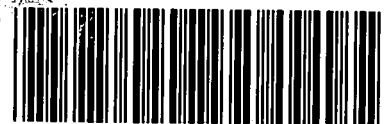


Limited Liability Partnership Registration No. OC359888 (England and Wales)

KELTIE LLP

ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2023

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KELTIE LLP

CONTENTS

Limited Liability Partnership Information	2
Members' Report	3
Independent Auditor's Report	5
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position – Group	9
Statement of Financial Position – LLP	10
Consolidated Reconciliation of Members' Interest	11
Limited Liability Partnership Reconciliation of Members' Interest	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14

KELTIE LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	S P Cummings R A Cardas J M Caldwell (Resigned 30 April 2023) S S Ahmad A R Gay J S Hopley D J Crease M Macchi R A Lawrence B N Britter M R Moore M J Richardson S E Fountain P J Baker L E Kehoe A Sadique (Resigned 31 March 2023) E T Weal
Limited liability partnership number	OC359888
Registered office	1 London Bridge London SE1 9BA
Auditor	Goodman Jones LLP 29-30 Fitzroy Square London W1T 6LQ

KELTIE LLP

MEMBERS' REPORT FOR THE YEAR ENDED 30 APRIL 2023

The members present their report and financial statements for the year ended 30 April 2023.

Principal activities

The principal activity of the Limited Liability Partnership (LLP) and Keltie Limited during the year was that of patent and trademark attorneys. The principal activity of K2 IP Limited was to provide intellectual property advice and services.

The consolidated financial statements comprise the financial statements of the LLP together with its subsidiary undertakings ('the Group').

Results

The Group profit for the year available for distribution to members was £4,787,753 (2022: £5,922,133)

The members consider the performance of the Group to be satisfactory.

Designated members

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

S P Cummings
R A Cardas
J M Caldwell (Resigned 30 April 2023)
S S Ahmad
A R Gay
J S Hopley
D J Crease
M Macchi
R A Lawrence
B N Britter
M R Moore
M J Richardson
S E Fountain
P J Baker
L E Kehoe
A Sadique (Resigned 31 March 2023)
E T Weal

Members' drawings, contributions, and repayments

The members' drawings policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A members' capital contribution is linked to their share of profit and the capital requirements of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital 'at par,' so the retiring members are repaid their capital 'at par.'

Members' capital represents the initial capital contribution made by each equity member. A member is not permitted to withdraw any amount credited to their capital account unless authorised to do so by an ordinary resolution; it is therefore treated as a liability.

Other amounts represent the undistributed members' remuneration treated as an expense after the deduction of members' drawings.

Financial instruments

The LLP's financial instruments comprise borrowings, cash and liquid resources, and various net working capital items, such as trade receivables and trade payables. The main purpose of these financial instruments is to fund that part of the LLP's operations not financed by way of members' interests.

KELTIE LLP

MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2023

It is the LLP's policy not to trade in financial or derivative instruments.

The main risk in providing funds for the LLP relates to liquidity.

Auditors

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

Statement of members' responsibilities

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 ('the 2008 Regulations') requires the members to prepare financial statements for each financial year. Under that law, the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under the 2008 Regulations, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and its Group and of the profit or loss of the Group for that year. In preparing those financial statements, the members are required to:

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

Under the 2008 Regulations, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and its Group and to enable them to ensure that the financial statements comply with those regulations. They are also responsible for safeguarding the assets of the LLP and its Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

As far as the members are aware, there is no relevant audit information of which the LLP's auditors are unaware. Additionally, the members have taken all the necessary steps that they ought to have taken as members in order to make themselves aware of all relevant audit information and to establish that the LLP's auditors are aware of that information.

Going concern

The members have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future. The members have prepared cash flow and profit forecasts which show that the partnership can meet its financial obligations as they fall due. Thus, the members continue to adopt the going concern basis of accounting in preparing the annual financial statements.

