
KEY WEST (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

KEY WEST (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	A Nisbet A M Nisbet J P Nisbet E R Nisbet
Company secretary	A Nisbet
Registered number	08963631
Registered office	22 Clifton Road Clifton Bristol Avon BS8 1AQ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Senior Statutory Auditor 2 Glass Wharf Bristol BS2 0EL

KEY WEST (HOLDINGS) LIMITED

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KEY WEST (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Principal Activity

The company is a holding company for investments in subsidiaries and to develop a commercial property business.

Strategy

Key West (Holdings) Limited

The Key West (Holdings) Limited strategy is to continue to build a commercial property business by investing in commercial property in the UK. These properties are managed to develop a sustainable revenue and to contribute to generating funds for charitable causes.

Nisbets plc

The strategy adopted during the year has been to continually build on the market leading position established by the Nisbets plc group. This strategy is based on already well established products and service alongside development and expansion of the product range. To achieve future growth the directors are committed to maintaining a competitive pricing structure and are seeking to introduce and grow new sales channels to expand the customer base in the UK and abroad.

Jongor Limited

The strategy adopted during the year has been to continue to maintain and improve on the high level of service to our customers, to maintain and expand our market position and to focus on direct cost control.

Business review

Within Key West (Holdings) Limited, the group had Turnover for the year of £388.5 million (2016: £328.3 million). Profit before tax was £35.6 million (2016: £35.4 million).

Nisbets plc is the most significant investment in Key West (Holdings) Limited. Nisbets plc is principally engaged in the sale and leasing of catering equipment. Its activities are carried out through the company's branches in the United Kingdom and the Republic of Ireland and subsidiaries in the UK, France, Spain, the Netherlands, China and Australia. Nisbets continues its record of turnover growth achieving a 18% growth in the year. Turnover for the year ended 31 December 2017 was in line with expectations at £380.3 million and profit before tax was £37.5 million, an increase of 10% from the prior year (2016: £34.1 million).

The principal activity of Jongor Limited, the other investment within Key West (Holdings) Limited, was that of the hire of banqueting furniture, catering equipment, cold rooms and temporary kitchens to sporting events, catering organisations, marquee contractors, companies and individuals. Turnover for the year ended 31 December 2017 was £6.3 million (2016: £6.1 million), the gross profit percentage was 75% (2016: 79%).

During the year Key West (Holdings) Limited invested in a further 3 commercial properties. Turnover for the year was £1.9 million. Donations of £1.5m were made to the Nisbet Charitable Trust. Subsequent to the year end the group has continued to develop its commercial property business in the UK.

KEY WEST (HOLDINGS) LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Financial risk management objectives and policies

Each of the subsidiary companies have their own Boards and Management Teams, they have responsibility for running their respective companies and manage the financial risk separately to Key West (Holdings) Limited, details can be found in the individual annual strategic reports.

Key West (Holdings) Limited

The key financial risk is that of its lessees to pay in accordance with the terms of their lease. This risk is managed closely by ensuring that all contractual payments are received in accordance with leases and a regular dialogue is maintained. As the business continues to grow the strategy is to diversify the sectors that the company operates in to spread any risk associated with specific sectors.

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



A Nisbet
Director

Date: 3 September 2018

KEY WEST (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £27,202,000 (2016: £26,142,000).

A dividend of £40,001 was paid during the year (2016: £1,000,000).

Directors

The directors who served during the year were:

A Nisbet
A M Nisbet
J P Nisbet
E R Nisbet

As Nisbets plc is the most significant investment in Key West (Holdings) Limited, the statements below relate predominately to Nisbets plc.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 of the company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Future developments

Continued development and further investments are expected.

KEY WEST (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Financial instruments

The principal subsidiary, Nisbets plc is exposed to transaction foreign exchange risk which it seeks to hedge using forward exchange rate contracts and other financial instruments. The fair value of these derivative financial instruments as at 31 December 2017 was a liability of £6,841,190 (2016: an asset of £6,669,907).

Environmental policy

Management have continued to develop the group's environmental policy and control the group's environmental impact, recycling 98% of waste in 2017. The group's objective is to consistently develop and improve performance in this area by investment into improved waste stream segregation along with promoting staff awareness and training. In addition, the group works with suppliers to ensure that a minimalistic packaging approach and appropriate environmental policies and controls are adopted within their organisations.

