-**	*(105,869)*
Financial liabilities measured at amortised cost	**(4,143,162)**	*(4,054,892)*
	(4,143,162)	*(4,160,761)*

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

Derivatives

Another group company enters into derivative financial instruments to manage the Company's exposure to foreign exchange rate risk. It is the policy of the Halma group companies to enter into back to back forward foreign exchange contracts to cover foreign currency payments and receipts on behalf of other group companies.

The fair values of intercompany derivative financial instruments are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the derivatives.

21. Deferred taxation

	Accelerated capital allowances £	Other timing differences £	Total £
At 1 April 2022	**164,479**	**(237,010)**	**(72,531)**
Charged to profit and loss	**(25,903)**	**(97,614)**	**(123,517)**
At 31 March 2023	**138,576**	**(334,624)**	**(196,048)**

	Accelerated capital allowances £	*Other timing differences £*	*Total £*
At 1 April 2021	*73,746*	*(173,658)*	*(99,912)*
Credited/(Charged) to profit and loss	*90,733*	*(63,352)*	*27,381*
At 31 March 2022	*164,479*	*(237,010)*	*(72,531)*

22. Other provisions

	Product warranty £
At 1 April 2022	**15,381**
Charged to profit or loss	**1,548**
At 31 March 2023	**16,929**

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.

23. Called up share capital

	2023	*2022*
	£	*£*
Allotted, called up and fully paid		
5,008,004 *(2022 - 5,008,004)* Ordinary shares of £1.00 each	**5,008,004**	*5,008,004*

24. Reserves

Share premium account

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

25. Share based payments

The total cost recognised in profit and loss in respect of share-based payment schemes was £259,429 *(2022 - £103,596)*.

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 29 below.

26. 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 2023, guarantees outstanding amounted to £20,000 (*2022* - £20,000) with no expiry date.

The company participates in a cash pool operated by its ultimate parent company, Halma plc. As part of that arrangement the company provides a cross guarantee along with other Group companies, to cover net overdraft facilities of £13.2m (2022; £13.2m). As at 31 March 2023, total net overdrafts relating to cash pooling was £Nil, (2022; £Nil). The maximum obligation of any company in the pool would be the value of their cash at bank balance at the time of any guarantee claim.

27. 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 £595,309 *(2022 - £393,161)* represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. As at 31 March 2023 there were no outstanding contributions payable *(2022 - £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 Halma plc Group 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 2023 was £740,880 *(2022 - £520,925)*.

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 29 below.

28. 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.

During the period a loan of £9,999 was made to a director. The amount was repaid in full on 31 March 2023.

29. 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 or at www.halma.com.