30-01-24

Approved by the members on and signed on their behalf by:

Devanand J Crease

.....
D J Crease
Designated member

Joanne Hopley

.....
J S Hopley
Designated member

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELTIE LLP

Opinion

We have audited the financial statements of Keltie LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') for the year ended 30 April 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Statement of Financial Position, the Consolidated Statement of Cash Flows, and notes to the financial statements, 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 state of the groups and the parent limited liability partnership's affairs as at 30 April 2023 and of its 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 limited liability partnership 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 members' 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 limited liability partnership'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 members 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 members 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELTIE LLP (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members 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 members 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 members are responsible for assessing the limited liability partnership'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 members either intend to liquidate the limited liability partnership 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the limited liability partnership and industry, we identified that the principal risks of non-compliance with laws and regulations related to industry sector regulations and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and UK Tax Legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls). Appropriate audit procedures in response to these risks were carried out. These procedures included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws, regulations, and fraud.
- Reading minutes of meetings of those charged with governance.
- Obtaining and reading correspondence from legal and regulatory bodies including HMRC.
- Identifying and testing journal entries.
- Challenging assumptions and judgements made by management in their significant accounting estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members; and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

KELTIE LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KELTIE LLP (CONTINUED)

There are inherent limitations in the audit procedures described above. The further removed instances of non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, 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.

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 limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



30-01-24

.....
Sarf Malik
Senior Statutory Auditor
For and on behalf of Goodman Jones LLP

29-30 Fitzroy Square
London
W1T 6LQ

Chartered Accountants
Statutory Auditor

KELTIE LLP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £	2022 £
Revenue	4	25,124,887	23,147,807
Cost of sales		(11,409,820)	(9,450,181)
Gross profit		<u>13,715,067</u>	<u>13,697,626</u>
Administration expenses		(8,833,396)	(7,692,263)
Other operating income		-	4,114
Operating profit	7	<u>4,881,671</u>	<u>6,009,477</u>
Interest payable and similar charges	8	(28,229)	(22,163)
Profit for the financial year before members' remuneration and taxation		<u>4,853,442</u>	<u>5,987,314</u>
Taxation	9	(65,689)	(65,181)
Profit for the financial year before members' remuneration and profit shares		<u>4,787,753</u>	<u>5,922,133</u>
Members' remuneration charged as an expense	6	(4,787,753)	(5,922,133)
Profit for the financial year available for discretionary division among members		<u>-</u> =====	<u>-</u> =====

KELTIE LLP

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2023**

	Notes	2023 £	2022 £
Fixed assets			
Other intangible assets	10	2,479	15,855
Total intangible assets		<u>2,479</u>	<u>15,855</u>
Tangible assets	12	219,705	416,812
		<u>222,184</u>	<u>432,667</u>
Current assets			
Debtors due within one year	14	8,245,023	7,693,209
Debtors due after more than one year	14	203,147	409,164
Total debtors	14	<u>8,448,170</u>	<u>8,102,373</u>
Cash at bank and in hand		<u>1,552,979</u>	<u>2,173,463</u>
		10,001,149	10,275,836
Creditors: amounts falling due within one year	16	(4,227,595)	(4,231,327)
Net current assets		<u>5,773,554</u>	<u>6,044,509</u>
Total assets less current liabilities		<u>5,995,738</u>	<u>6,477,176</u>
Provisions for liabilities	20	(55,250)	(250,000)
Net assets attributable to members		<u>5,940,488</u>	<u>6,227,176</u>
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		1,750,000	1,750,000
Other amounts		4,190,488	4,477,176
		<u>5,940,488</u>	<u>6,227,176</u>
Total members' interests			
Amounts due to members		5,940,488	6,227,176
		<u>5,940,488</u>	<u>6,227,176</u>

The financial statements were approved by the members and authorised for issue on 30-01-24 and are signed on its behalf by:

Devanand J Crease
.....
D J Crease
Designated member

Joanne Hopley
.....
J S Hopley
Designated member

KELTIE LLP

**STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2023**

	Notes	2023 £	2022 £
Fixed assets			
Other intangible assets	10	2,479	15,855
Investments	11	91	91
Total intangible assets		<u>2,570</u>	<u>15,946</u>
Tangible assets	13	214,858	410,516
		<u>217,428</u>	<u>426,462</u>
Current assets			
Debtors due within one year	15	7,802,941	7,244,719
Debtors due after more than one year	15	203,147	409,164
Total debtors	15	<u>8,006,088</u>	<u>7,653,883</u>
Cash at bank and in hand		1,383,321	1,855,310
		<u>9,389,409</u>	<u>9,509,193</u>
Creditors: amounts falling due within one year	17	(4,628,710)	(4,249,882)
Net current assets		<u>4,760,699</u>	<u>5,259,311</u>
Total assets less current liabilities		<u>4,978,127</u>	<u>5,685,773</u>
Provisions for liabilities	20	(55,250)	(250,000)
Net assets attributable to members		<u>4,922,877</u>	<u>5,435,773</u>
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		1,750,000	1,750,000
Other amounts		3,172,877	3,685,773
		<u>4,922,877</u>	<u>5,435,773</u>
Total members' interests		<u>4,922,877</u>	<u>5,435,773</u>
Amounts due to members		4,922,877	5,435,773
		<u>4,922,877</u>	<u>5,435,773</u>

As permitted by section 408 Companies Act 2006, as applied to limited liability partnerships, the LLP has not presented its own statement of comprehensive income. The LLP's profit for the financial year before members' remuneration and profit shares was £4,509,330 (2022: £5,674,438).

The financial statements were approved by the members and authorised for issue on 30-01-24 and are signed on its behalf by:

Devanand J Crease

.....
D J Crease
Designated member

Joanne Hopley

.....
J S Hopley
Designated member

KELTIE LLP

**CONSOLIDATED RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 30 APRIL 2023**

	DEBT Loans and other debts due to members			Members' interests
	Members' capital £	Other amounts £	Total £	Total £
Amounts due to Members'				
Balance at 30 April 2021	1,750,000	2,687,544	4,437,544	4,437,544
Members' remuneration charged as an expense	-	5,922,133	5,922,133	5,922,133
Members' interests after profit for the year	1,750,000	8,609,677	10,359,677	10,359,677
Drawings	-	(4,132,532)	(4,132,532)	(4,132,532)
Translation in foreign subsidiary profit	-	31	31	31
Amounts due to Members	1,750,000	4,477,176		
Balance at 30 April 2022	1,750,000	4,477,176	6,227,176	6,227,176
Members' remuneration charged as an expense	-	4,787,753	4,787,753	4,787,753
Members' interests after profit for the year	1,750,000	9,264,929	11,014,929	11,014,929
Drawings	-	(5,022,226)	(5,022,226)	(5,022,226)
Translation in foreign subsidiary profit	-	(52,215)	(52,215)	(52,215)
Amounts due to Members	1,750,000	4,190,488		
Balance at 30 April 2023	1,750,000	4,190,488	5,940,488	5,940,488
	=====	=====	=====	=====

KELTIE LLP

**LIMITED LIABILITY PARTNERSHIP RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 30 APRIL 2023**

	DEBT Loans and other debts due to members		Members' interests	
	Members' capital £	Other amounts £	Total £	Total £
Amounts due to Members	1,750,000	2,143,867		
Balance at 30 April 2021	<u>1,750,000</u>	<u>2,143,867</u>	3,893,867	3,893,867
Members' remuneration charged as an expense	-	5,674,438	5,674,438	5,674,438
Members' interests after profit for the year	<u>1,750,000</u>	<u>7,818,305</u>	<u>9,568,305</u>	<u>9,568,305</u>
Drawings	-	(4,132,532)	(4,132,532)	(4,132,532)
Amounts due to Members	1,750,000	3,685,773		
Balance at 30 April 2022	<u>1,750,000</u>	<u>3,685,773</u>	<u>5,435,773</u>	<u>5,435,773</u>
Members' remuneration charged as an expense	-	4,509,330	4,509,330	4,509,330
Members' interests after profit for the year	<u>1,750,000</u>	<u>8,195,103</u>	<u>9,945,103</u>	<u>9,945,103</u>
Drawings	-	(5,022,226)	(5,022,226)	(5,022,226)
Amounts due to Members	<u>1,750,000</u>	<u>3,172,877</u>		
Balance at 30 April 2023	<u>1,750,000</u> =====	<u>3,172,877</u> =====	<u>4,922,877</u> =====	<u>4,922,877</u> =====

