

Registered number
03182766

Kee Safety Limited
Annual Report and Financial Statements
For the year ended 31 December 2018



Kee Safety Limited
Financial statements
for the year ended 31 December 2018

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Kee Safety Limited
Financial statements
for the year ended 31 December 2018

Company Information

Directors

N Russ
C Milburn

Secretary

N Russ

Auditors

Grant Thornton UK LLP
Statutory Auditor and Chartered Accountants
The Colmore Building
20 Colmore Circus
Birmingham
West Midlands
B4 6AT

Bankers

Lloyds Bank Plc
114-116 Colmore Row
Birmingham
B3 3BD

Registered office

Unit A2
Cradley Business Park
Overend Road
Cradley Heath
West Midlands
B64 7DW

Registered number

03182766

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Strategic Report

Principal activities

The principal activities of the company are the global design, development, manufacture and distribution of branded roof edge and fall protection safety systems and safety components used primarily to construct safety guardrails, all of which are designed to protect people from hazards.

Business review

	2018	2017
	£ 000	£ 000
Turnover	2,978	2,975
Gross margin	1,411	1,310
Operating profit before depreciation	498	477
Operating profit% before depreciation	16.7%	16.0%

Principal risks and uncertainties

The principal risks and uncertainties facing the company are:

Commodity price risk

The company's exposure to the price of various commodities is high, therefore selling prices are monitored regularly to reduce the impact of such a risk. Opportunities to reduce material cost and content are explored constantly.

Liquidity risk

The company's policy has been to ensure continuity of funding through generating cash from its trading operations and arranging funding for operations via the group's medium and long term external banking facilities and loan notes from shareholders.

Foreign currency risk

The company is exposed in its trading operations to the risk of changes in foreign currency exchange rates. This risk is managed by being part of an international group trading in several different currencies mainly US dollar and Euros.

Future expectations

The company intends to continue a medium term strategy of profitable and cash generative growth within the safety sector.

As the company is part of a larger international group, contingency planning for "Brexit" has involved increasing stocks at the groups other sites in Europe, America and Middle East.

This report was approved by the board on 27 September 2019 and signed on its behalf.


N. Russ
Director
Date:

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Directors' Report

The directors present their report and financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year, after taxation, amounted to £694,000 (2017: £520,000).

No dividends were paid in the year (2017: Nil) and the directors do not recommend a dividend.

Directors

The following persons served as directors during the year:

N Russ
C Milburn

The company maintains directors and officers liability insurance on behalf of the directors.

Matters covered in the Strategic Report

The business review, principal risks and uncertainties, the financial key performance indicators and future developments are included in the Strategic Report.

Going Concern

The directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future being a period of not less than twelve months from the date of approval of this Annual report and financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements. Please refer to note 2.3 for more detail.

Supplier payment policy

The company seeks to maintain mutually beneficial trading relationships with its suppliers, including payment terms which are agreed in advance.

Employee involvement

The company has a loyal workforce and does not experience significant staff turnover or labour relation problems. Performance and attendance is monitored and recorded forming an important part of employee assessment.

Post balance sheet events

There have been no significant events affecting the company since the year end that required further disclosure in the financial statements.

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Directors' Report

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law and, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

This report was approved by the board on 27 September 2019 and signed on its behalf.



N. Russ
Director

Kee Safety Limited
Independent auditor's report
to the members of Kee Safety Limited
For the year ended 31 December 2018

Opinion

We have audited the financial statements of Kee Safety Limited for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Kee Safety Limited
Independent auditor's report
to the members of Kee Safety Limited
For the year ended 31 December 2018

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Kee Safety Limited
Independent auditor's report
to the members of Kee Safety Limited
For the year ended 31 December 2018

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Natalie Gladwin BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

