

Company Registration Number 08963631

KEY WEST (HOLDINGS) LIMITED

**Annual report and consolidated financial statements
for the year ended 31 December 2023**

KEY WEST (HOLDINGS) LIMITED

DIRECTORS AND PROFESSIONAL ADVISERS

DIRECTORS

A Nisbet
A M Nisbet
J P Nisbet
E R Nisbet

COMPANY SECRETARY

A Nisbet

REGISTERED NUMBER

08963631

REGISTERED OFFICE

40 Berkeley Square
Clifton
Bristol
BS8 1HP
United Kingdom

BANKERS

Allied Irish Bank plc
Arbuthnot Latham
Banco Santander
Banco Santander Totta
Bank of Scotland
Barclays Bank Plc
BNP Paribas
Commonwealth Bank of Australia
HSBC Bank
Lloyds Bank Plc
Rabobank Eindhoven UA
Royal Bank of Scotland
Santander UK Plc
WGZ Bank
China Merchants Bank

REGISTERED AUDITORS

Ernst & Young LLP
The Paragon
32 Counterslip
Redcliffe
Bristol
BS1 6BX

KEY WEST (HOLDINGS) LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

CONTENTS

	Page
Strategic report	4
Directors' report	11
Independent auditors' report	17
Consolidated statement of comprehensive income	21
Consolidated statement of financial position	23
Company statement of financial position	24
Consolidated statement of changes in equity	25
Company statement of changes in equity	27
Consolidated cash flow statement	28
Notes to the financial statements	29

KEY WEST (HOLDINGS) LIMITED

STRATEGIC REPORT

Principal Activity

The company's principal activity is to manage its investments in trading subsidiaries and commercial property.

Strategy

Key West (Holdings) Limited

The Key West (Holdings) Limited strategy has been to manage our investments in trading subsidiary, Nisbets Ltd, to continue building a diversified holding of commercial property by investing in commercial property in the UK and other suitable investments that meet business requirements. These investments are managed to develop a sustainable revenue, protect value and to contribute to generating funds for charitable causes. Our success in managing properties is reflected in the ability to support our tenants to continue trading sustainably through the current economic volatility. Since the balance sheet date, the group agreed to sell its stake in Nisbets Limited (formerly Nisbets plc) to Bunzl plc, a leading British multi-national distributor. The deal completed on 23 May 2024.

Nisbets Ltd

Nisbets Ltd is the most significant investment in Key West (Holdings) Limited. Nisbets Ltd is principally engaged in the sale, leasing, design, installation and rental of catering equipment – a one-stop shop for all foodservice supplies with the widest product portfolio in its core markets. The Group provides customers with a broad range of own brand and third-party products through an omnichannel offering (website, phone, stores), along with a commitment to quality, value and service. This focus has made Nisbets the catering professionals' choice and a leader in the markets it serves. Data science and direct response marketing capabilities are in the Company's DNA and our award-winning web platform continues to be our largest route to market. Nisbets' principal trading territories are the United Kingdom, Ireland, France, the Netherlands, Belgium, Germany, Australia and New Zealand.

Business review

	2023	2022	Movement
	£m	£m	£m
Turnover by Entity			
<i>KWH</i>	6.6	6.3	0.3
<i>Nisbets Ltd (incl Jongor)</i>	497.4	493.1	4.3
Turnover	504.0	499.4	4.6
Gross Profit by Entity			
<i>KWH</i>	6.1	5.7	0.4
<i>Nisbets Ltd</i>	193.2	196.5	(3.3)
Gross Profit	199.3	202.1	(2.9)
Gross Profit by Entity			
<i>KWH</i>	92.4%	90.1%	
<i>Nisbets Ltd</i>	38.8%	39.5%	
Gross Profit%	39.5%	40.5%	

Sales by KWH in 2023 totalled £6.6m, an increase of £0.3m through renewed leases and the full year impact of prior year acquisition. Gross profit increased in line with revenue. Operating profit after exceptional items fell by £1.5m to £1.8m reflecting increased charitable donations of £2.5m from £2.0m, prior year profit on sales of investment property and increased strategic consultancy costs.

KEY WEST (HOLDINGS) LIMITED

STRATEGIC REPORT (continued)

Business review (continued)

Sales by Nisbets (including Jongor) in 2023 totalled £497.4m, a total increase of £4.3m over 2022 and gross profit decreased by £3.3m to £193.2m in 2023 as the positive impact of dollar hedging in 2022 did not repeat in 2023. The Group manages gross profit through close monitoring and control of sales prices, controls over discounts and working to mitigate any cost increases within the supply chain. Underlying operating profit is down due to tougher trading conditions, Mark-To-Market valuation of open hedges at year-end, exceptional gains on foreign currency hedges in 2022, restructuring and one-off strategic consultancy costs in 2023.

Nisbets has continued to develop a trading focus ensuring great customer experience, competitive pricing, and relevant cost control focus.

Donations to the Nisbet Trust and local charities increased by £0.5m to £2.5m.

Summary of key performance indicators

Each of the businesses have their own Board of Directors. Please refer to individual Financial Reports for specific key performance indicators. The Directors of Key West (Holdings) Ltd have monitored the progress of Group strategy and the individual strategic elements by reference to certain financial and non-financial key performance indicators. The directors monitor key performance indicators in the following areas:

- Performance of group subsidiaries
- Lease payments
- Property yield
- Voids
- Portfolio Weighted Average Unexpired Lease Term (WAULT)
- Portfolio mix (sector, covenant strength, geography)
- Cash generation
- Overhead

Capital expenditure

The Group continues to invest to support its future growth, purchasing £25.3m of tangible and intangible assets in the year (2022: £16.5m).

KEY WEST (HOLDINGS) LIMITED

STRATEGIC REPORT (continued)

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006.

The Board is responsible for the overall strategy and management of the Group, setting strategy and ensuring that the Group is acting in accordance with its legal and regulatory obligations. In discharging its responsibilities, the Board has regard (amongst other matters) to factors (a) to (f) of s172(1) of the Companies Act 2006, as follows:

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

The Board takes into account the Group's purpose, value and culture and acts in good faith in a way that is most likely to promote the success of the Group and to maintain high standards of business conduct.

The Directors of the Group promote the success of the Group for the benefit of all of its stakeholders. The Directors treat the Group's owners, debt providers, employees, customers, suppliers and the local community as stakeholders of the business. The Board considers the implications of its decisions to balance the benefits or impacts on those stakeholders whilst creating a sustainable and environmentally friendly business.

The Directors take careful consideration of the stakeholders of the Group when making decisions and promoting the success of the Group.

Shareholders: The Board actively communicates with its shareholders with meetings held throughout the year which are attended by Executive and Non-Executive Directors along with representatives of the shareholders. Key topics of discussion during the year included approval of budgets and forecasts, performance against benchmarks, prospects for the UK economy and strategy decisions. When making decisions the Board considers the interests of shareholders as a whole and the need to act fairly between members of the Company.

Employees: The Board recognises the importance of colleague welfare and their contribution to the Nisbets business. The Group invites colleagues to participate in engagement surveys, shares the results, and encourages colleague involvement in improving the working environment. A colleague consultative committee actively provides a forum for colleagues from across the business to propose change for the benefit of all colleagues. The Group also has an employee hotline where employees can obtain relevant advice and assistance.

Customers: Customers are seen as the heart of everything that the Nisbets Group does. The Board has created a focus throughout the business to make the customer experience exceptional. The Board receives regular updates on customer performance and performs regular business reviews.

KEY WEST (HOLDINGS) LIMITED

STRATEGIC REPORT (continued)

Non-Financial and Sustainability Information Statement

Climate-related Disclosures

Due to the nature of its activities, the climate impact of Key West (Holdings) Limited as an individual company is insignificant in the context of the overall group. Accordingly, this section focuses on Nisbets.

