

Company registration number 02794065 (England and Wales)

**KEY PRODUCTION (LONDON) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

# KEY PRODUCTION (LONDON) LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Ms K R Emanuel
<b>Secretary</b>	Ms K R Emanuel
<b>Company number</b>	02794065
<b>Registered office</b>	Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW
<b>Auditor</b>	RDP Newmans LLP Lynwood House 373-375 Station Road Harrow Middlesex HA1 2AW
<b>Business address</b>	Unit 41, Tileyard Studios Tileyard Road Kings Cross London N7 9AH

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# KEY PRODUCTION (LONDON) LIMITED

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# KEY PRODUCTION (LONDON) LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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The director presents the strategic report for the year ended 30 September 2022.

### Principal activity

The principal activity of the group continued to be that of consultancy and arrangement of manufacturing for music industry related products.

### Fair review of the business

The results for the year and the financial position at the year end were considered satisfactory by the director who expect to continued improvements in the foreseeable future.

### Principal risks and uncertainties

The main risks arising from the group's financial instruments are credit risk and liquidity risk. The board reviews and agrees policies for managing each of these and other risks and they are summarised below.

### Credit risk

The risk arising from the possibility that the group will incur losses from the failure of customers and counterparties to meet their obligations is constantly reviewed. This risk is minimal as the group performs ongoing credit evaluations of its customers and to date has not experienced any material losses.

### Liquidity risk

Liquidity risk arises in relation to the group's management of working capital and the risk that the company will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk, the liquidity position and ongoing working capital requirements are regularly reviewed by the director.

### Brexit risk

The group trades with entities based in the European Union and the UK's exit therefrom poses a risk for the group due to the uncertainty surrounding trade agreements. This is mitigated by the loyal customer and supplier base with which the company has traded with for a number of years. The group management continues to monitor the situation and responds to any changes that arise as necessary. Further, the subsidiary Key Production EU SRL incorporated in Belgium also helps to mitigate the risk.

### War in Ukraine

Due to the war in Ukraine, the global economy has been impacted by a rise in fuel prices. The company could potentially be largely impacted by this. The directors are aware of the situation and are taking necessary steps in order to reduce this risk to **development and performance** in bulk wherever possible.

The director considers the results for the year and the financial position at the year end to be encouraging as the group results indicates continued profit year on year.

### Key performance indicators

The Key Performance Indicators of Key Production (London) Limited group detailed below:

	<u>2022</u>	<u>2021</u>
Turnover (£'000)	24,224	16,805
Gross profit %	24.13%	23.87%
Net profit % after tax	8.88%	6.18%

Net assets (£'000) 6,422 4,478

On behalf of the board

Ms K R Emanuel

**Director**

28 June 2023

# KEY PRODUCTION (LONDON) LIMITED

## DIRECTOR'S REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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The director presents her annual report and financial statements for the year ended 30 September 2022.

### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £207,820. The director does not recommend payment of a further dividend.

### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Ms K R Emanuel

### **Future developments**

The director anticipates the business environment will remain competitive. The group is in a good financial position and the risks that have been identified are well managed. The director is confident in the group's ability to maintain and build on its position within the industry in the coming year.

### **Auditor**

The auditor, RDP Newmans LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Strategic report**

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Ms K R Emanuel

**Director**

28 June 2023

## **KEY PRODUCTION (LONDON) LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2022***

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The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is 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 and company will continue in business.

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

# KEY PRODUCTION (LONDON) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF KEY PRODUCTION (LONDON) LIMITED

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#### Opinion

We have audited the financial statements of Key Production (London) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2022 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 and parent company 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 director's 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's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### 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 director is 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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

# KEY PRODUCTION (LONDON) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF KEY PRODUCTION (LONDON) LIMITED

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#### **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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing 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 director either intends to liquidate the parent company or to cease operations, or has 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **The extent to which the audit was considered capable of detecting irregularities including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery and employment;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

## **KEY PRODUCTION (LONDON) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF KEY PRODUCTION (LONDON) LIMITED**

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To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed and tested journal entries to identify unusual transactions and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- reviewing and agreeing financial statement disclosures and testing to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and bankers.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Use of our report**