27 September 2019

Kee Safety Limited
Financial statements
for the year ended 31 December 2018

Statement of Comprehensive Income

	Notes	2018 £ 000	2017 £ 000
Turnover	4	2,978	2,975
Cost of sales		(1,567)	(1,665)
Gross profit		<u>1,411</u>	<u>1,310</u>
Administrative expenses		(929)	(848)
Operating profit	5	<u>482</u>	<u>462</u>
Interest receivable and similar income	7	236	196
Interest payable and similar charges	8	(8)	(7)
Profit on ordinary activities before taxation		<u>710</u>	<u>651</u>
Tax on profit on ordinary activities	9	(16)	(131)
Profit for the financial year		<u>694</u>	<u>520</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>694</u>	<u>520</u>

The accompanying principal accounting policies and notes on pages 11 to 20 form part of these financial statements.

Kee Safety Limited
Financial statements
as at 31 December 2018

Statement of Financial Position

	Notes	2018 £ 000	2017 £ 000
Fixed assets			
Intangible assets	10	1	1
Tangible assets	11	<u>27</u>	<u>40</u>
		28	41
Current assets			
Debtors	12	5,950	5,378
Cash at bank and in hand	13	<u>65</u>	<u>74</u>
		6,015	5,452
Creditors: amounts falling due within one year	14	(528)	(672)
Net current assets		5,487	4,780
Net assets		<u>5,515</u>	<u>4,821</u>
Capital and reserves			
Called up share capital	17	701	701
Profit and loss account	18	4,814	4,120
Total equity		<u>5,515</u>	<u>4,821</u>

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



Neill
 Director

Approved by the board on 27 September 2019

The accompanying principal accounting policies and notes on pages 11 to 20 form part of these financial statements.

Kee Safety Limited
Financial statements
for the year ended 31 December 2018

Statement of Changes in Equity

	Share capital	Profit and loss account	Total
	£ 000	£ 000	£ 000
At 1 January 2017	701	3,600	4,301
Profit for the financial year	-	520	520
At 31 December 2017	<u>701</u>	<u>4,120</u>	<u>4,821</u>
At 1 January 2018	701	4,120	4,821
Profit for the financial year	-	694	694
At 31 December 2018	<u>701</u>	<u>4,814</u>	<u>5,515</u>

The accompanying principal accounting policies and notes on pages 11 to 20 form part of these financial statements.

Kee Safety Limited
Financial statements
for the year ended 31 December 2018

Notes to the financial statements

1 General information

Kee Safety Limited is a limited liability company incorporated in England and Wales. Its registered office address is Unit A2, Cradley Business Park, Overend Road, Cradley Heath, West Midlands, B64 7DW.

The financial statements are presented in Sterling (£), rounded in thousands.

2 Summary of significant accounting policies

2.1 Basis of preparation

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Safety Topco Limited as at 31 December 2018 and these financial statements may be obtained from its registered office at Unit A2, Cradley Business Park, Overend Road, Cradley Heath, West Midlands, B64 7DW.

2.3 Going concern

The directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future, being a period of not less than twelve months from the date of approval of this Annual report and financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Revenue

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 when all of the following conditions are satisfied:

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

Kee Safety Limited
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Notes to the financial statements

Summary of significant accounting policies (continued)

2.5 Intangible assets

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.6 Tangible fixed assets

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

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.

The estimated useful lives are as follows:

Plant and machinery	3 - 15 years
Moulds and tools (included in plant and machinery)	3 years
Office equipment	3 - 15 years

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

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

2.7 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.8 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.

2.9 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.

Kee Safety Limited
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Notes to the financial statements

Summary of significant accounting policies (continued)

2.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation

The company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.13 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Kee Safety Limited
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Notes to the financial statements

Summary of significant accounting policies (continued)

2.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.16 Interest income

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

2.17 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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 Statement of Financial Position 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 reporting date.

2.19 Onerous lease

The onerous lease provision relates to a property which has been sub-leased to another company for a lower rental. The provision represents the net present value of the excess rental cost over rental income.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements require management to make significant judgements and estimates. The items included in the financial statements where these judgements and estimates have been made include:

Bad debt provision

A specific provision is made at each reporting date for estimated losses resulting from the viability of the company's customers to make required payment. The provision is based on the company's regular assessment of the credit worthiness and financial conditions of customers.