Although not currently required to register as a large energy user under the CRC Energy Efficiency Scheme, the group monitors the energy use of its buildings and processes with the aim of continuing to reduce its carbon footprint. It is continuing to work to achieve this through a number of measures including the introduction of additional low energy lighting equipment and specialised motion control sensors in both warehouse and office areas.

Colleague involvement

The group's policy is to keep colleagues informed about activities and developments across the business. Local managers are charged with communication and explaining matters affecting them as employees and the financial and economic factors affecting the performance of the group. Other communications and methods used for consulting colleagues and their representatives vary locally according to the country and the nature of colleague representation.

Disabled colleagues

Applications for employment by disabled persons are given full consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of colleagues becoming disabled, every effort is made to retrain them in order that their employment with the group may continue.

It is the policy of the group that training, career development and promotion opportunities should be available to all colleagues.

Nisbets in the community

As part of its Corporate Social Responsibility activities, the group runs its Nisbets in the Community programme. This is a dedicated long term charitable project which encourages colleagues to get involved in local community projects and make a difference by raising money and volunteering their skills and time. The group also actively recruits from the local area to tackle unemployment, particularly supporting young people seeking to develop their skills to become more employable.

Charitable donations

The company made charitable donations during the year of £1,500,000 (2016: £500,000). The group made charitable donations during the year of £1,610,043 (2016: £575,000).

KEY WEST (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is 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 and the Group'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 3 September 2018 and signed on its behalf.



A Nisbet
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY WEST (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Key West (Holdings) Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2017, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and 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 Group's and of the parent company's affairs as at 31 December 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 parent company and the Group 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.

Who we are reporting to

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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY WEST (HOLDINGS) LIMITED
(CONTINUED)**

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 Group's or the parent 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.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY WEST (HOLDINGS) LIMITED
(CONTINUED)**

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

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Director's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

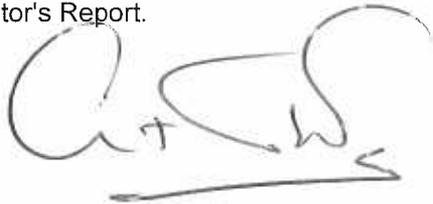


**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY WEST (HOLDINGS) LIMITED
(CONTINUED)**

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.



Timothy Lincoln BA ACA (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
Bristol

3 September 2018

KEY WEST (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Turnover	4	388,540	328,311
Cost of sales		(243,619)	(206,050)
Gross profit		144,921	122,261
Administrative expenses		(107,476)	(86,128)
Other operating income	5	2,163	-
Operating profit	6	39,608	36,133
Charitable donations		(1,610)	(575)
Total operating profit		37,998	35,558
Change in fair value of investment properties		(2,163)	-
Interest receivable and similar income	10	274	174
Interest payable and expenses	11	(477)	(345)
Profit before taxation		35,632	35,387
Tax on profit	12	(7,130)	(7,443)
Profit for the financial year		28,502	27,944
Currency translation difference on foreign currency net investments		(1,123)	198
Company restructure		986	-
Change in fair value of financial instruments		(13,851)	10,269
Actuarial losses on defined benefit pension scheme		2,469	(7,032)
Other comprehensive income for the year		(11,519)	3,435
Total comprehensive income for the year		16,983	31,379

KEY WEST (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Profit for the year attributable to:			
Non-controlling interests		1,300	1,802
Owners of the parent company		27,202	26,142
		<hr/>	<hr/>
		28,502	27,944
Total comprehensive income for the year attributable to:			
Non-controlling interests		77	275
Owners of the parent company		16,906	31,104
		<hr/>	<hr/>
		16,983	31,379
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 20 to 45 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Intangible fixed assets		19,688	17,810
Tangible fixed assets		59,430	47,312
Investment property	17	40,110	28,879
		<u>119,228</u>	<u>94,001</u>
Current assets			
Stocks	18	60,591	52,226
Debtors: amounts falling due after more than one year	19	1,211	497
Debtors: amounts falling due within one year	19	40,984	41,181
Cash at bank and in hand	20	24,952	33,513
		<u>127,738</u>	<u>127,417</u>
Creditors: amounts falling due within one year	21	(73,584)	(53,317)
Net current assets		<u>54,154</u>	<u>74,100</u>
Total assets less current liabilities		<u>173,382</u>	<u>168,101</u>
Creditors: amounts falling due after more than one year	22	(4,785)	(12,911)
Provisions for liabilities			
Net assets		<u><u>168,597</u></u>	<u><u>155,190</u></u>