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

**A R Gangola FCA (Senior Statutory Auditor)**  
**For and on behalf of RDP Newmans LLP**

28 June 2023

**Chartered Accountants**  
**Statutory Auditor**

Lynwood House  
373-375 Station Road  
Harrow  
Middlesex  
HA1 2AW

## KEY PRODUCTION (LONDON) LIMITED

### GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	24,224,219	16,805,069
Cost of sales		(18,378,657)	(12,792,933)
		<hr/>	<hr/>
<b>Gross profit</b>		5,845,562	4,012,136
Distribution costs		(171,219)	(69,418)
Administrative expenses		(3,859,081)	(3,342,036)
Other operating income		858,787	710,751
		<hr/>	<hr/>
<b>Operating profit</b>	<b>4</b>	2,674,049	1,311,433
Interest receivable and similar income	<b>8</b>	7,780	1,153
		<hr/>	<hr/>
<b>Profit before taxation</b>		2,681,829	1,312,586
Tax on profit	<b>9</b>	(529,854)	(274,015)
		<hr/>	<hr/>
<b>Profit for the financial year and total comprehensive income</b>		<u>2,151,975</u>	<u>1,038,571</u>

Profit for the financial year is all attributable to the owner of the parent company.

Total comprehensive income for the year is all attributable to the owner of the parent company.

# KEY PRODUCTION (LONDON) LIMITED

## GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		28,000		55,999
Tangible assets	12		64,753		52,823
Investments	13		129,906		-
			<u>222,659</u>		<u>108,822</u>
<b>Current assets</b>					
Stocks	15	29,586		57,671	
Debtors	16	8,793,584		6,798,113	
Cash at bank and in hand		2,625,091		2,026,118	
		<u>11,448,261</u>		<u>8,881,902</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(5,232,511)</u>		<u>(4,503,026)</u>	
<b>Net current assets</b>			<u>6,215,750</u>		<u>4,378,876</u>
<b>Total assets less current liabilities</b>			<u>6,438,409</u>		<u>4,487,698</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	18	16,099		9,543	
		<u>(16,099)</u>		<u>(9,543)</u>	
<b>Net assets</b>			<u>6,422,310</u>		<u>4,478,155</u>
<b>Capital and reserves</b>					
Called up share capital	20		1,100		1,100
Capital redemption reserve			238		238
Profit and loss reserves			6,420,972		4,476,817
<b>Total equity</b>			<u>6,422,310</u>		<u>4,478,155</u>

The financial statements were approved and signed by the director and authorised for issue on 28 June 2023

Ms K R Emanuel  
Director

Company registration number 02794065 (England and Wales)

# KEY PRODUCTION (LONDON) LIMITED

## COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022		2021	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		28,000		55,999
Tangible assets	12		64,753		52,823
Investments	13		147,012		17,106
			<u>239,765</u>		<u>125,928</u>
<b>Current assets</b>					
Stocks	15	29,586		57,671	
Debtors	16	8,719,522		6,781,007	
Cash at bank and in hand		2,248,314		2,026,118	
		<u>10,997,422</u>		<u>8,864,796</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(4,810,274)</u>		<u>(4,503,026)</u>	
<b>Net current assets</b>			<u>6,187,148</u>		<u>4,361,770</u>
<b>Total assets less current liabilities</b>			<u>6,426,913</u>		<u>4,487,698</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	18	16,099		9,543	
		<u>(16,099)</u>		<u>(9,543)</u>	
<b>Net assets</b>			<u>6,410,814</u>		<u>4,478,155</u>
<b>Capital and reserves</b>					
Called up share capital	20		1,100		1,100
Capital redemption reserve			238		238
Profit and loss reserves			6,409,476		4,476,817
<b>Total equity</b>			<u>6,410,814</u>		<u>4,478,155</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,140,479 (2021 - £1,038,571).