Onerous lease provision

A specific provision has been estimated by management relating to a rental property which is currently not used by the business and which is sub-let to a tenant at a rental which does not fully cover the head lease rent.

Kee Safety Limited
Financial statements
for the year ended 31 December 2018

Notes to the financial statements

4 Analysis of turnover	2018	2017
	£ 000	£ 000

The whole of the turnover is attributable to the principal business activity.

By geographical market:

UK	2,019	2,043
Europe	764	893
Rest of world	195	39
	<u>2,978</u>	<u>2,975</u>

5 Operating profit	2018	2017
	£ 000	£ 000

This is stated after charging:

Depreciation of owned fixed assets	16	15
Operating lease rentals - plant and machinery	-	10
Research and development expenditure	-	1
Auditors' remuneration for audit services	4	4
Foreign exchange (gains)/losses	<u>1</u>	<u>-</u>

Fees paid to the company's auditor, Grant Thornton UK LLP, and its associates for services other than the statutory audit of the company are not disclosed in the company's accounts since the consolidated accounts of the company's parent, Safety Topco Limited, are required to disclose non-audit fees on a consolidated basis.

6 Staff costs	2018	2017
	£ 000	£ 000

Wages and salaries	416	347
Social security costs	46	48
Other pension costs	19	15
	<u>481</u>	<u>410</u>

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

	Number	Number
Other	5	4
Sales	6	7
	<u>11</u>	<u>11</u>

During the year, no director received any emoluments (2017:£Nil).

Kee Safety Limited
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Notes to the financial statements

7 Interest receivable and similar income	2018	2017
	£ 000	£ 000
Interest receivable from group companies	236	196

8 Interest payable and similar charges	2018	2017
	£ 000	£ 000
Bank loans and overdrafts	8	7

9 Taxation	2018	2017
	£ 000	£ 000
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	-	126
Adjustments in respect of previous periods	18	(6)
Total current tax	18	120

Deferred tax:		
Origination and reversal of timing differences	(2)	11

Taxation on profit on ordinary activities	16	131
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Factors affecting tax charge for period

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017:19.25%). The differences are explained below:

	2018	2017
	£ 000	£ 000
Profit on ordinary activities before tax	710	651
Standard rate of corporation tax in the UK	19%	19.25%

	£ 000	£ 000
Profit on ordinary activities multiplied by the standard rate of corporation tax	135	125

Effects of:		
Expenses not deductible for tax purposes	3	-
Group relief claimed	(140)	1
Adjustments to tax charge in respect of previous periods	18	(6)
Adjustments to tax charge in respect of previous periods- deferred tax	-	11
Adjustment closing deferred tax to average rate of 19.25%	-	1
Adjustment opening deferred tax to average rate of 19.25%	-	(1)

Current tax charge for year	16	131
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Kee Safety Limited
Financial statements
for the year ended 31 December 2018

Notes to the financial statements

Factors that may affect future tax charges

The main rate of corporation tax will reduce to 17% in 2020.

Deferred tax has been measured at the average tax rates that are expected to apply in the year in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

10 Intangible fixed assets	£ 000
Patents	
Cost	
At 1 January 2018	1
At 31 December 2018	<u>1</u>
Amortisation	
At 1 January 2018	-
At 31 December 2018	<u>-</u>
Carrying amount	
At 31 December 2018	<u>1</u>
At 31 December 2017	<u>1</u>

11 Tangible fixed assets	Plant and machinery £ 000	Office equipment £ 000	Total £ 000
Cost			
At 1 January 2018	764	389	1,153
Reclass	(6)	9	3
Additions	-	2	2
At 31 December 2018	<u>758</u>	<u>400</u>	<u>1,158</u>
Depreciation			
At 1 January 2018	731	382	1,113
Reclass	5	(3)	2
Charge for the year	10	6	16
At 31 December 2018	<u>746</u>	<u>385</u>	<u>1,131</u>
Carrying amount			
At 31 December 2018	<u>12</u>	<u>15</u>	<u>27</u>
At 31 December 2017	<u>33</u>	<u>7</u>	<u>40</u>