Governance in relation to assessing and mitigating climate-related risks and opportunities: Nisbets's ESG Committee is responsible for identifying and assessing climate-related risks and opportunities at its monthly meetings. The Committee comprises 16 individuals from across the business with expertise and responsibility for operational activities that may be impacted by climate change. The Committee includes the Group Executive Chairman and Group General Counsel and is chaired by the ESG Non-Executive Director who provides briefings to the Advisory Board six times per year. The Advisory Board provides oversight of the Group's ESG response, including management of climate-related risks and opportunities.

Identification, assessment and management of climate-related risks and opportunities and integration into overall risk management: climate-related risks and opportunities are identified and assessed through active monitoring of changes in legislation and government policy; changes in customer requirements; and changes in our cost base relating to properties, logistics or supply of goods linked to climate impacts. Developments in these areas are fed back at the monthly ESG Committee meetings, with action plans developed for any risks and opportunities which are assessed as having a severe impact or high likelihood of happening. Emerging and on-going risks are also assessed as part of the process to maintain the Group's risk registers. Opportunities are incorporated into operational and commercial activities as appropriate. The management of climate-related risks and opportunities is delegated by the Advisory Board to relevant business owners, for example with procurement and facilities teams for energy-related risks; logistics teams for distribution risks or buying teams for supply chain resilience.

Analysis of resilience of business model and strategy under different scenarios: to help to identify and assess climate risk and opportunities, we considered how the business could be impacted under two climate scenarios over short (<3 years), medium (3-10 years) and long term (>10 years). The scenarios draw on models from the Intergovernmental Panel on Climate Change (IPPC) and the International Energy Authority (IEA):

- A 1.5-degree scenario where there are ambitious and immediate regulatory and innovation changes to limit global warming to 1.5°C – under this scenario, transitional risks from changes in regulation or technology are greater in the short to medium term, with physical risks being less severe in the longer-term.
- A business-as-usual scenario which assumes that climate change policies currently in place are preserved, and no new policies are developed. This would result in the world warming by 2.5°C by 2050 and more than 4°C by 2100 bringing irreversible change. Transition risks would be limited, but physical risks would become increasingly frequent and severe in the longer term.

KEY WEST (HOLDINGS) LIMITED

STRATEGIC REPORT (continued)

Non-Financial and Sustainability Information Statement (continued)

Description of principal climate-related risks and opportunities and their potential impact on our business:

We have identified physical and transition risk and opportunities over the short-, medium, and long-term as follows:

Risk/opportunity and business impact	Potential business impact	Business resilience and strategic response
Under the 1.5-degree scenario, costs for energy, fuel and plastic packaging may rise due to carbon taxation. Changes in environmental legislation may lead to increased costs of compliance.	Short- and medium-term: Cost of electricity and gas to power Nisbets's offices and distribution centres would increase. Cost of fuel to transport goods would increase. Administrative cost of dealing with additional regulations would increase.	Nisbets sources renewable electricity and green gas for its UK operations and therefore the cost impact of carbon taxes would not have a material impact. Fuel use is minimised through effective route planning and driver training. Resources and procedures are already in place to meet environmental regulations such as plastics and packaging taxation and extended producer responsibility.
Under both scenarios, increased frequency and severity of extreme weather events may cause supply chain disruption from damage to transport networks.	Short-, medium- and longer-term: There may be some in-country disruption from flooding or high winds and international disruption to shipping networks which may impact availability of supply.	Nisbets holds sufficient stock in key locations to mitigate short-term disruptions in supply, limiting the impacts of this risk. Crisis simulation exercises are held once per year per region plus once a year for the group and include or consider potential supply chain disruption from severe weather events throughout the supply chain.
Under the 1.5-degree scenario, reputational risks may arise if government and customer sentiment in our core markets shifts to a more ambitious approach to net zero, but a similar net zero trajectory is not pursued by governments in the countries of origin for our own brand products.	Longer-term: If European governments adopt an ambitious approach to net zero, customer demand will switch to products with a much lower-carbon footprint across their value chain. If governments in key sourcing markets for Nisbets, such as China and India, do not respond in a similar way, there is a risk that the current sourcing model for own-brand products would no longer be appropriate.	Nisbets continues to work with suppliers to reduce the carbon footprint of the products it buys. The Group is also diversifying its sourcing to alternative countries and regions to reduce and mitigate risks.
Under both scenarios, sales opportunities may increase due to potential changes in customer demand for certain product categories.	Short and medium-term: Customer demand for products which help to save energy, water or food waste will increase further. Short-, medium and longer-term: As the climate changes, there will be more opportunities for different ranges of products, for example greater demand for refrigeration in a warmer climate.	Nisbets continues to work with suppliers to research and develop new products to ensure that it has the right range of products with the right set of characteristics to meet changes in customer demand as well as effectively marketing new more sustainable innovations to customers.

KEY WEST (HOLDINGS) LIMITED

STRATEGIC REPORT (continued)

Non-Financial and Sustainability Information Statement (continued)

The results of the scenario analysis and risk assessment do not currently identify any material impact on our business model, and therefore no further changes in strategy are required beyond our current activities to decarbonise our operations.

KPIs and targets to manage climate-related risks and opportunities and performance against those targets:

Nisbets has set a target to be net zero by 2050, and we have a series of steps in place to reduce carbon emissions across our value chain. Reaching this target will only be possible with the right regulatory and policy framework from governments, and involvement from all other stakeholders, including our employees, suppliers and customers. Key KPIs and progress towards our net zero target are set out in the Streamlined Energy and Carbon Report below.

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 meet payment 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 within tenants 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.

Principal risks and uncertainties

Each of the subsidiary companies have their own Boards and Management Teams, they have responsibility for running their respective companies and manage their principal risks separately to Key West (Holdings) Limited, details can be found in the individual annual strategic reports, although the Key West board maintains general oversight of each.

Economic downturn

The economic climate is one of the factors that contributes to the success of the business. Economic downturn, whether driven by Covid-19, geopolitical events, high inflation or other factors, resulting in a reduction of consumer spending power, would have an impact on the income achieved by the Group.

In response to this risk, senior management closely monitor economic conditions. In the event of a severe economic downturn, marketing and pricing strategies would be modified to reflect the new market conditions and overheads would be reduced accordingly.

KEY WEST (HOLDINGS) LIMITED

STRATEGIC REPORT (continued)

Future strategy and developments

Following the disposal of Nisbets since the balance sheet date, the group is currently developing an investment strategy for the proceeds of sale.

Approved by the Board and signed on its behalf by:

Signed by:

A NISBET
Director

24 September 2024

KEY WEST (HOLDINGS) LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2023.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £9,792,000 (2022: £23,685,000).

During 2023, dividends of £nil were declared on the Ordinary shares (2022: £8,150,000), dividends of £nil were declared on the A, B and C ordinary shares (2022: £nil).

Directors

The directors who served during the year were:

A Nisbet
A M Nisbet
J P Nisbet
E R Nisbet

Strategic Review

The directors have chosen to present the following information, required under Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', within the Strategic Report:

- Financial risk management objectives and policies.
- Future developments for the business.
- Principal activities and locations.

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

Financial instruments

The Group 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 2023 was a liability of £655,000 (2022: liability of £192,000).

Disabled colleagues

Applications for employment by disabled persons are given full and fair 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.

KEY WEST (HOLDINGS) LIMITED

DIRECTORS' REPORT (continued)

Post Balance Sheet Events

On 23 May 2024, Key West (Holdings) Limited completed the sale of its holding Nisbets Limited (formerly Nisbets Ltd) for a mixture of cash and a 17.6% stake in Bunzl Holdings Ltd, an entity controlled by Bunzl plc, a leading British multi-national distributor. On the same date, the group sold its holding in Chef Leasing Limited to Nisbets Limited.

On 23 August 2024 GB7202 Ltd novated its asset build contract and all associated costs to GB72 Limited Partnership Incorporated.

On 29 August 2024 KWH cancelled 263 Ordinary A, B & C Shares and 88 Preference A, B & C Shares.

