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**KEY ORGANICS LIMITED**

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**FINANCIAL STATEMENTS**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



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**KEY ORGANICS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Mr W P Alexander Dr J Carey Mr S W Sloan
<b>Company secretary</b>	R J Jordan
<b>Registered number</b>	02055784
<b>Registered office</b>	Highfield Road Industrial Estate Highfield Road Camelford Cornwall PL32 9RA
<b>Trading Address</b>	Highfield Road Industrial Estate Highfield Road Camelford Cornwall PL32 9RA
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

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**KEY ORGANICS LIMITED**  
**REGISTERED NUMBER:02055784**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	4	47	48
Tangible assets	5	462	564
		509	612
<b>Current assets</b>			
Stocks	6	239	261
Debtors: amounts falling due within one year	7	667	422
Cash at bank and in hand	8	1,416	1,513
		2,322	2,196
Creditors: amounts falling due within one year	9	(239)	(232)
<b>Net current assets</b>		<b>2,083</b>	<b>1,964</b>
<b>Total assets less current liabilities</b>		<b>2,592</b>	<b>2,576</b>
<b>Net assets</b>		<b>2,592</b>	<b>2,576</b>
<b>Capital and reserves</b>			
Called up share capital		9	9
Share premium account		45	45
Profit and loss account		2,538	2,522
		<b>2,592</b>	<b>2,576</b>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
*Sean Sloan* 18/3/2022

**Mr S W Sloan**  
 Director

The notes on pages 3 to 12 form part of these financial statements.

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**KEY ORGANICS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2021	9	45	2,522	2,576
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	66	66
Dividends: Equity capital	-	-	(50)	(50)
<b>At 31 December 2021</b>	<u>9</u>	<u>45</u>	<u>2,538</u>	<u>2,592</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2020	9	45	2,688	2,742
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	10	10
Dividends: Equity capital	-	-	(176)	(176)
<b>At 31 December 2020</b>	<u>9</u>	<u>45</u>	<u>2,522</u>	<u>2,576</u>

The notes on pages 3 to 12 form part of these financial statements.

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**KEY ORGANICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. General information**

Key Organics Limited is a private company limited by shares & incorporated in England and Wales. Its registered head office is located at Highfield Road Industrial Estate, Highfield Road, Camelford, Cornwall, PL32 9RA..

The principle activity of Key Organics Limited is the manufacture of pharmaceutical preparations.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The Company has adopted the following disclosure exemptions:

- the requirement to present a statement of cashflows and the related notes
- financial instruments disclosures, including:
  - categories of financial instruments
  - exposure to and management of financial notes
- the requirement to disclose related party transactions that have taken place with other members

The following principal accounting policies have been applied:

**2.2 Going concern**

The financial statements have been prepared on the going concern basis, which assumes that the Company will have sufficient working capital facilities to enable it to continue in business for a period of at least 12 months from approving the financial statements. The uncertainty as to the impact on the Company of the COVID-19 pandemic has been considered as part of the adoption of the going concern basis. This has included consideration of a number of possible scenarios, including modelling for reduced revenues and operating margins and the demand on the cash reserves.

**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 the sale of goods and from the rendering of services.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for the work performed to date to the total estimated contract costs.

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**KEY ORGANICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****2.4 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 are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 20 years
Plant and machinery	- 3 to 10 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.6 Investments in subsidiaries**

Fixed asset investments are stated at cost less provision for any permanent diminution in value.

**2.7 Operating leases**

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

**2.8 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Raw materials are valued at purchase cost on a first in, first out basis. Finished goods are valued based on attributable costs by product type.

Provision is made for obsolete, slow moving or defective items where appropriate.

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**KEY ORGANICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.10 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.

**2.11 Financial instruments**

The Company 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

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

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

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**KEY ORGANICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****2.12 Creditors**

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

**2.13 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.14 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

The functional currency of the Company is Sterling (£).

Exchange gains and losses are recognised in the Statement of comprehensive income.

**2.15 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.

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**KEY ORGANICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)****2.16 Pensions**

The Company operates a defined contribution pension scheme and the pension charge represents the amounts paid by the Company to the fund in respect of the year.

**2.17 Interest income**

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

**2.18 Provisions for liabilities**

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the 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.

**2.19 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**2.20 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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**KEY ORGANICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**3. Employees**

Staff costs were as follows:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>1,018</b>	<i>1,015</i>
Social security costs	<b>103</b>	<i>101</i>
Cost of defined contribution scheme	<b>48</b>	<i>49</i>
	<b>1,169</b>	<i>1,165</i>

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

	<b>2021</b>	<i>2020</i>
	<b>No.</b>	<i>No.</i>
	<b>32</b>	<i>32</i>

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**KEY ORGANICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**4. Intangible assets**

	<b>Software £000</b>
<b>Cost</b>	
At 1 January 2021	273
Additions	10
At 31 December 2021	283
<b>Amortisation</b>	
At 1 January 2021	225
Charge for the year	11
At 31 December 2021	236
<b>Net book value</b>	
At 31 December 2021	47
<i>At 31 December 2020</i>	48

Amortisation on intangible assets is charged to admin expenses.

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**KEY ORGANICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**5. Tangible fixed assets**

	Freehold property £000	Plant and machinery £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2021	770	2,681	3,451
Additions	-	20	20
At 31 December 2021	<u>770</u>	<u>2,701</u>	<u>3,471</u>
<b>Depreciation</b>			
At 1 January 2021	483	2,404	2,887
Charge for the year on owned assets	29	93	122
At 31 December 2021	<u>512</u>	<u>2,497</u>	<u>3,009</u>
<b>Net book value</b>			
At 31 December 2021	<u>258</u>	<u>204</u>	<u>462</u>
<i>At 31 December 2020</i>	<u>287</u>	<u>277</u>	<u>564</u>

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**KEY ORGANICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**6. Stocks**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Raw materials	44	38
Finished goods and goods for resale	195	223
	<u>239</u>	<u>261</u>

**7. Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	325	211
Corporation tax receivable	158	69
VAT receivable	14	12
Prepayments and accrued income	136	107
Deferred taxation	34	23
	<u>667</u>	<u>422</u>

**8. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<u>1,416</u>	<u>1,513</u>

**9. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	91	114
Other taxation and social security	28	28
Other creditors	11	8
Accruals and deferred income	109	82
	<u>239</u>	<u>232</u>

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**KEY ORGANICS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**10. Deferred taxation**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
At beginning of year	23	11
Charged to profit or loss	11	12
<b>At end of year</b>	<b>34</b>	<i>23</i>

The deferred tax asset is made up as follows:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Difference between accumulated depreciation and amortisation and capital allowances	<b>34</b>	<i>23</i>

**11. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions paid by the Company to the fund and amounted to £48,000 (*2020: £49,000*).

**12. Ultimate parent undertaking and controlling party**

The ultimate parent undertaking and controlling party is Tennants Consolidated Limited, a company incorporated in the United Kingdom. The address of the registered office is 35 Queen Anne Street, London, W1G 9HZ.

The largest and smallest group of undertakings for which group accounts are produced is that headed by Tennants Consolidated Limited.

**13. Auditor's information**

The Company's accounts for the year ended 31 December 2021 were subject to audit by Grant Thornton UK LLP. The Senior Statutory Auditor is Krishan Sivathondan BSc(Hons) FCA. The audit report was unqualified.