KEY WEST (HOLDINGS) LIMITED
REGISTERED NUMBER:08963631

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Capital and reserves			
Called up share capital	26	35	35
Foreign exchange reserve	27	(5,273)	6,109
Merger reserve	27	5,182	5,182
Profit and loss account	27	163,912	136,658
Equity attributable to owners of the parent company		163,856	147,984
Non-controlling interests		4,741	7,206
		168,597	155,190

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



A Nisbet
Director

Date: 3 September 2018

The notes on pages 20 to 45 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED
REGISTERED NUMBER:08963631

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	15	2	1
Investments	16	6,456	1,620
Investment property	17	40,110	28,879
		46,568	30,500
Current assets			
Debtors: amounts falling due within one year	19	5,120	4,991
Cash at bank and in hand	20	8,194	8,895
		13,314	13,886
Creditors: amounts falling due within one year	21	(4,486)	(7,211)
		8,828	6,675
Net current assets		8,828	6,675
Total assets less current liabilities		55,396	37,175
Net assets		55,396	37,175
Capital and reserves			
Called up share capital	26	35	35
Profit and loss account	27	55,361	37,140
		55,396	37,175

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



A Nisbet
Director

Date: 3 September 2018

The notes on pages 20 to 45 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £000	Cashflow hedge reserve £000	Merger reserve £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 January 2017	35	6,109	5,182	136,658	147,984	7,206	155,190
Comprehensive income for the year							
Profit for the year	-	-	-	27,202	27,202	1,300	28,502
Fair value changes and foreign currency translation differences	-	(11,382)	-	92	(11,290)	(229)	(11,519)
Other comprehensive income for the year							
	-	(11,382)	-	92	(11,290)	(229)	(11,519)
Total comprehensive income for the year							
	-	(11,382)	-	27,294	15,912	1,071	16,983
Dividends: Equity capital	-	-	-	(40)	(40)	-	(40)
Dividend	-	-	-	-	-	(717)	(717)
Purchase of minority interest shares	-	-	-	-	-	(2,819)	(2,819)
Total transactions with owners							
	-	-	-	(40)	(40)	(3,536)	(3,576)
At 31 December 2017	35	(5,273)	5,182	163,912	163,856	4,741	168,597

The notes on pages 20 to 45 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £000	Cashflow hedge reserve £000	Merger reserve £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 January 2016	35	2,898	5,182	111,567	119,682	4,944	124,626
Comprehensive income for the year				26,142	26,142	1,802	27,944
Profit for the year	-	-	-	26,142	26,142	1,802	27,944
Fair value changes and foreign currency transaction differences	-	3,211	-	(51)	3,160	275	3,435
Repurchase of minority interests shares	-	-	-	-	-	917	917
Other comprehensive income for the year				(51)	3,160	1,192	4,352
Total comprehensive income for the year				26,091	29,302	2,994	32,296
Dividends: Equity capital	-	-	-	(1,000)	(1,000)	-	(1,000)
Dividend	-	-	-	-	-	(732)	(732)
Total transactions with owners				(1,000)	(1,000)	(732)	(1,732)
At 31 December 2016	35	6,109	5,182	136,658	147,984	7,206	155,190

The notes on pages 20 to 45 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2017	35	37,140	37,175
Comprehensive income for the year			
Profit for the year	-	18,261	18,261
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	18,261	18,261
Dividends: Equity capital	-	(40)	(40)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	(40)	(40)
	<hr/>	<hr/>	<hr/>
At 31 December 2017	35	55,361	55,396

The notes on pages 20 to 45 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2016	35	20,439	20,474
Comprehensive income for the year			
Profit for the year	-	17,701	17,701
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	17,701	17,701
Dividends: Equity capital	-	(1,000)	(1,000)
	<hr/>	<hr/>	<hr/>
Total transactions with owners	-	(1,000)	(1,000)
	<hr/>	<hr/>	<hr/>
At 31 December 2016	35	37,140	37,175

The notes on pages 20 to 45 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £000	2016 £000
Cash flows from operating activities		
Profit for the financial year	28,502	27,944
Adjustments for:		
Amortisation of intangible assets	3,202	1,642
Depreciation of tangible assets	5,003	4,369
Loss on disposal of tangible assets	(41)	35
Interest paid	272	345
Interest received	(69)	(174)
Taxation charge	7,130	7,443
(Increase) in stocks	(8,764)	(5,563)
(Increase) in debtors	(2,267)	(10,792)
Increase in creditors	4,174	15,081
Net fair value losses recognised in P&L	2,163	-
Corporation tax (paid)	(10,146)	(5,003)
Net cash generated from operating activities	29,159	35,327
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,970)	(2,799)
Purchase of tangible fixed assets	(17,340)	(14,149)
Sale of tangible fixed assets	190	76
Purchase of investment properties	(13,394)	(25,327)
Interest received	192	147
Purchase of subsidiary undertaking	-	(10,327)
Net cash from investing activities	(33,322)	(52,379)