Environmental, Social and Governance (ESG)

The Group has always taken a conscientious approach in supporting its colleagues, local communities and caring for the environment and in 2023 Nisbets Ltd made significant progress building on the foundations of the Environmental, Social and Governance (ESG) strategy which has the following four pillars:

1. Environmental Sustainability.
2. Ethical Trading.
3. Nisbets in the Community.
4. Great place to Work.

During 2023, we completed a comprehensive materiality assessment to make sure our efforts are focussed on those sustainability areas with the highest business impact and which are important to our stakeholders. As part of this assessment we asked for feedback from representatives of different stakeholder groups, including our customers, colleagues, local communities, suppliers, and other business partners. We also reviewed customer research including social media and talked to other similar businesses. This research was then used to identify our five key focus areas aligned to the United Nations Sustainability Development Goals:

1. Packaging reduction – Reducing environmental impacts from both primary and secondary packaging.
2. Energy use and climate impact – Reducing Nisbets energy usage and climate impact.
3. Customer energy saving – Helping our customers reduce their energy consumption.
4. Information security and technical resilience - Nisbets are now cybersecurity essentials accredited awarded by National cyber security centre in the UK giving enhanced data protection and reducing risks from cyber security threats.
5. Product quality, reliability and repairability – delivering continuous improvements across the Group to improve product quality, reliability and repairability of own brand.

Energy and carbon emissions

Nisbets are obligated by the Streamlined Energy & Carbon Reporting (SECR) Framework to report energy use and associated greenhouse gas emissions relating to gas, electricity and transport for UK sites, intensity ratios and information relating to energy efficiency actions.

KEY WEST (HOLDINGS) LIMITED

DIRECTORS' REPORT (continued)

Environmental, Social and Governance (ESG) (continued)

In previous years we have disclosed our energy consumption and related carbon emissions for the Nisbets sites in Avonmouth and Mitre in Merthyr Tydfil. This year we have extended the Scope to cover all sites in the UK and Ireland including Nisbets subsidiaries.

		2023	2022 Extended Scope*
Gas	MWh	1,950	1,611*
	tCO ₂ e	356	290
Travel	MWh	4,671	4,041
	tCO ₂ e	1,037	897
Total Scope 1	MWh	6,621	5,652
	tCO ₂ e	1,393	1,187
Electricity	MWh	4,597	5,035
	tCO ₂ e	952	974
Heating Oil	MWh	95	67
	tCO ₂ e	23	16
Total Scope 2	MWh	4,692	5,102
	tCO ₂ e	975	990
tCO ₂ e total		2,368	2,177
£m Revenue		480	463
Scope 1 Intensity Ratio		2.9	2.5
Scope 2 Intensity Ratio		2.0	2.1
Intensity Ratio		4.9	4.7

*2022 has been amended to reflect actual value where estimates were included in 31 December 2022 financial statements.

A number of initiatives have been delivered in 2023 in the UK to minimise Scope 1 and 2 carbon emissions. A further two energy supply contracts have been moved to green gas tariffs, and all Nisbets offices, warehouses and managed retail stores are now completely powered by renewable electricity and green gas tariffs, Space, Jongor and Beaumont will be transitioned when contracts terminate. We also have solar panels installed on 5 of our sites. Continued investment in energy efficiency through further LED installations and new equipment has seen electricity usage decrease year on year. The final installation of sensor-controlled LED lighting was completed in April ensuring that the majority of warehouse lighting is now sensor-controlled.

This year, we extended our ISO 50001 Energy Management certification to all warehousing sites and a proportion of our retail stores and the certificate now covers 28 of our sites in the UK and Ireland. We also have nine sites certified to ISO 9001 for Quality Management, ISO 14001 for Environmental Management and ISO 45001 for Occupational Health and Safety.

KEY WEST (HOLDINGS) LIMITED

DIRECTORS' REPORT (continued)

Environmental, Social and Governance (ESG) (continued)

Business travel increased this financial year in comparison to 2022, as the Group returned to pre-Covid activity levels. due to the aftereffects of covid recovery. The Group is mitigating this increase by encouraging the use of electric or hybrid vehicles and providing electric vehicle charging points at our Avonmouth and Chepstow sites. We also have schemes to promote lift sharing and cycling to work.

During 2023 we completed an initial assessment of our Scope 3 emissions, to identify the most significant sources of indirect greenhouse gas emissions. The methodologies provide an estimate of different categories of Scope 3 emissions but are not precise enough to be included in this report. This work has enabled us, however, to begin to focus on those categories where emissions are greatest by working with suppliers to reduce carbon embedded in our own brand products, emissions from transport and distribution and indirect emissions from energy and waste.

The Group continued to make environmental improvements to own brand packaging during 2023, working with suppliers to reduce plastic use and remove polystyrene. We removed or decreased plastic from the packaging for over 750 lines in 2023, including all products under the Rowlett and Polar brands, and over half of our Vogue ranges, bringing the total number of lines with reduced or improved packaging to almost 5000. We will continue to remove unnecessary packaging, reduce plastics use, remove polystyrene and increase the recycled content of our packaging.

We continue to support our customers to reduce their energy consumption through increasing energy efficiency for certain products such as water boilers, fridges and induction cookers.

Local communities

In 2023 we celebrated Nisbets 40th Anniversary and to mark this milestone we set a target to organise 40 community events, plant 40 trees and make 40 customer service / environmental improvements. We achieved all of these goals planting 45 trees in 28 locations in UK and Ireland, with an extra 1,000 trees planted in Nepal and Cambodia as we expand our sourcing operations in these areas. We delivered 40 green and customer experience initiatives and arranged 50 volunteering events in which nearly 20 per cent of our colleagues took part. The Nisbets Trust (founded in 2011) focuses on supporting disadvantaged children and young people; promoting community and social inclusion; tackling and preventing homelessness; and supporting arts and performance venues and groups across Bristol. In 2023, the Trust donated £2.2 million to over 150 causes.

Responsible business practices

Our sustainability strategy is underpinned by a strong foundation of responsible business principles and practices to make sure we operate our business in the right way. To ensure we source products responsibly, we have a robust set of policies, processes and supplier audits in place to ensure that any of the products we buy come from suppliers with similar labour standards to our own. We use the SEDEX platform to check for non-compliance with internationally recognised human rights and environmental standards and have an active programme to monitor any non-compliances to ensure they are rectified by our suppliers. Further details of the steps we take to reduce modern slavery are included in our most recent Modern Slavery Statement.

During 2023, the Group reviewed and expanded the scope of many of its business practices, particularly those relating to employees, to provide a more consistent approach across all regions.

KEY WEST (HOLDINGS) LIMITED

DIRECTORS' REPORT (continued)

Going concern

In assessing the going concern position of the Group for the purposes of preparing the consolidated financial statements for the year ended 31 December 2023, the Directors of each subsidiary have considered future cash flows, liquidity and business activities. Separate Going Concern reports can be found in each entity's respective Directors' reports.

At 31 December 2023, Key West Holdings Group had cash balances of £31.4m, drawn facilities of £nil million and undrawn financing facilities of £51.0 million which are available for general corporate purposes, including but not limited to funding working capital and capital expenditure.

Based on the subsidiary companies' forecasts, the Directors have adopted the going concern basis in preparing the Financial Statements. The Directors have made this assessment after consideration of the Company's and Group's cash flows and related assumptions for a period of up to 30 September 2025.

The Directors have reviewed the current cash reserves and have considered the impact of additional downside scenarios with a more severe impact on the Group's cashflows and liquidity than is currently thought likely. Currently the Group has significant liquid reserves, following the disposal of Nisbets in May 2024. The Directors are developing a long term investment strategy to ensure the continued growth of the Group alongside reviewing the donation strategy. They are confident that the resulting returns, will allow the Group to maintain sufficient liquidity.

The Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period up to 30 September 2025 and for these reasons, they continue to adopt a going concern basis for the preparation of the Financial Statements.

KEY WEST (HOLDINGS) LIMITED

DIRECTORS' REPORT (continued)

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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 Group 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 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 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.

Charitable donations

The group made charitable donations during the year of £2.5m (2022: £2.0m).

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the Group'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 and the Group's auditor is aware of that information.