The financial statements were approved and signed by the director and authorised for issue on 28 June 2023

Ms K R Emanuel  
**Director**

Company registration number 02794065 (England and Wales)

## KEY PRODUCTION (LONDON) LIMITED

### GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£
<b>Balance at 1 October 2020</b>	1,100	238	3,720,566	3,721,904
<b>Year ended 30 September 2021:</b>				
Profit and total comprehensive income for the year	-	-	1,038,571	1,038,571
Dividends	10	-	(282,320)	(282,320)
<b>Balance at 30 September 2021</b>	1,100	238	4,476,817	4,478,155
<b>Year ended 30 September 2022:</b>				
Profit and total comprehensive income for the year	-	-	2,151,975	2,151,975
Dividends	10	-	(207,820)	(207,820)
<b>Balance at 30 September 2022</b>	1,100	238	6,420,972	6,422,310

## KEY PRODUCTION (LONDON) LIMITED

### COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£
<b>Balance at 1 October 2020</b>	1,100	238	3,720,566	3,721,904
<b>Year ended 30 September 2021:</b>				
Profit and total comprehensive income for the year	-	-	1,038,571	1,038,571
Dividends	10	-	(282,320)	(282,320)
<b>Balance at 30 September 2021</b>	1,100	238	4,476,817	4,478,155
<b>Year ended 30 September 2022:</b>				
Profit and total comprehensive income for the year	-	-	2,140,479	2,140,479
Dividends	10	-	(207,820)	(207,820)
<b>Balance at 30 September 2022</b>	1,100	238	6,409,476	6,410,814

# KEY PRODUCTION (LONDON) LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	1,392,085		967,201	
Income taxes paid		(422,208)		(84,441)	
<b>Net cash inflow from operating activities</b>		<u>969,877</u>		<u>882,760</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(36,291)		(6,510)	
Purchase of unlisted investments		(129,906)		-	
Interest received		7,780		1,153	
<b>Net cash used in investing activities</b>		<u>(158,417)</u>		<u>(5,357)</u>	
<b>Financing activities</b>					
Dividends paid to equity shareholders		(207,820)		(282,320)	
<b>Net cash used in financing activities</b>		<u>(207,820)</u>		<u>(282,320)</u>	
<b>Net increase in cash and cash equivalents</b>		<u>603,640</u>		<u>595,083</u>	
Cash and cash equivalents at beginning of year		2,026,118		1,431,035	
Effect of foreign exchange rates		(4,667)		-	
<b>Cash and cash equivalents at end of year</b>		<u><u>2,625,091</u></u>		<u><u>2,026,118</u></u>	

# KEY PRODUCTION (LONDON) LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		2022		2021	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27		1,011,692		984,307
Income taxes paid			(418,592)		(84,441)
<b>Net cash inflow from operating activities</b>			<u>593,100</u>		<u>899,866</u>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(36,291)		(6,510)	
Purchase of subsidiaries		-		(17,106)	
Purchase of unlisted investments		(129,906)		-	
Interest received		7,780		1,153	
<b>Net cash used in investing activities</b>			<u>(158,417)</u>		<u>(22,463)</u>
<b>Financing activities</b>					
Dividends paid to equity shareholders		(207,820)		(282,320)	
<b>Net cash used in financing activities</b>			<u>(207,820)</u>		<u>(282,320)</u>
<b>Net increase in cash and cash equivalents</b>			<u>226,863</u>		<u>595,083</u>
Cash and cash equivalents at beginning of year			2,026,118		1,431,035
Effect of foreign exchange rates			(4,667)		-
<b>Cash and cash equivalents at end of year</b>			<u><u>2,248,314</u></u>		<u><u>2,026,118</u></u>

# KEY PRODUCTION (LONDON) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

#### Company information

Key Production (London) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Lynwood House, 373-375 Station Road, Harrow, Middlesex, HA1 2AW.

The group consists of Key Production (London) Limited and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

#### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Key Production (London) Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 September 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

# KEY PRODUCTION (LONDON) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

(Continued)

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

#### 1.4 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold buildings	straight line over the length of the lease of 5 years
Computer equipment	straight line over 3 years
Fixtures, fittings and equipment	15% reducing balance

# KEY PRODUCTION (LONDON) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies (Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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# KEY PRODUCTION (LONDON) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

---

### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.10 Work in progress

Work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the work in progress to their present location and condition.