KEY WEST (HOLDINGS) LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £000	2016 £000
Cash flows from financing activities		
New secured loans	6,216	-
Repayment of loans	(1,185)	(1,185)
Dividends paid	(757)	(1,733)
Interest paid	(327)	(302)
Purchase of subsidiary undertaking	(5,464)	-
Repayment of loan from minority shareholders	-	156
Net cash used in financing activities	(1,517)	(3,064)
Net (decrease) in cash and cash equivalents	(5,680)	(20,116)
Cash and cash equivalents at beginning of year	26,902	45,706
Foreign exchange transaction adjustment	190	421
Cash acquired on acquisition of subsidiary	-	891
Cash and cash equivalents at the end of year	21,412	26,902
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	24,952	33,513
Bank overdrafts	(3,540)	(6,611)
	21,412	26,902

The notes on pages 20 to 45 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Key West (Holdings) Limited is a private company limited by shares and registered in England and Wales. Its registered head office is located at 22 Clifton Road, Clifton, Bristol, Avon, BS8 1AQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 Group management to exercise judgment in applying the Group accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

On 9 April 2014 Key West (Holdings) Limited acquired 94.4% of share capital of Nisbets PLC by way of a share for share exchange. The transaction qualified as a group reconstruction within the meaning of Financial Reporting Standard 102.19.29, and has been accounted for using the merger accounting method. Accordingly, the financial information in the year of acquisition and comparatives were presented as if Nisbets PLC had been owned by Key West (Holdings) Limited throughout the periods.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.3 Revenue

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from sale of goods and from the rendering of services. Further details on the sale of goods and rendering of services are included in note 4.

Turnover from sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Turnover from services rendered are recognised once the service has taken place. Services include the repair and maintenance of products sold and the financing of goods sold from leasing. Turnover from equipment hire is recognised over the rental period.

Rental income is derived from collection of rental income after deduction for value added tax. Turnover is recognised on a straight line basis over the lease term.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other 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.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, see method used below.

Depreciation is provided on the following basis:

Freehold property	- 2% - 5% straight line
Short-term leasehold property	- life of lease
Plant and machinery	- 25% straight line
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reduced balance / 8% - 33.3% straight line
Computer equipment	- 20% - 33.3% straight line
Hire equipment	- 20% - 33.3% straight line

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

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

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated 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.

2.7 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income. The fair value adjustment includes the write-off of previously capitalised acquisition costs.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102 section 16. The directors consider that, because these properties are not held for consumption, but for their investment potential it is necessary to adopt FRS 102 section 16 and not depreciate in order to give a true and fair view. If this departure from the Act has not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

2.9 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 reporting 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 the Consolidated Statement of Comprehensive Income.

2.10 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.

2.11 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 require 100 day notice period to withdraw.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.12 Financial instruments

The Group only enters into basic financial instrument 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 related parties and investments in non-puttable ordinary shares.

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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Consolidated 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.

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.

Derivative financial instruments qualifying for hedge accounting are recognised at fair value using the valuation technique with any gains or losses being held in the cash flow hedge reserve until settlement. Upon settlement any gains or losses are matched with the hedged transaction in cost of sales. Derivative financial instruments not qualifying for hedge accounting are recognised at fair value using the valuation technique with any gains or losses being reported in profit or loss. These financial instruments do not match against a specific commercial contract or transaction so are detailed separately on the Statement of Comprehensive Income.

All derivative financial instruments are measured using the "mark to market" value of the financial instrument at the balance sheet date. This technique calculates present value of the future cash flows relating to the instrument based on foreign exchange rates and interest rates prevailing at the balance sheet date.

2.13 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.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.15 Finance costs

Finance costs are charged to the 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.

2.16 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.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.17 Finance lease contracts and income - Lessor accounting

Assets leased to customers under arrangements that transfer substantially all the risk and rewards of ownership of the assets, other than legal title, to the leasees are classified as financial leases.