Auditor

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

Approved by the Board and signed on its behalf by:

Signed by:

A Nisbet
64805C6A0A5F428...
Director

24 September 2024

INDEPENDENT AUDITORS' 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 2023 which comprise of the consolidated Statement of comprehensive income, the consolidated and the parent company Statement of financial position, the consolidated and the parent company Statement of changes in equity, the consolidated Statement of cashflows and the related notes 1 to 37, 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 Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 December 2023 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 30 September 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEY WEST (HOLDINGS) LIMITED (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 directors' report have been prepared in accordance with applicable legal requirements .

Matters on which we are required to report by exception

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 or directors' report.

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 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

As explained more fully in the directors' responsibilities statement set out on page 16, 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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety and GDPR.
- We understood how Key West (Holdings) Limited is complying with those frameworks by enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance. Through these procedures we determined there to be risk of management override associated with revenue and a fraud risk around revenue recognition, in particular the revenue recognition on transactions at or near the year end. We selected a sample of transactions at the year end to perform detailed testing. In relation to management override we used data analytics to sample from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria, to investigate to gain an understanding and agree to source documentation.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved verifying that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006. Compliance with other operational laws and regulations was covered through our inquiry with no indication of non-compliance identified.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KEY WEST (HOLDINGS) LIMITED (continued)

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.

DocuSigned by:
Ernst & Young LLP

EA1A7276DFBB468
Jos Burkill (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

24 September 2024

KEY WEST (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2023

	Note	Total 2023 £'000	Total 2022 £'000
Turnover	4	504,132	499,382
Cost of sales		(304,827)	(297,252)
Gross profit		<u>199,305</u>	<u>202,130</u>
Administrative expenses before charitable donations		(170,662)	(156,911)
Charitable donations		(2,500)	(2,000)
		<u>26,143</u>	<u>43,219</u>
Other operating income	5	-	284
Operating profit	6	<u>26,143</u>	<u>43,503</u>
Change in fair value of investment properties	17	(3,202)	(5,004)
Interest receivable and similar income	10	855	172
Interest payable and similar expenses	11	(7,460)	(6,373)
Profit before tax		<u>16,336</u>	<u>32,298</u>
Tax on profit	12	(6,544)	(8,613)
Profit for the financial year		<u><u>9,792</u></u>	<u><u>23,685</u></u>

All results are from continuing operations.

KEY WEST (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the year ended 31 December 2023

	Note	Total 2023 £'000	Total 2022 £'000
Profit for the financial year		9,792	23,685
Currency translation difference on foreign currency net investments		(880)	1,095
Total comprehensive income for the year		<u>8,912</u>	<u>24,780</u>
Profit for the year attributable to:			
Non-controlling interest		1,410	950
Owners of the parent company		8,382	22,735
		<u>9,792</u>	<u>23,685</u>
Total comprehensive income attributable to:			
Non-controlling interest		1,410	953
Owners of the parent company		7,502	23,827
		<u>8,912</u>	<u>24,780</u>

The notes on pages 29 to 59 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	14	9,439	8,387
Tangible assets	15	66,352	60,025
Investments	16	1,600	500
Investment property	17	85,005	79,185
		<u>162,396</u>	<u>148,097</u>
Current assets			
Stock	18	92,610	126,040
Debtors: amounts falling due after more than one year	19	985	608
Debtors: amounts falling due within one year	19	76,134	64,092
Deferred tax asset: amounts falling due after more than one year	26	856	2,020
Cash at bank and in hand	20	31,394	62,242
		<u>201,979</u>	<u>255,002</u>
Creditors: Amounts falling due within one year	21	<u>(95,726)</u>	<u>(163,347)</u>
Net current assets		<u>106,253</u>	<u>91,655</u>
Total assets less current liabilities		<u>268,649</u>	<u>239,752</u>
Creditors: Amounts falling due after more than one year	22	(6,239)	(9)
Provisions for liabilities	23	<u>(4,246)</u>	<u>(4,654)</u>
Net assets		<u><u>258,164</u></u>	<u><u>235,089</u></u>
Capital and reserves			
Called-up share capital	27	26	26
Merger reserve	28	5,182	5,182
Profit and loss account	28	247,376	225,357
Equity attributable to owners of the parent company		<u>252,584</u>	<u>230,565</u>
Non-controlling interests		<u>5,580</u>	<u>4,524</u>
Total shareholders' funds		<u><u>258,164</u></u>	<u><u>235,089</u></u>

The financial statements of Key West (Holdings) Limited (registered number 08963631) were approved by the board of directors and authorised for issue on 24 September 2024. They were signed on its behalf by:

Signed by:

 A Nisbet
 Director

The notes on pages 29 to 59 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Investments	16	8,056	6,956
Investment property	17	85,005	79,185
		<u>93,061</u>	<u>86,141</u>
Current assets			
Debtors: amounts falling due within one year	19	22,175	6,816
Cash at bank and in hand	20	5,982	19,737
		<u>28,157</u>	<u>26,553</u>
Creditors: Amounts falling due within one year	21	<u>(23,481)</u>	<u>(29,882)</u>
Net current assets/(liabilities)		<u>4,676</u>	<u>(3,329)</u>
Total assets less current liabilities		97,737	82,812
Creditors: Amounts falling due after more than one year	22	(9)	(9)
Provisions for liabilities	23	(181)	(143)
Net assets		<u>97,547</u>	<u>82,660</u>
Capital and reserves			
Called-up share capital	27	26	26
Profit and loss account	28	97,521	82,634
Total shareholders' funds		<u>97,547</u>	<u>82,660</u>

The profit for the financial year dealt with in the financial statements of the parent Company was £14,887,000 (2022: profit of £1,652,000).

The financial statements of Key West (Holdings) Limited (registered number 08963631) were approved by the board of directors and authorised for issue on 24 September 2024. They were signed on its behalf by:

Signed by:

A Nisbet
Director

The notes on pages 29 to 59 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2023

	Called-up share capital £'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 2023	26	5,182	225,357	230,565	4,524	235,089
Comprehensive income for the year						
Profit for the year	-	-	8,382	8,382	1,410	9,792
Other comprehensive income for the year	-	-	(880)	(880)	-	(880)
Total comprehensive income for the year	-	-	7,502	7,502	1,410	8,912
Share based payments	-	-	1,904	1,904	-	1,904
Dividends: equity capital	-	-	-	-	(354)	(354)
Gain on disposal of shares	-	-	12,613	12,613	-	12,613
At 31 December 2023	26	5,182	247,376	252,584	5,580	258,164

The notes on pages 29 to 59 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2022

	Called-up share capital £'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 2022	26	5,182	208,016	213,224	3,769	216,993
Comprehensive income for the year						
Profit for the year	-	-	22,735	22,735	950	23,685
Other comprehensive income for the year	-	-	1,092	1,092	3	1,095
Total comprehensive income for the year	-	-	23,827	23,827	953	24,780
Minority on acquisition	-	-	-	-	76	76
Share based payments	-	-	1,664	1,664	-	1,664
Dividends: equity capital	-	-	(8,150)	(8,150)	(274)	(8,424)
At 31 December 2022	26	5,182	225,357	230,565	4,524	235,089

The notes on pages 29 to 59 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2023

	Called-up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 January 2022	26	89,132	89,158
Profit for the year, being total comprehensive expense for the year	-	1,652	1,652
Dividends: equity capital	-	(8,150)	(8,150)
At 31 December 2022	26	82,634	82,660
Profit for the year, being total comprehensive expense for the year	-	14,887	14,887
At 31 December 2023	26	97,521	97,547

The notes on pages 29 to 59 form part of these financial statements.