KELTIE LLP

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Transactions with non-members:			
Cash generated by operations	21	4,779,991	5,039,609
Interest paid		(28,229)	(22,163)
Income taxes paid		(74,608)	(45,516)
Transactions with members and former members:			
Members' drawings		(5,022,226)	(4,132,532)
Net cash from/(used in) operating activities		(345,072)	839,398
Cash flows from investing activities:			
Transactions with non-members:			
Proceeds on disposal of fixed assets		85,600	-
Purchase of property, plant, and equipment		(16,264)	(128,754)
Net cash from/(used in) investing activities		69,336	(128,754)
Net cash flows from financing activities:			
Transactions with non-members:			
Proceeds of new bank loans		-	-
Repayment of bank loans		(401,854)	(273,695)
Transactions with members and non-members:			
Capital introduced by members		-	-
Net cash (used in)/from financing activities		(401,854)	(273,695)
Net (decrease)/increase in cash and cash equivalents		(677,590)	436,949
Cash and cash equivalents at beginning of the reporting period		2,173,463	1,736,514
Cash and cash equivalents at end of the reporting period		1,495,873 =====	2,173,463 =====
Cash at bank	21	1,552,979	2,173,463
Bank overdraft		(57,106)	-
Cash and cash equivalents at end of the reporting period		1,495,873 =====	2,173,463 =====

KELTIE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

1. LLP information

Keltie LLP ('the LLP') is a limited liability partnership registered in England and Wales. The registered office and principal place of business is 1 London Bridge, London, SE1 9BA.

The Group consists of the LLP and all of its subsidiaries.

The Group's principal activities during the year were those of patent and trademark attorneys and the provision of management services and other services to the intellectual property industry.

2. Accounting policies

Accounting convention

These financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (published December 2018).

The financial statements are prepared in Sterling, which is the functional currency of the LLP and of its Group. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Accounting policies

Consolidation

The consolidated financial statements incorporate those of Keltie LLP and all of its subsidiaries (that is, entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 30 April 2023.

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.

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.

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 directly attributable costs.

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.

LLP statement of comprehensive income

As permitted by section 408 Companies Act 2006, as applied to limited liability partnerships, the LLP has not presented its own statement of comprehensive income. The LLP's profit for the financial year before members' remuneration and profit shares was £4,509,330 (2022: £5,674,438).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

Reduced disclosures

In accordance with FRS 102, the LLP has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

The financial statements of the LLP are consolidated within these financial statements which are publicly available from Companies House.

Going concern

The members have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future. The members have prepared cash flow and profit forecasts which show that the partnership can meet its financial obligations as they fall due. Thus, the members continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue

The revenue shown in the Statement of Comprehensive Income represents fee income receivable during the year, exclusive of Value Added Tax.

Fee income represents revenue earned under a wide variety of contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts, the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits). Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity.

A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP. Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023**

2. Accounting policies (continued)

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the statement of comprehensive income in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the statement of financial position.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the statement of comprehensive income and are equity appropriations in the statement of financial position.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

The LLP divides the profits according to the signed members' agreement.

In the event of winding up, loans and other debts due to members will only be repaid after all other liabilities have been discharged. Loans and other debts due to members are repayable upon approval of accounts, subject to provision for members' tax liabilities to be paid by the LLP, unless the members unanimously vote to defer any payment.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation 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:

Software	6 years straight line
----------	-----------------------

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 provided on all tangible fixed assets, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

Leasehold Property	Over the period of the lease
Fixtures & Fittings	10 years
Equipment	3 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Cash and cash equivalents

Cash and cash equivalents 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.

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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023**

2. Accounting policies (continued)

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

Taxation

The taxation payable on the profits of the LLP is a personal obligation of the individual members and as such is not reflected in these financial statements. Therefore, amounts relating to taxation within these financial statements relate to corporation tax arising upon the profits of the LLP's subsidiary undertakings.