Work in progress held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of work in progress over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# KEY PRODUCTION (LONDON) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# KEY PRODUCTION (LONDON) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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### 1 Accounting policies (Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### **1.13 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **1.14 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.17 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

# KEY PRODUCTION (LONDON) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

### 1 Accounting policies (Continued)

#### 1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the director's view, there are no significant judgements or estimates made.

### 3 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	18,116,152	13,514,351
Rest of the world	6,108,067	3,290,718
	<u>24,224,219</u>	<u>16,805,069</u>
	2022	2021
	£	£
<b>Other revenue</b>		
Interest income	7,780	1,153
Grants received	-	31,386
	<u>7,780</u>	<u>32,539</u>

## KEY PRODUCTION (LONDON) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	6,888	60
Government grants	-	(31,386)
Depreciation of owned tangible fixed assets	24,299	31,163
Loss on disposal of tangible fixed assets	62	-
Amortisation of intangible assets	27,999	117,525
Operating lease charges	188,872	140,049
	<u>          </u>	<u>          </u>

#### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	12,780	8,400
	<u>          </u>	<u>          </u>

#### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Administration and marketing	56	52	56	52
Directors	1	1	1	1
Total	<u>57</u>	<u>53</u>	<u>57</u>	<u>53</u>

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	2,440,149	2,065,871	2,440,149	2,065,871
Social security costs	293,368	224,622	293,368	224,622
Pension costs	64,898	48,215	64,898	48,215
	<u>2,798,415</u>	<u>2,338,708</u>	<u>2,798,415</u>	<u>2,338,708</u>

## KEY PRODUCTION (LONDON) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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<b>7</b>	<b>Director's remuneration</b>	<b>2022</b>	<b>2021</b>
		£	£
	Remuneration for qualifying services	12,767	12,272
	Company pension contributions to defined contribution schemes	9,000	-
		<u>21,767</u>	<u>12,272</u>
<b>8</b>	<b>Interest receivable and similar income</b>	<b>2022</b>	<b>2021</b>
		£	£
	<b>Interest income</b>		
	Interest on bank deposits	1,089	251
	Other interest income	6,691	902
	Total income	<u>7,780</u>	<u>1,153</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	<u>1,089</u>	<u>251</u>
<b>9</b>	<b>Taxation</b>	<b>2022</b>	<b>2021</b>
		£	£
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	519,682	278,591
	Other taxes	3,616	-
	Total current tax	<u>523,298</u>	<u>278,591</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	<u>6,556</u>	<u>(4,576)</u>
	Total tax charge	<u>529,854</u>	<u>274,015</u>

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## KEY PRODUCTION (LONDON) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 9 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	2,681,829	1,312,586
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	509,548	249,391
Tax effect of expenses that are not deductible in determining taxable profit	6,756	24,624
Permanent capital allowances in excess of depreciation	929	(1,345)
Depreciation on assets not qualifying for tax allowances	5,320	5,921
Deferred tax	6,556	(4,576)
Foreign tax	745	-
Taxation charge	529,854	274,015

#### 10 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Interim paid	207,820	282,320

#### 11 Intangible fixed assets

<b>Group</b>	<b>Goodwill</b> £
<b>Cost</b>	
At 1 October 2021 and 30 September 2022	659,163
<b>Amortisation and impairment</b>	
At 1 October 2021	603,164
Amortisation charged for the year	27,999
At 30 September 2022	631,163
<b>Carrying amount</b>	
At 30 September 2022	28,000
At 30 September 2021	55,999

## KEY PRODUCTION (LONDON) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

11 Intangible fixed assets		(Continued)		
Company		Goodwill		
		£		
<b>Cost</b>				
At 1 October 2021 and 30 September 2022		659,163		
<b>Amortisation and impairment</b>				
At 1 October 2021		603,164		
Amortisation charged for the year		27,999		
At 30 September 2022		631,163		
<b>Carrying amount</b>				
At 30 September 2022		28,000		
At 30 September 2021		55,999		
12 Tangible fixed assets				
Group	Leasehold buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 October 2021	54,352	156,542	127,338	338,232
Additions	-	25,699	10,592	36,291
Disposals	-	(20,960)	-	(20,960)
At 30 September 2022	54,352	161,281	137,930	353,563
<b>Depreciation and impairment</b>				
At 1 October 2021	52,750	147,526	85,133	285,409
Depreciation charged in the year	534	15,846	7,919	24,299
Eliminated in respect of disposals	-	(20,898)	-	(20,898)
At 30 September 2022	53,284	142,474	93,052	288,810
<b>Carrying amount</b>				
At 30 September 2022	1,068	18,807	44,878	64,753
At 30 September 2021	1,602	9,016	42,205	52,823