KEY WEST (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities			
Profit for the financial year		9,792	23,685
Adjustments for:			
Amortisation of intangible assets	14	1,897	2,001
Depreciation of tangible assets	15	6,219	5,272
Share based payments	8	1,904	1,664
Loss on disposal of intangible assets		28	7
Loss on disposal of tangible assets		724	96
Interest payable	11	7,460	6,372
Interest receivable	10	(855)	(172)
Taxation charge	12	6,544	8,613
Decrease/(increase) in stocks	18	33,430	(37,580)
Decrease/(increase) in debtors	19	1,787	(10,348)
(Decrease)/increase in creditors	21, 22	(24,068)	27,069
Foreign exchange movements		366	(336)
Net fair value losses recognised in P&L	17	3,202	5,004
Corporation tax paid		(6,974)	(8,273)
Net cash generated from operating activities		<u>41,456</u>	<u>23,074</u>
Cash flows from investing activities			
Purchase of intangible fixed assets	14	(2,978)	(3,239)
Purchase of tangible fixed assets	15	(22,635)	(13,921)
Purchase of investment properties	17	(22)	(9,299)
Proceeds from disposal of investment properties	17	-	8,750
Purchase of subsidiaries, net of cash acquired	16	-	(3,255)
Purchase of investments	16	(1,100)	(500)
Interest received		855	172
Net cash used in investing activities		<u>(25,880)</u>	<u>(21,292)</u>
Cash flows from financing activities			
New secured loans		-	37,751
Repayment of loans		(37,730)	-
Dividends paid	13	-	(8,150)
Interest paid		(7,460)	(3,117)
Net cash (used in)/generated from financing activities		<u>(45,190)</u>	<u>26,484</u>
Net (decrease)/increase in cash and cash equivalents		<u>(29,614)</u>	<u>28,266</u>
Cash and cash equivalents at beginning of year	20	62,242	33,533
Foreign exchange gains and losses		(1,234)	443
Cash and cash equivalents at the end of year	20	<u>31,394</u>	<u>62,242</u>
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		<u>31,394</u>	<u>62,242</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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, BS8 1AQ.

2. Accounting policies

The following principal accounting policies have been applied:

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 judgement in applying the Group's 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.

Going concern

In assessing the going concern position of the Group for the purposes of preparing the consolidated financial statements for the year ended 31 December 2023, the Directors of each subsidiary have considered future cash flows, liquidity and business activities. Separate Going Concern reports can be found in each entity's respective Directors' reports.

At 31 December 2023, Key West Holdings Group had cash balances of £31.4m, drawn facilities of £nil and undrawn financing facilities of £51.0 million which are available for general corporate purposes, including but not limited to funding working capital and capital expenditure.

Based on the subsidiary companies' forecasts, the Directors have adopted the going concern basis in preparing the Financial Statements. The Directors have made this assessment after consideration of the Company's and Group's cash flows and related assumptions for a period of up to 30 September 2025.

The Directors have reviewed the current cash reserves and have considered the impact of additional downside scenarios with a more severe impact on the Group's cashflows and liquidity than is currently thought likely. Currently the Group has significant liquid reserves, following the disposal of Nisbets in May 2024. The Directors are developing a long term investment strategy to ensure the continued growth of the Group alongside reviewing the donation strategy. They are confident that the resulting returns, will allow the Group to maintain sufficient liquidity.

The Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period up to 30 September 2025 and for these reasons, they continue to adopt a going concern basis for the preparation of the Financial Statements.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 31 December 2023**

2. Accounting policies (continued)

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 Income Statement 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 Ltd 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 Ltd had been owned by Key West (Holdings) Limited throughout the periods.

2.3 Turnover

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.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

2. Accounting policies (continued)

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.

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% reducing balance/8% - 33.3% straight line
Computer equipment	-	20% - 33.3% straight line
Other fixed assets	-	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.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

2. Accounting policies (continued)

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. Valuations assume that Tenants will not break the terms of their lease. 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.

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 Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.9 Stocks

Inventories are stated at the lower of cost, using the first in first out method, and selling price less costs to complete and sell. Provision is made for slow moving and obsolete inventories.

Inventories are classed as obsolete if no sale has been made in the previous 12 months. Provisions on obsolete and slow moving inventories are made at varying rates based on the Group's historical trends.

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.

Provisions are made for significantly overdue items on the debtors' ledger with specific provision for debtors in financial difficulty.

Customer overpayments that are more than 3 years old are released back to the statement of comprehensive income.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

2. Accounting policies (continued)

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.

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.

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 (continued) For the year ended 31 December 2023

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. Nonmonetary 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 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 (continued) For the year ended 31 December 2023

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 lessees 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 Consolidated 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 (continued) For the year ended 31 December 2023

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 Consolidated 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 (continued)

For the year ended 31 December 2023

2. Accounting policies (continued)

2.23 Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

2.24 Derivative financial instruments

Derivative financial instruments not qualifying for hedge accounting are recognised at fair value 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.

2.25 Share based payment transactions

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group. The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

2.26 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 carrying 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.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

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:

Future cash flows – Cash flows that are used in impairment reviews and going concern assessments are driven by the Group's forecasts combined with the Group's financing arrangements, working capital management and capital expenditure policies.

Provision for obsolete and slow-moving inventories - Inventories are classed as obsolete if no sale has been made in the previous 12 months. Provisions on obsolete and slow-moving inventories are made at varying rates 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, replacements and all warranty costs - Provision is made for pending and expected customer returns, replacements and warranty costs 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.

Share based payments - assessment and provision is made annually on the likelihood a future liability will result from current performance. For the year ended 31 December 2023 this is currently assessed at a charge of £1,904,000 (2022: charge of £1,664,000).

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

4. Turnover

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

	2023 £'000	2022 £'000
Sale, design, installation and rental of catering equipment	496,986	492,667
Leasing of catering equipment	594	444
Net rent receivable	6,552	6,271
	<u>504,132</u>	<u>499,382</u>

An analysis of turnover by geographical areas is as follows:

	2023 £'000	2022 £'000
United Kingdom	397,447	384,931
Europe	54,373	58,865
Australia/New Zealand	52,312	55,586
	<u>504,132</u>	<u>499,382</u>

5. Other operating income

	2023 £'000	2022 £'000
Government grants	-	284
	<u>-</u>	<u>284</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

6. Operating profit

Operating profit is stated after charging/(crediting):

	2023 £'000	2022 £'000
Depreciation of tangible fixed assets	6,219	5,272
Amortisation of intangible assets, including goodwill	1,897	2,001
Operating lease rentals -plant and machinery	113	83
Operating lease rentals - other	12,139	9,991
Foreign exchange loss/(gain)	384	(418)
Charitable donations	2,500	2,000
	<u>6,500</u>	<u>19,929</u>

7. Auditor's remuneration

	2023 £'000	2022 £'000
Fees payable to the Group's auditor and its associates for the audit of the Company's annual accounts	50	40
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of subsidiaries of the Group pursuant to legislation	524	572
Non audit services	28	13
	<u>592</u>	<u>625</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

8. Employees

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

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Wages and salaries	68,154	70,589	171	-
Social security costs	7,241	6,356	19	-
Cost of defined contribution scheme	2,395	2,013	3	-
	<u>77,790</u>	<u>78,958</u>	<u>193</u>	<u>-</u>

Included in wages and salaries is a charge of £1,904,000 (2022: charge of £1,664,000) related to share-based payments, of which £1,904,000 (2022: £1,664,000) arises from equity settled share-based payment transactions (Note 34).

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

Group	2023 number	2022 number
Employees	<u>2,079</u>	<u>1,891</u>
Company	2023 number	2022 number
Employees	<u>4</u>	<u>-</u>

9. Directors' remuneration

	2023 £'000	2022 £'000
Emoluments	<u>75</u>	<u>-</u>

During the year retirement benefits were accruing to no directors (2022 - none) in respect of defined contribution pension schemes.