The gross earnings from finance leases (including any items of income incidental to the leases) are allocated to accounting periods using a constant periodic rate of return on the group's net cash investment in the lease and are included in turnover. Initial direct costs, incremental to the group and directly associated with negotiating and consummating the lease transactions, are recognised in the profit and loss account when incurred.

Net investment in finance leases at the balance sheet date represents the minimum lease rentals accruing to the group less the gross earnings allocated to the future periods. There are no guaranteed residual values available to the group at the end of any leases. Unguaranteed residual values are not considered to be material to the group and are not, therefore, reflected in the net investment in finance leases.

Any gains or loss on disposal of assets arising at the end of the lease is included in turnover when all the risks and rewards have been transferred by the group.

Any gains or loss on early terminations of leases, calculated as the difference between the total net sums recovered and the book value of net investment in finance leases, is included in the profit and loss account on the date the lease terminates.

Secondary rentals are recognised in the profit and loss account as they accrue.

2.18 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Group in independently administered funds.

2.19 Interest income

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

2.20 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.21 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.22 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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

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

Provision for obsolete and slow moving inventories - Inventories are classed as obsolete if no sale has been made in the previous 12 months and 100% provision is made on obsolete inventories. Provision on slow moving inventories is made on a range of percentages based on the group's historical trends.

Provision for bad and doubtful debts - Provisions are made on long overdue items on the debtors ledger with specific provision for debtors in financial difficulty.

Provision for customer returns and replacements - Provision is made for pending and expected customer returns based on the group historical trends.

Depreciation of fixed assets - Assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as level of usage, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Valuation of investment property - The value of properties owned by the group are considered in relation to current market considerations and recent actual transactions.

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £000	2016 £000
Sale of catering equipment	379,683	321,111
Leasing and hire of catering equipment	6,958	6,089
Net rent receivable	1,899	1,111
	<u>388,540</u>	<u>328,311</u>

5. Other operating income

	2017 £000	2016 £000
Compensation payment	2,163	-
	<u>2,163</u>	<u>-</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

6. Operating profit

The operating profit is stated after charging:

	2017	2016
	£000	£000
Depreciation of tangible fixed assets	5,003	4,370
Amortisation of intangible assets, including goodwill	3,202	1,642
Foreign exchange (gain)/loss	912	(3,561)
Other operating lease rentals	7,115	4,525
Charitable donations	1,610	575
	<u>16,842</u>	<u>7,551</u>

7. Auditor's remuneration

	2017	2016
	£000	£000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	13	10
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of associates of the Group pursuant to legislation	97	142
Tax compliance	3	-
Tax advisory	6	-
Other non audit services	35	107
	<u>151</u>	<u>259</u>

KEY WEST (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Employees

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

	Group 2017 £000	<i>Group 2016 £000</i>	Company 2017 £000	<i>Company 2016 £000</i>
Wages and salaries	52,560	42,756	-	-
Social security costs	4,922	3,782	-	-
Cost of defined contribution scheme	1,982	1,873	50	-
	<u>59,464</u>	<u>48,411</u>	<u>50</u>	<u>-</u>

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

	2017 No.	<i>2016 No.</i>
Employees	<u>1,839</u>	<u>1,643</u>

9. Directors' remuneration

	2017 £000	<i>2016 £000</i>
Directors' emoluments	94	146
Company contributions to defined contribution pension schemes	50	1
	<u>144</u>	<u>147</u>

During the year retirement benefits were accruing to 1 director (2016: 1) in respect of defined contribution pension schemes.

10. Interest receivable

	2017 £000	<i>2016 £000</i>
Other interest receivable	<u>274</u>	<u>174</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

11. Interest payable and similar expenses

	2017 £000	2016 £000
Bank interest payable	477	345

12. Taxation

	2017 £000	2016 £000
Corporation tax		
Current tax on profits for the year	6,717	7,272
Adjustments in respect of previous periods	(86)	127
	<u>6,631</u>	<u>7,399</u>
Foreign tax		
Foreign tax on income for the year	947	279
	<u>947</u>	<u>279</u>
Total current tax	<u>7,578</u>	<u>7,678</u>
Deferred tax		
Origination and reversal of timing differences	(448)	(235)
Total deferred tax	<u>(448)</u>	<u>(235)</u>
Taxation on profit on ordinary activities	<u>7,130</u>	<u>7,443</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	35,632	35,387
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	6,859	7,085
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	1
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	807	470
Capital allowances for year in excess of depreciation	42	-
Adjustments to tax charge in respect of prior periods	-	22
Chargeable gains/(losses)	(447)	-
Non taxable income	(506)	(2)
Share options	-	(75)
Unrelieved tax losses carried forward and other deductions in the period	(28)	(359)
Difference in foreign exchange on foreign subsidiaries	-	17
Adjustments to deferred tax charge in respect of previous period	238	(24)
Differences between standard and actual rate	143	213
Corporation tax rate change	30	122
Group relief	(8)	(1)
Transfer pricing adjustments	-	(26)
Total tax charge for the year	7,130	7,443