## KEY PRODUCTION (LONDON) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 12 Tangible fixed assets (Continued)

Company	Leasehold buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 October 2021	54,352	156,542	127,338	338,232
Additions	-	25,699	10,592	36,291
Disposals	-	(20,960)	-	(20,960)
At 30 September 2022	54,352	161,281	137,930	353,563
<b>Depreciation and impairment</b>				
At 1 October 2021	52,750	147,526	85,133	285,409
Depreciation charged in the year	534	15,846	7,919	24,299
Eliminated in respect of disposals	-	(20,898)	-	(20,898)
At 30 September 2022	53,284	142,474	93,052	288,810
<b>Carrying amount</b>				
At 30 September 2022	1,068	18,807	44,878	64,753
At 30 September 2021	1,602	9,016	42,205	52,823

#### 13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	17,106	17,106
Unlisted investments		129,906	-	129,906	-
		129,906	-	147,012	17,106

#### Movements in fixed asset investments

Group	Investments £
<b>Cost or valuation</b>	
At 1 October 2021	-
Additions	129,906
At 30 September 2022	129,906
<b>Carrying amount</b>	
At 30 September 2022	129,906
At 30 September 2021	-

## KEY PRODUCTION (LONDON) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 13 Fixed asset investments (Continued)

##### Movements in fixed asset investments

Company	Shares in subsidiaries £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 October 2021	17,106	-	17,106
Additions	-	129,906	129,906
At 30 September 2022	17,106	129,906	147,012
<b>Carrying amount</b>			
At 30 September 2022	17,106	129,906	147,012
At 30 September 2021	17,106	-	17,106

#### 14 Subsidiaries

Details of the company's subsidiaries at 30 September 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Key Production EU	Rue Saint-Laurent 36, 1000 Brussels, Belgium	consultancy and arrangement of manufacturing for music industry related products.	Ordinary shares	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Key Production EU	28,602	11,496

#### 15 Work in progress

	Group 2022 £	2021 £	Company 2022 £	2021 £
Work in progress	29,586	57,671	29,586	57,671

## KEY PRODUCTION (LONDON) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 16 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	6,224,273	4,719,912	5,374,147	4,719,912
Other debtors	2,476,606	2,011,750	3,252,670	1,994,644
Prepayments and accrued income	92,705	66,451	92,705	66,451
	<u>8,793,584</u>	<u>6,798,113</u>	<u>8,719,522</u>	<u>6,781,007</u>

#### 17 Creditors: amounts falling due within one year

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Trade creditors	3,607,329	2,614,542	3,197,756	2,614,542
Corporation tax payable	379,608	278,518	379,608	278,518
Other taxation and social security	434,793	351,817	428,629	351,817
Other creditors	90	340	90	340
Accruals and deferred income	810,691	1,257,809	804,191	1,257,809
	<u>5,232,511</u>	<u>4,503,026</u>	<u>4,810,274</u>	<u>4,503,026</u>

#### 18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

<b>Group</b>	<b>Liabilities 2022</b>	<b>Liabilities 2021</b>
	£	£
Accelerated capital allowances	16,099	9,543
	<u>16,099</u>	<u>9,543</u>
<b>Company</b>	<b>Liabilities 2022</b>	<b>Liabilities 2021</b>
	£	£
Accelerated capital allowances	16,099	9,543
	<u>16,099</u>	<u>9,543</u>

## KEY PRODUCTION (LONDON) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 18 Deferred taxation (Continued)

	Group 2022	Company 2022
	£	£
<b>Movements in the year:</b>		
Liability at 1 October 2021	9,543	9,543
Charge to profit or loss	6,556	6,556
	<u>16,099</u>	<u>16,099</u>
Liability at 30 September 2022	<u><u>16,099</u></u>	<u><u>16,099</u></u>

The deferred tax liability set out above is expected to reverse and relates to accelerated capital allowances that are expected to mature.