10. Interest receivable and similar income

	2023 £'000	2022 £'000
Other interest receivable	<u>855</u>	<u>172</u>

KEY WEST (HOLDINGS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)**
For the year ended 31 December 2023**11. Interest payable and similar expenses**

	2023	2022
	£'000	£'000
Bank interest payable	2,305	1,218
Preference dividends	5,155	5,155
	<u>7,460</u>	<u>6,373</u>

12. Taxation

	2023	2022
	£'000	£'000
Corporation tax		
Current tax on profits for the year	5,934	7,436
Adjustments in respect of previous periods	(375)	(420)
	<u>5,559</u>	<u>7,016</u>
Foreign tax		
Foreign tax on income for the year	836	1,690
Foreign tax in respect of prior periods	(977)	(44)
	<u>(141)</u>	<u>1,646</u>
Total current tax	<u>5,418</u>	<u>8,662</u>
Deferred tax		
Origination and reversal of timing differences	712	(436)
Changes to tax rates	(12)	39
Adjustments in respect of prior periods	426	348
	<u>1,126</u>	<u>(49)</u>
Total deferred tax	<u>1,126</u>	<u>(49)</u>
Tax on profit	<u>6,544</u>	<u>8,613</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 23.52% (2022: 19%). The differences are explained below:

	2023	2022
	£'000	£'000
Profit on ordinary activities before tax	16,336	32,298
Profit on ordinary activities multiplied by group effective standard rate of corporation tax of 23.52% (2022: 20.1%)	3,842	6,495
<i>Effects of:</i>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	715	1,217
Adjustments to tax charge in respect of prior periods	(927)	(36)
Change in non controlling interests recognised in equity	2,966	-
Non taxable income	(413)	(186)
Differences between standard and actual rate	-	219
Effect of changes in tax rates	(12)	24
Effects of other reliefs	387	36
Foreign exchange difference on opening gross timing differences	(14)	-
Fair value changes on which deferred tax is not provided	-	844
Total tax charge for the year	<u>6,544</u>	<u>8,613</u>

At the balance sheet date, the deferred tax asset not recognised relating to fair value losses on investment properties amounted to £6,482,000 (2022: £3,301,000).

No material reversal of the deferred tax asset is expected within the next year, as the group is not considering disposal of any investment property.

13. Dividends

	2023	2022
	£'000	£'000
On ordinary shares	<u>-</u>	<u>8,150</u>

During the year, dividends of £nil were declared on the A, B and C ordinary shares (2022: £nil) and dividends of £nil were declared on the Ordinary shares (2022: £8,150,000).

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

14. Intangible assets

Group

	Goodwill on consolidation £'000	Purchased goodwill £'000	Other intangibles £'000	Total £'000
Cost				
At 1 January 2023	21,077	990	7,435	29,502
Foreign exchange adjustments	-	-	(8)	(8)
Additions	180	-	2,798	2,978
Disposals	-	-	(28)	(28)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	21,257	990	10,197	32,444
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Amortisation				
At 1 January 2023	13,371	990	6,754	21,115
Foreign exchange adjustments	-	-	(7)	(7)
Charge for the year	1,477	-	420	1,897
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	14,848	990	7,167	23,005
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value				
At 31 December 2023	6,409	-	3,030	9,439
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2022	7,706	-	681	8,387
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Other intangibles comprise trademarks, customer lists and computer software.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

15. Tangible fixed assets

Group

	Freehold property £'000	Short-term leasehold property £'000	Plant and machinery £'000	Motor vehicles £'000	Assets in the course Of construction
Cost					
At 1 January 2023	53,234	7,132	1,615	433	-
Foreign exchange adjustments	(350)	-	-	(1)	-
Additions	13,546	-	-	265	6,308
Reclassifications	(1,482)	(7,132)	-	-	-
Disposals	(10,065)	-	-	(74)	-
At 31 December 2023	<u>54,883</u>	<u>-</u>	<u>1,615</u>	<u>623</u>	<u>6,308</u>
Amortisation					
At 1 January 2023	11,978	1,385	754	256	-
Foreign exchange adjustments	(93)	-	-	(1)	-
Charge for the year	2,392	-	-	123	-
Reclassifications	1,385	(1,385)	-	-	-
Disposals	(1,303)	-	-	(28)	-
At 31 December 2023	<u>14,359</u>	<u>-</u>	<u>754</u>	<u>350</u>	<u>-</u>
Net book value					
At 31 December 2023	<u>40,524</u>	<u>-</u>	<u>861</u>	<u>273</u>	<u>6,308</u>
At 31 December 2022	<u>41,256</u>	<u>5,747</u>	<u>861</u>	<u>177</u>	<u>-</u>

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

15. Tangible fixed assets (continued)

Group (continued)

	Fixtures and fittings £'000	Computer equipment £'000	Hire equipment £'000	Total £'000
Cost				
At 1 January 2023	31,225	9,030	4,080	106,749
Foreign exchange adjustments	(180)	(60)	-	(591)
Additions	526	713	1,277	22,635
Reclassifications	7,995	17	602	-
Disposals	(1,559)	(58)	(1,629)	(13,385)
At 31 December 2023	38,007	9,642	4,330	115,408
Amortisation				
At 1 January 2023	22,675	6,794	2,882	46,724
Foreign exchange adjustments	(92)	(40)	-	(226)
Charge for the year	2,170	814	720	6,219
Reclassifications	-	-	-	-
Disposals	(1,336)	(57)	(937)	(3,661)
At 31 December 2023	23,417	7,511	2,665	49,056
Net book value				
At 31 December 2023	14,590	2,131	1,665	66,352
At 31 December 2022	8,550	2,236	1,198	60,025

Tangible fixed assets with a carrying value of £22,190,000 (2022: £33,495,000) are pledged as security for the Group's bank loans.

Company

	Fixtures and fittings £'000
Cost and net book value	
At 1 January 2023 and 31 December 2023	-

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

16. Fixed asset investments

Direct subsidiary undertakings

The following were directly-owned subsidiary undertakings of the company:

Name	Class of shares	Holding	Country of incorporation	Principal activity	
Nisbets Ltd	Ordinary	97%	United Kingdom	Sale and lease of catering equipment	5
PNFT5 (Unicorn) Limited	Ordinary	100%	United Kingdom	Dormant	12
Chef Leasing Limited	Ordinary	100%	United Kingdom	Leasing of catering equipment	5
GB7202 Limited	Ordinary	100%	Isle of Man	Asset owning and management	17

Indirect Subsidiary undertakings

The following were indirectly-owned subsidiary undertakings of the company:

Name	Class of shares	Holding	Country of incorporation	Principal activity	
Jongor (Holdings) Limited	Ordinary	51%	United Kingdom	Hire of catering equipment	13
Jongor Trading Limited	Ordinary	51%	United Kingdom	Holding company	13
Jongor Limited	Ordinary	51%	United Kingdom	Leasing of catering equipment	13
Nisbets Europe BV (formerly KCC Nisbets BV)	Ordinary	100%	Netherlands	Sale of catering equipment	1
Nisbets France SARL	Ordinary	100%	France	Sale of catering equipment	2
Nisbets Iberica SL	Ordinary	100%	Spain	Sale of catering equipment	3
Nisbets Asia Limited	Ordinary	100%	Hong Kong	Holding company	6
Nisbets Australia Pty Limited	Ordinary	75%	Australia	Sale of catering equipment	7
Nisbets New Zealand Limited	Ordinary	75%	New Zealand	Sale of catering equipment	8
Red Ribbon Trading Limited	Ordinary	100%	United Kingdom	Provision of services to other group companies	5
Red Ribbon Trading (Shenzhen) Co. Ltd	Ordinary	100%	China	Provision of services to other group companies	10
Space Catering (UK) Limited	Ordinary	95%	United Kingdom	Design and installation of catering equipment	5
Rowlett Rutland Limited	Ordinary	100%	United Kingdom	Manufacturing and sale of catering equipment	5

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

16. Fixed asset investments (continued)

Indirect Subsidiary undertakings (continued)