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

13. Dividends

	2017 £000	2016 £000
Ordinary shares	40	1,000

14. Intangible assets

Group

	Goodwill on consolidation £000	Purchased goodwill £000	Other intangibles £000	Total £000
Cost				
At 1 January 2017	16,240	342	7,766	24,348
Additions	-	628	2,437	3,065
On acquisition of subsidiaries	2,017	-	-	2,017
On disposal of subsidiaries	-	-	(2)	(2)
At 31 December 2017	<u>18,257</u>	<u>970</u>	<u>10,201</u>	<u>29,428</u>
Amortisation				
At 1 January 2017	2,580	243	3,715	6,538
Charge for the year	1,698	166	1,338	3,202
At 31 December 2017	<u>4,278</u>	<u>409</u>	<u>5,053</u>	<u>9,740</u>
Net book value				
At 31 December 2017	<u>13,979</u>	<u>561</u>	<u>5,148</u>	<u>19,688</u>
At 31 December 2016	<u>13,660</u>	<u>99</u>	<u>4,051</u>	<u>17,810</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

15. Tangible fixed assets

Group

	Freehold property £000	Short-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000
Cost or valuation					
At 1 January 2017	40,308	244	168	253	23,508
Additions	10,581	105	158	117	4,545
Disposals	(32)	(2)	(24)	(62)	(133)
Exchange adjustments	(32)	-	-	1	60
At 31 December 2017	<u>50,825</u>	<u>347</u>	<u>302</u>	<u>309</u>	<u>27,980</u>
Depreciation					
At 1 January 2017	4,887	64	103	81	14,430
Charge for the year on owned assets	932	42	45	108	2,440
Disposals	(1)	(1)	(20)	(51)	(15)
Exchange adjustments	-	-	-	6	8
At 31 December 2017	<u>5,818</u>	<u>105</u>	<u>128</u>	<u>144</u>	<u>16,863</u>
Net book value					
At 31 December 2017	<u>45,007</u>	<u>242</u>	<u>174</u>	<u>165</u>	<u>11,117</u>
At 31 December 2016	<u>35,421</u>	<u>180</u>	<u>65</u>	<u>172</u>	<u>9,078</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

15. Tangible fixed assets (continued)

	Computer equipment £000	Other fixed assets £000	Total £000
Cost or valuation			
At 1 January 2017	6,496	2,345	73,322
Additions	1,046	789	17,341
Disposals	(28)	(205)	(486)
Exchange adjustments	9	-	38
At 31 December 2017	<u>7,523</u>	<u>2,929</u>	<u>90,215</u>
Depreciation			
At 1 January 2017	5,335	1,110	26,010
Charge for the year on owned assets	829	607	5,003
Disposals	(22)	(139)	(249)
Exchange adjustments	7	-	21
At 31 December 2017	<u>6,149</u>	<u>1,578</u>	<u>30,785</u>
Net book value			
At 31 December 2017	<u>1,374</u>	<u>1,351</u>	<u>59,430</u>
At 31 December 2016	<u>1,161</u>	<u>1,235</u>	<u>47,312</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Company

	Fixtures and fittings £000
Cost or valuation	
At 1 January 2017	2
Additions	1
At 31 December 2017	<u>3</u>
Depreciation	
At 1 January 2017	<u>1</u>
At 31 December 2017	<u>1</u>
Net book value	
At 31 December 2017	<u><u>2</u></u>
<i>At 31 December 2016</i>	<u><u>1</u></u>

KEY WEST (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. Fixed asset investments

Direct subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Nisbets plc	Ordinary	98 %	Sale and lease of catering equipment
Jongor (Holdings) Limited	Ordinary	51 %	Hire of catering equipment