Kee Safety Limited
Financial statements
for the year ended 31 December 2018

Notes to the financial statements

12 Debtors	2018	2017
	£ 000	£ 000
Trade debtors	652	482
Amounts owed by group undertakings	5,272	4,821
Deferred tax asset (see note 16)	8	6
Tax recoverable	-	54
Prepayments and accrued income	18	15
	<u>5,950</u>	<u>5,378</u>

An impairment loss of £30,000 (2017:£4,000) was recognised against trade debtors.

Amounts owed by group undertakings are unsecured, repayable on demand and interest bearing at a rate of base rate plus 4%.

13 Cash and cash equivalents	2018	2017
	£ 000	£ 000
Cash at bank and in hand	65	74
Less bank overdrafts	<u>(140)</u>	<u>(402)</u>
	<u>(75)</u>	<u>(328)</u>

The bank overdraft is repayable on demand and is unsecured and is part of an overall group limit of £1 million which is subject to annual review.

14 Creditors: amounts falling due within one year	2018	2017
	£ 000	£ 000
Bank overdrafts	140	402
Inter company trade creditors	86	-
Trade creditors	175	27
Corporation tax	-	84
Other taxes and social security costs	33	37
Other creditors	-	3
Accruals and deferred income	94	119
	<u>528</u>	<u>672</u>

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15 Financial instruments

	2018	2017
	£ 000	£ 000
Financial assets		
Cash and cash equivalents	65	74
Financial assets measured at amortised cost	5,924	5,357
	<u>5,989</u>	<u>5,431</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(495)</u>	<u>(548)</u>

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

Financial liabilities measured at amortised cost comprise trade creditors, accruals and inter company trade creditors and bank overdrafts.

16 Deferred taxation

2018	2017
£ 000	£ 000

The provision for deferred tax is made up as follows:

Accelerated capital allowances	(6)	(6)
Short term timing differences	(2)	-
	<u>(8)</u>	<u>(6)</u>

	2018	2017
	£ 000	£ 000
At 1 January	(6)	5
Credited to the profit and loss account	(2)	(11)
	<u>(8)</u>	<u>(6)</u>

17 Share capital

	Nominal		2018	2017
	value	Number	£ 000	£ 000
Allotted, called up and fully paid:				
Ordinary shares	£1 each	701,000	<u>701</u>	<u>701</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

18 Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

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19 Capital commitments	2018	2017
	£ 000	£ 000
Amounts contracted for but not provided in the accounts	-	-

20 Pension commitments

The pension cost charge for the year represents contributions paid by the company to the fund and this amounted to £19,000 (2017:£11,000). Contributions totalling £Nil (2017: £Nil) were payable to the fund at the year end.

21 Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

Land and buildings	2018	2017
	£ 000	£ 000
Falling due:		
Not later than 1 year	110	104
Later than 1 year and not later than 5 years	413	416
Later than 5 years	-	87
	<u>523</u>	<u>607</u>

22 Contingent liabilities

The company's assets are subject to fixed and floating charges and guarantees on the overdraft obligations of all other companies within the Safety Topco Limited group.

23 Related party transactions

The company has taken advantage of the exemption provided by FRS 102 not to disclose transactions with other group members as the parent company prepares consolidated financial statements. Copies of the consolidated financial statements of Safety Topco Limited can be obtained from the registered office address.

24 Controlling party

The company is an immediate subsidiary undertaking of K.I.G. Limited incorporated in the United Kingdom.

The ultimate parent and controlling company is Safety Topco Limited incorporated in the United Kingdom. The Safety Topco Limited group is the largest and smallest group of undertakings for which group accounts are prepared. The consolidated accounts are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff. CF14 3UZ.