Name	Class of shares	Holding	Country of incorporation	Principal activity	
Nisbets Deutschland Gmbh	Ordinary	100%	Germany	Dormant company	4
Nisbets Inc.	Ordinary	100%	USA	Dormant company	9
Home Chef Limited	Ordinary.	100%	United Kingdom	Dissolved in 2023	5
Space Catering Equipment Limited	Ordinary	95%	United Kingdom	In liquidation	11
Plyanemca Limited	Ordinary	100%	United Kingdom	Dormant company	5
Nisbets India Private Limited	Ordinary	100%	India	Sale of catering equipment	14
UK Catering and Refrigeration Engineers Ltd	Ordinary	80%	United Kingdom	Sale of catering equipment	5
UK Engineers Limited	Ordinary	100%	United Kingdom	Dissolved in 2023	5
UK Catering Engineers Limited	Ordinary	100%	United Kingdom	Dissolved in 2023	5
UK Catering Spares Limited	Ordinary	100%	United Kingdom	Dissolved in 2023	5
Smart Monitoring Limited	Ordinary	100%	United Kingdom	Dissolved in 2023	5
Smart Monitoring Systems Limited	Ordinary	100%	United Kingdom	Dissolved in 2023	5
Smart Monitoring Services Limited	Ordinary	100%	United Kingdom	Dissolved in 2023	5
Smart Temp IOT Limited	Ordinary	100%	United Kingdom	Dissolved in 2023	5
Smart Kitchen IOT Limited	Ordinary	100%	United Kingdom	Dissolved in 2023	5
Smart Hub IOT Limited	Ordinary	100%	United Kingdom	Dissolved in 2023	5
Raynicot Limited	Ordinary	100%	United Kingdom	Sale of catering equipment	16
Beaumont TM Limited (Indirect shareholding via Raynicot Limited)	Ordinary	100%	United Kingdom	Sale of catering equipment	16
XOF Capital Ltd	Ordinary	100%	United Kingdom	Sale of catering equipment	15
Host Online Ltd (Indirect shareholding via XOF Capital Ltd)	Ordinary	100%	United Kingdom	Sale of catering equipment	15

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

16. Fixed asset investments (continued)

The registered addresses of the companies are:

- 1 - Hurksestraat 2 B, 5652 AJ, Eindhoven, Netherlands
- 2 - Rue Louis de Broglie Alleé, Nicéphore Niepce Zac d'Arvigny 77550, Moissy-Cramayel, France
- 3 - C/Corretger 125, Paterna 46, Valencia, Spain
- 4 - Theosdorstraße 105, 40472 Düsseldorf, Germany
- 5 - Fourth Way Avonmouth, Bristol, Avon, BS11 8TB, United Kingdom
- 6 - Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong
- 7 - 15 Badgally Rd, Campbelltown, 2560 Australia
- 8 - 23 Business Parade North, Highbrook, Auckland, New Zealand
- 9 - C.O Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle Delaware, 19808, USA
- 10 - Room 306, Building 6, Hua Jian Building, Xing Hua Road, Shekou, Nanshan District, Shenzhen, China
- 11 - 3 The Courtyard, Woodlands, Bradley Stoke, Bristol BS32 4NQ, United Kingdom
- 12 - 22 Clifton Road, Clifton, Bristol BS8 1AQ, United Kingdom
- 13 - Unit G Kingsland Trading Estate, St Philips Road, Bristol BS2 0JZ, United Kingdom
- 14 - C-150, Second Floor, Okhla Industrial Estate, Phase-1, New Delhi, South East Delhi, Delhi 110020
- 15 - Host House Newhouse Farm Industrial Estate, Mathern, Chepstow, Wales, NP16 6UD
- 16 - 2-4 Lyall Park, Flitwick Industrial Estate, Flitwick, Bedfordshire MK45 1UQ
- 17 - Fort Anne, South Quay, Douglas, Isle Of Man, IM1 5PD

	Group £'000	Company £'000
Cost and net book value		
At 1 January 2023	500	6,956
Additions	1,100	1,100
At 31 December 2023	<u>1,600</u>	<u>8,056</u>

The group owns a 30% holding in ChefRadius Limited, a company incorporated in the United Kingdom.

On 31 August 2023 Key West (Holdings) Limited acquired Chef Leasing Limited to from Nisbets Limited by way of dividend in specie for £nil consideration. There is no overall change in ownership by the Group headed by Key West (Holdings) Limited.

During the year, the Company subscribed for a 100% stake in GB7202 Ltd, a new company registered in the Isle of Man.

During the prior year, the Company acquired a 1% holding in Mous Products Limited, a company incorporated in the United Kingdom, for consideration of £500,000.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

17. Investment property

Group and company

	£'000
Cost or valuation	
At 1 January 2023	79,185
Additions at cost	9,022
Loss on revaluation	(3,202)
	<hr/>
At 31 December 2023	<u>85,005</u>

Investment property is held at fair value. The investment properties were valued by DJ Foley Property Consultants and Savills, on an open market value for existing use basis.

18. Inventories

	Group 2023 £'000	Group 2022 £'000
Cost		
Finished goods and goods for resale	92,610	126,040
	<hr/>	<hr/>

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

19. Debtors

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Due within one year				
Trade debtors	40,487	39,065	663	819
Amounts owed by group undertakings	-	-	6,450	-
Other debtors	27,734	18,589	15,053	5,994
Prepayments and accrued income	3,784	4,290	9	3
Financial instruments	-	-	-	-
Corporation tax recoverable	2,716	1,122	-	-
Net investment in finance leases	1,413	1,026	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>76,134</u>	<u>64,092</u>	<u>22,175</u>	<u>6,816</u>

Amounts due from group undertakings are repayable on demand. Interest is due on non-trading intercompany balances with the exception of balances with dormant subsidiaries. No interest is charged on trade debtors or creditors.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

19. Debtors (continued)

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Due after more than one year				
Net investments in finance leases	985	608	-	-

Further details on assets included in the net investment in finance leases are given below:

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Total amounts receivable	2,967	1,957	-	-
Less: interest allocated to future periods	(569)	(324)	-	-
Net investment in contracts accounted for as finance leases	2,398	1,633	-	-
Rentals receivable during the year from contracts accounted for as finance leases	2,782	2,212	-	-
Cost of assets acquired for the purpose of letting under contracts accounted for as finance leases during the year	2,917	2,056	-	-

The net investment in finance leases falls due as follows:

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Amounts due:				
Within one year	1,413	1,026	-	-
After one year and within two years	674	536	-	-
After two years and withing five years	311	72	-	-
	2,398	1,634	-	-

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

20. Cash and cash equivalents

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Cash at bank and in hand	31,394	62,242	5,982	19,737

21. Creditors: Amounts falling due within one year

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Bank loans	535	44,495	-	-
Other loans	8,350	20,840	8,350	14,642
Trade creditors	23,584	36,683	213	174
Corporation tax	-	-	26	120
Other taxation and social security	6,845	9,606	(1,329)	490
Other creditors	22,784	23,958	2,823	182
Accruals and deferred income	21,951	21,462	2,257	1,938
Financial instruments	655	192	-	-
Dividends payable	11,022	6,111	11,022	12,217
Amounts due to group undertakings	-	-	119	119
	95,726	163,347	23,481	29,882

Amounts due to group undertakings are repayable on demand. Interest is due on non-trading intercompany balances with the exception of balances with dormant subsidiaries. No interest is charged on trade debtors or creditors.

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

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Bank loans	6,230	-	-	-
Preference shares	9	9	9	9
	6,239	9	9	9

All preference shares carry a fixed annual dividend of £585.69 per share. The Preference Shares do not confer any voting rights, and non-redeemable. In the event of a liquidation or sale the holder is entitled to a fixed sum and has no further rights to the residual assets of the company.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

23. Provisions for liabilities

Group	Warranty £'000	Dilapidations £'000	Onerous leases £'000	Total £'000
At beginning of year	2,988	1,593	73	4,654
Exchange adjustment	(53)	(6)	(9)	(68)
Additions during the year	1,140	3	136	1,279
Released during the year	(1,537)	(15)	(67)	(1,619)
	<u>2,538</u>	<u>1,575</u>	<u>133</u>	<u>4,246</u>
 Company				Deferred Tax (note 26) £'000
At beginning of year				143
Reclassification from creditors				-
Additions during the year				38
				<u>181</u>

The warranty provision is held to cover the cost of resolving customer returns for products within their warranty period.

The dilapidations provision is held for making good properties that are leased by the group.