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Jongor Trading Limited	Ordinary	100 %	Holding company
Jongor Limited	Ordinary	100 %	Leasing of catering equipment
KCC Nisbets BV	Ordinary	100 %	Sale of catering equipment
Nisbets France EURL	Ordinary	100 %	Sale of catering equipment
Nisbets Iberica SL	Ordinary	100 %	Sale of catering equipment
Nisbets Employee Trust Limited	Ordinary	100 %	Corporate trustee
Chef Leasing Limited	Ordinary	100 %	Leasing of catering equipment
Nisbets Asia Limited	Ordinary	100 %	Holding company
Nisbets Hong Kong Limited	Ordinary	100 %	Sale of catering equipment
Nisbets Australia Pty Limited	Ordinary	75 %	Sale of catering equipment
Nisbets New Zealand Limited	Ordinary	75 %	Sale of catering equipment
Red Ribbon Trading Limited	Ordinary	100 %	Provision of services to other group companies
Red Ribbon Trading (Shenzhen) Co. Ltd	Ordinary	100 %	Provision of services to other group companies
Space Catering (UK) Limited	Ordinary	58.25 %	Design and installation of catering equipment
Rowlett Rutland Limited	Ordinary	100 %	Manufacturing and sale of catering equipment

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

16. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2017	1,620
Additions	4,836
At 31 December 2017	<u>6,456</u>
Net book value	
At 31 December 2017	<u>6,456</u>
At 31 December 2016	<u>1,620</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

17. Investment property

Group

	Freehold investment property £000
Valuation	
At 1 January 2017	28,879
Additions at cost	13,394
Surplus on revaluation	(2,163)
At 31 December 2017	40,110

The 2017 valuations were made by DJ Foley Property Consultants and Colliers International, on an open market value for existing use basis.

Company

	Freehold investment property £000
Valuation	
At 1 January 2017	28,879
Additions at cost	13,394
Surplus on revaluation	(2,163)
At 31 December 2017	40,110

The 2017 valuations were made by DJ Foley Property Consultants and Colliers International, on an open market value for existing use basis.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

18. Stocks

	Group 2017 £000	<i>Group 2016 £000</i>	Company 2017 £000	<i>Company 2016 £000</i>
Finished goods and goods for resale	60,591	52,226	-	-

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

19. Debtors

	Group 2017 £000	<i>Group 2016 £000</i>	Company 2017 £000	<i>Company 2016 £000</i>
Due after more than one year				
Net investment in finance leases	1,211	497	-	-

	Group 2017 £000	<i>Group 2016 £000</i>	Company 2017 £000	<i>Company 2016 £000</i>
Due within one year				
Trade debtors	32,633	29,435	763	556
Amounts owed by group undertakings	-	-	3,932	4,432
Other debtors	2,533	1,853	28	-
Prepayments and accrued income	1,203	1,786	2	3
Deferred taxation	2,879	440	395	-
Net investment in finance leases	1,736	997	-	-
Derivatives	-	6,670	-	-
	40,984	41,181	5,120	4,991

20. Cash and cash equivalents

	Group 2017 £000	<i>Group 2016 £000</i>	Company 2017 £000	<i>Company 2016 £000</i>
Cash at bank and in hand	24,952	33,513	8,194	8,895
Less: bank overdrafts	(3,540)	(6,611)	(3,540)	(6,611)
	21,412	26,902	4,654	2,284

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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21. Creditors: Amounts falling due within one year

	Group 2017 £000	<i>Group</i> <i>2016</i> <i>£000</i>	Company 2017 £000	<i>Company</i> <i>2016</i> <i>£000</i>
Bank overdrafts	3,540	6,611	3,540	6,611
Bank loans	13,765	1,185	-	-
Trade creditors	16,870	18,015	43	(1)
Corporation tax	3,771	3,887	49	126
Other taxation and social security	6,051	5,352	200	101
Other creditors	12,656	10,176	78	3
Accruals and deferred income	10,090	8,091	576	371
Financial instruments	6,841	-	-	-
	<u>73,584</u>	<u>53,317</u>	<u>4,486</u>	<u>7,211</u>

22. Creditors: Amounts falling due after more than one year

	Group 2017 £000	<i>Group</i> <i>2016</i> <i>£000</i>	Company 2017 £000	<i>Company</i> <i>2016</i> <i>£000</i>
Bank loans	4,785	12,911	-	-

Please provide details of the terms of payment or repayment and the rates of any interest payable on the amounts repayable more than five years after the balance sheet date.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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23. Loans

The Nisbets group has 2 bank loans:

One bank loan of £6 million (2016: £7.2 million). The loan was taken out on 4 March 2008. Repayments of £1.2 million were made during the year. The loan is secured by a charge over certain of Nisbets' properties and carries interest at 0.6% above base rate.