#### 19 Retirement benefit schemes

	2022	2021
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	64,898	48,215
	<u><u>64,898</u></u>	<u><u>48,215</u></u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### 20 Share capital

Group and company	2022		2021	
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary 'A' shares of £1 each	962	962	962	962
Ordinary 'B' shares of £1 each	138	138	138	138
	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>
	<u><u>1,100</u></u>	<u><u>1,100</u></u>	<u><u>1,100</u></u>	<u><u>1,100</u></u>

The Ordinary 'A' shares and Ordinary 'B' shares constitute different classes of share for the purposes of the Companies Act 2006. Ordinary 'A' shares and Ordinary 'B' shares rank pari passu in all respects except that dividend rights for Ordinary 'B' shares are not the same as for Ordinary 'A' shares.

#### 21 Financial commitments, guarantees and contingent liabilities

The group has provided a debenture to its bankers in respect of business credit cards of £35,000. The amount outstanding on the business credit cards at 30 September 2022 was £11,815.



## KEY PRODUCTION (LONDON) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 23 Related party transactions (Continued)

##### Company

Entities over which the company has control, joint control or significant influence

3,670,633	2,513,856
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#### 24 Director's transactions

Dividends totalling £207,820 (2021 - £282,320) were paid in the year in respect of shares held by the company's director.

At the year end, there was a balance of £90 (£2021: £340) due to the director.

#### 25 Controlling party

The ultimate controlling interest is held by Ms K R Emanuel, who is the sole director and shareholder of the company.

Key Production (London) Limited is the parent of the smallest and largest group for which consolidated financial statements are prepared. The parent company's registered office is Lynwood House, 373/375 Station Road, Harrow, Middlesex HA1 2AW. The consolidated financial statements can be obtained from Companies House.

#### 26 Cash generated from group operations

	2022	2021
	£	£
Profit for the year after tax	2,151,975	1,038,571
<b>Adjustments for:</b>		
Taxation charged	529,854	274,015
Investment income	(7,780)	(1,153)
Loss on disposal of tangible fixed assets	62	-
Amortisation and impairment of intangible assets	27,999	117,525
Depreciation and impairment of tangible fixed assets	24,299	31,163
Foreign exchange gains on cash equivalents	4,667	-
<b>Movements in working capital:</b>		
Decrease in stocks	28,085	3,741
Increase in debtors	(1,995,471)	(2,037,082)
Increase in creditors	628,395	1,557,527
<b>Cash generated from operations</b>	<b>1,392,085</b>	<b>984,307</b>

## KEY PRODUCTION (LONDON) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

#### 27 Cash generated from operations - company

	2022	2021
	£	£
Profit for the year after tax	2,140,479	1,038,571
<b>Adjustments for:</b>		
Taxation charged	526,238	274,015
Investment income	(7,780)	(1,153)
Loss on disposal of tangible fixed assets	62	-
Amortisation and impairment of intangible assets	27,999	117,525
Depreciation and impairment of tangible fixed assets	24,299	31,163
Foreign exchange gains on cash equivalents	4,667	-
<b>Movements in working capital:</b>		
Decrease in stocks	28,085	3,741
Increase in debtors	(1,938,515)	(2,037,082)
Increase in creditors	206,158	1,557,527
<b>Cash generated from operations</b>	<u>1,011,692</u>	<u>984,307</u>

#### 28 Analysis of changes in net funds - group

	1 October 2021	Cash flows	Exchange rate	30 September
	£	£	movements	2022
			£	£
Cash at bank and in hand	2,026,118	603,640	(4,667)	2,625,091
	<u>2,026,118</u>	<u>603,640</u>	<u>(4,667)</u>	<u>2,625,091</u>

#### 29 Analysis of changes in net funds - company

	1 October 2021	Cash flows	Exchange rate	30 September
	£	£	movements	2022
			£	£
Cash at bank and in hand	2,026,118	226,863	(4,667)	2,248,314
	<u>2,026,118</u>	<u>226,863</u>	<u>(4,667)</u>	<u>2,248,314</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.