The onerous lease provision represent the total future obligation of lease payments where the Group has decided to cease to trade from existing retail stores and other provisions relating to potential obligations.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

24. Bank Loans

	Group 2023 £'000	Group 2022 £'000
Amounts falling due within one year	535	44,495
Amounts falling after more than one year	6,230	-
	<u>6,765</u>	<u>44,495</u>

Key West (Holdings) Limited has a £1m (2022: £1m) rolling credit facility. The value drawn on the facility was £nil at 31 December 2023 (2022: £nil). The facility is secured by a charge over certain of Key West' properties and carries interest at Bank of England base rate plus 5.15%.

Nisbets Ltd has bank loans of £6,765,000 (2022: £5,495,000) relating to a 24 month Australian Dollar term loan renewed July 2023. It is secured by a charge over certain of Nisbets properties and carries interest at 1.75% above Australian Bank Bill Swap Rate.

In addition, Nisbets has a £50,000,000, 3-year multicurrency revolving credit facility. The value drawn on this facility at 31 December 2023 was £nil (2022: £39,000,000). It is secured by a charge over certain of the Group's properties.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

25. Financial instruments

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Financial assets				
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	-	-	-	-
Financial assets measured at amortised cost	105,798	125,819	28,157	26,554
Financial liabilities				
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	(655)	(192)	-	-
Financial liabilities measured at amortised cost	(94,457)	(153,512)	(21,199)	(27,788)
	<u>10,686</u>	<u>(27,885)</u>	<u>6,958</u>	<u>(1,234)</u>

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

26. Deferred taxation

Group

The deferred tax asset is made up as follows:

	2023 £'000	2022 £'000
Accelerated capital allowances	(667)	1,246
Other short term timing differences	1,523	774
At end of year	<u>856</u>	<u>2,020</u>

Company

The company's deferred tax liability of £181,000 (2022: £143,000) relates to differences between capital allowances and depreciation.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

27. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
<i>Ordinary shares</i>		
25,614 Ordinary shares of £1.00 each	25,614	25,614
264 A Ordinary shares of £1.00 each	264	264
264 B Ordinary shares of £1.00 each	264	264
264 C Ordinary shares of £1.00 each	264	264
	<hr/>	<hr/>
	26,406	26,406
	<hr/> <hr/>	<hr/> <hr/>
	2023 £	2022 £
<i>Preference shares</i>		
8,537 Ordinary shares of £1.00 each	8,537	8,537
88 A Preference shares of £1.00 each	88	88
88 B Preference shares of £1.00 each	88	88
88 C Preference shares of £1.00 each	88	88
	<hr/>	<hr/>
	8,801	8,801
	<hr/> <hr/>	<hr/> <hr/>

The preference shares carry a fixed annual dividend of £585.69 per share, and are classified as a financial liability. These are presented in note 22.

The Ordinary shares, the A ordinary shares, the B ordinary shares and the C ordinary shares have attached to them full voting and capital distribution (including on winding up) rights, they do not confer any rights of redemption. Rights to receive such dividends as the Board resolves to be distributed amongst the holders of the shares.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2023

28. 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 Ltd.

Profit and loss account

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

29. Contingent liabilities

The company and group have no contingent liabilities at 31 December 2023.

30. Capital commitments

At 31 December 2023 the Group had capital commitments as follows:

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Contracted for but not provided	1,555	14,423	-	-

31. Commitments under operating leases

At 31 December 2023 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	2023 Land & buildings £'000	2023 Other £'000	2022 Land & buildings £'000	2022 Other £'000
In one year or less	11,344	809	10,203	490
Between one and two years	9,783	655	9,931	349
Between two and five years	20,936	475	22,717	528
After five years	31,944	3	32,023	7
	74,007	1,942	74,874	1,374

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

32. Related party transactions

The group made contributions of £2.5m to The Nisbet Trust in the year (2022: £2.0m). Members of the Key West (Holdings) Ltd and Nisbets Ltd board also sit as Trustees of The Nisbet Trust.

The company has a loan balance due to Andrew Nisbet at an interest rate of 2% + Bank of England Base Rate. The total amount due at 31 December is £8,541,000 (2022: £12,142,000).

The company has a loan balance due to E R Nisbet, a director of the company, at an interest rate of 2% + Bank of England Base Rate. The total amount due at 31 December is £2,591,000 (2022: £2,500,000).

The company has a loan balance due from J P Nisbet, a director of the company, at an interest rate of 2.25%. During the year the full amount of the loan outstanding at the end of 2022 was repaid. The amount due at 31 December 2023 is £189,000 (2022: £4,959,000); this has been fully repaid since the balance sheet date.

During the year the company sold 1,000 ZB shares and 1,000 ZC shares in Nisbets Limited to the Key West (Holdings) Business Settlement for consideration of £12,630,000.

During the year the company paid ordinary dividends of £nil to Key West (Holdings) Business Settlement (2022: £8,150,000). The total amount due to the company from Key West (Holdings) Business Settlement at 31 December 2023 is £13,618,000 (2022: amount due to Key West (Holdings) Business Settlement of £6,197,000).

At the balance sheet date, the company owed £0.1m to its subsidiary undertaking, PNFT5 (Unicorn) Limited (2022: £0.1m).

During the year, Key West (Holdings) Limited acquired an asset build contract from A Nisbet for consideration of £1,374,000 representing the cost spent to date. This was subsequently transferred to GB7202 Ltd, a wholly-owned subsidiary of Key West (Holdings) Limited.

Other than transactions disclosed above, the Company's other related party transactions were with wholly owned subsidiaries.

The interests of the directors in the shares of the Company at 31 December 2023 were as follows:

	Ordinary shares	A Ordinary shares	B Ordinary shares	C Ordinary shares	Preference shares	A Preference shares	B Preference shares	C Preference shares
Key West (Holdings) Business Settlement	25,614	-	-	-	-	-	-	-
A Nisbet	-	-	-	-	8,537	-	-	-
J P Nisbet	-	264	-	-	-	88	-	-
E R Nisbet	-	-	264	-	-	-	88	-
A M Nisbet	-	-	-	264	-	-	-	88
	<u>25,614</u>	<u>264</u>	<u>264</u>	<u>264</u>	<u>8,537</u>	<u>88</u>	<u>88</u>	<u>88</u>

The rights attached to each class of share are set out in notes 22 and 27.

KEY WEST (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2023

33. 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.

34. Share based payments

Nisbets Ltd has issued shares to its employees, the terms of which are linked to the employees' continued employment by the Company. This arrangement is classified as an equity-settled share-based payment arrangement. The grant date fair value has been calculated using an option pricing model. This was considered to be the most appropriate method given the nature and terms of the scheme. A charge of £1,904,000 has been recognised in the profit and loss account for the year ended 31 December 2023 (2022: charge of £1,664,000). The share option charge has been calculated through consideration of meeting performance criteria over a 18 month to 42 month period.

35. Subsidiary company audit exemptions

For the period ended 31 December 2023 certain subsidiaries of Key West (Holdings) Limited were entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies. Key West (Holdings) Limited has provided a guarantee to these subsidiaries in accordance with that section.

The companies covered by the guarantee and taking exemption from the audit are as follows:

Subsidiary undertaking	Company Number
PNFT 5 (Unicorn) Limited	11495348
Chef Leasing Limited	05161550

36. Controlling party

The controlling related parties are A Nisbet and Groupclose Limited as trustees of the Key West (Holdings) Business Settlement by virtue of their shareholding in the company.

37. Post balance sheet events

On 23 May 2024, Key West (Holdings) Limited completed the sale of its holding Nisbets Limited (formerly Nisbets Ltd) for a mixture of cash and a 17.6% stake in Bunzl Holdings Ltd, an entity controlled by Bunzl plc, a leading British multi-national distributor. On the same date, the group sold its holding in Chef Leasing Limited to Nisbets Limited.

On 23 August 2024 GB7202 Ltd novated its asset build contract and all associated costs to GB72 Limited Partnership Incorporated.

On 29 August 2024 KWH cancelled 263 Ordinary A, B & C Shares and 88 Preference A, B & C Shares.