One bank loan of £6.4 million (2016: £6.9 million). The loan is a three year Australian Dollar term loan drawn down on 6 July 2015. It is secured by a charge over certain of Nisbets' properties and carries interest at 1.15% above Australian Bank Bill Swap Rate.

In addition the group has a £15 million, 3 year multicurrency revolving credit facility. The value drawn on this facility was £6.2 million at 31 December 2017. It is secured by a charge over certain of the group's properties.

	Group 2017 £000	<i>Group 2016 £000</i>
Amounts falling due within one year		
Bank loans	13,765	<i>1,185</i>
Amounts falling due 1-2 years		
Bank loans	1,185	<i>1,185</i>
Amounts falling due 2-5 years		
Bank loans	3,556	<i>10,496</i>
Amounts falling due after more than 5 years		
Bank loans	44	<i>1,229</i>
	18,550	<i>14,095</i>

KEY WEST (HOLDINGS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

24. Financial instruments

	Group 2017 £000	<i>Group 2016 £000</i>	Company 2017 £000	<i>Company 2016 £000</i>
Financial assets				
Financial assets measured at fair value through profit or loss	-	6,670	-	-
Financial assets measured at amortised cost	60,117	64,801	12,917	13,883
Financial assets that are equity instruments measured at cost less impairment	-	-	-	-
	<u>60,117</u>	<u>71,471</u>	<u>12,917</u>	<u>13,883</u>
Financial liabilities				
Financial liabilities measured at fair value through profit or loss	6,841	-	-	-
Financial liabilities measured at amortised cost	(61,704)	(56,989)	(4,237)	(6,985)
	<u>(61,704)</u>	<u>(56,989)</u>	<u>(4,237)</u>	<u>(6,985)</u>

Financial assets measured at fair value through profit or loss comprise derivative forward foreign exchange contracts.

Financial assets measured at amortised cost comprise cash balances, loans receivable and trade and other debtors.

Financial liabilities measured at fair value through profit and loss comprise derivative forward foreign exchange contracts.

Financial liabilities measured at amortised cost comprise loans and overdrafts and trade and other payables.

25. Deferred taxation

Group

	2017 £000	<i>2016 £000</i>
At beginning of year	440	566
Credited to profit or loss/other comprehensive income	2,439	(252)
Arising on business combinations	-	126
At end of year	<u>2,879</u>	<u>440</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

25. **Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	Group 2017 £000	<i>Group 2016 £000</i>
Accelerated capital allowances	387	392
Other short term timing differences	2,160	(60)
Unutilised tax losses	332	108
	<u>332</u>	<u>108</u>

26. **Share capital**

	2017 £	<i>2016 £</i>
Allotted, called up and fully paid		
34,151 Ordinary shares of £1 each	34,151	34,151
352 A Ordinary shares of £1 each	352	352
352 B Ordinary shares of £1 each	352	352
352 C Ordinary shares of £1 each	352	352
	<u>35,207</u>	<u>35,207</u>

27. **Reserves**

Other reserves

Cash flow hedge reserve - This represents the gains and losses on derivative financial instruments that have not yet matured and that qualify for hedge accounting under FRS 102.

Merger Reserve

This is the value of assets transferred at merger of Nisbets plc.

Profit and loss account

This includes all current and prior period retained profits and losses.

28. **Contingent liabilities**

Nisbets plc has given the bank a £600,000 indemnity covering a guarantee in favour of the third party (2016: £600,000). The company and group have no other contingent liabilities.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

29. Capital commitments

At 31 December 2017 the Group had capital commitments as follows:

	Group 2017 £000	<i>Group 2016 £000</i>
Contracted for but not provided in these financial statements	838,000	<i>6,612,000</i>

30. Pension commitments

The group operates defined contribution schemes for the benefit of the directors and employees. The assets of the schemes are administered by trustees in funds independent from those of the group.

31. Commitments under operating leases

At 31 December 2017 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £000	<i>Group 2016 £000</i>
In one year or less	6,944,000	<i>4,837,000</i>
Between one year and five years	20,662,000	<i>13,095,000</i>
After five years	12,773,000	<i>10,830,000</i>
	40,379,000	<i>28,762,000</i>

32. Controlling party

The controlling related party is A Nisbet by virtue of his shareholding in Key West (Holdings) Limited.