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023**

2. Accounting policies (continued)

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Provisions

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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 LLP is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits and post-retirement payments to members

For defined contribution schemes the amounts charged to profit or loss are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Group substantially all the risks and rewards incidental to ownership ('finance leases'). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023**

2. Accounting policies (continued)

All other leases are operating leases, and the annual rentals are charged to profit or loss on a straight-line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised on a straight-line basis over the lease term.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Comparative information

The comparative information has been amended to increase revenue by £382,336 to £23,147,807 and reduce costs of sales by the same amount. The movements in gross amounts recoverable under contracts was previously recognised as an adjustment to cost of sales. This is now charged or credited to revenue. There is no change to previously reported gross profit or operating profit as a result.

3. Critical accounting estimates and areas of judgement

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Deferred taxation

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised, and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

Dilapidations provision

Provisions are made relating to the anticipated costs of returning leased premises back to their original condition as required under the contractual terms of the lease.

Amounts receivable under contracts

Estimates are made on the anticipated recovery of work performed under contracts with customers. Estimates are based upon historical experience and recoveries made since the year end.

Debtors' recoverability

Estimates are made relating to the recoverability of receivable balances to reflect unrecoverable amounts due to known defaults, and defaults incurred but not reported at the balance sheet date, which from experience are known to exist.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

4. Revenue

The whole of the turnover is attributable to the group's principal activity, being the provision of intellectual property advice and services.

Segmental analysis of turnover is not included. The members consider such disclosure to be prejudicial to the business since it would be helpful to competitors who do not generally provide similar information publicly.

5. Employees

	2023 No.	2022 No.
The average monthly number of persons (excluding members) employed by the Group during the year was:		
Professional staff	32	36
Support staff	60	51
	<u>92</u>	<u>87</u>
	=====	=====
	2023 £	2022 £
Staff costs for the above persons:		
Wages and salaries	5,162,877	4,021,473
Social security costs	580,189	437,664
Other pension costs	246,052	206,213
	<u>5,989,118</u>	<u>4,665,350</u>
	=====	=====

6. Members

	2023 No.	2022 No.
The average number of members during the year was:	17	18
	=====	=====
	2023 £	2022 £
Members' Group remuneration charged as an expense:		
Payable under the terms of the members' agreement	4,787,753	5,922,133
	=====	=====

The member with the largest entitlement to profit in 2023 received £584,106 (2022: £524,183).

7. Operating profit

	2023 £	2022 £
Operating profit is stated after charging/(crediting):		
Depreciation of owned tangible assets	56,357	89,576
Depreciation of tangible assets held under finance leases	72,584	75,406
Amortisation of intangible assets	13,376	17,624
Operating lease rentals – land and buildings	404,169	670,765
Exchange gains	(74,797)	(139,134)
	<u>=====</u>	<u>=====</u>

KELTIE LLP

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023**

Fees payable to Goodman Jones LLP, Group auditors, in respect of both audit and non-audit services are as follows:

	2023	2022
	£	£
Statutory audit of parent LLP and consolidated financial statements	16,000	14,000
Statutory audit of subsidiary and financial statements	3,500	3,000
All other non-audit services	6,000	5,000
	<u>25,500</u>	<u>22,000</u>
	=====	=====

8. Interest payable and similar charges

	2023	2022
	£	£
Bank overdraft interest	59,483	3,375
Loan interest	20,443	13,493
Hire purchase interest	-	892
Other finance costs	(51,697)	4,403
	<u>28,229</u>	<u>22,163</u>
	=====	=====

9. Taxation

The taxation arising in relation to the consolidated statement of comprehensive income relates only to the LLP's subsidiary undertakings, as follows:

	2023	2022
	£	£
Current tax		
UK corporation tax	20,440	24,974
Foreign subsidiary corporation tax	45,249	40,207
Total current tax	<u>65,689</u>	<u>65,181</u>
Total tax on profit on ordinary activities	<u>65,689</u>	<u>65,181</u>
	=====	=====

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023	2022
	£	£
Group profit on ordinary activities before tax	4,853,442	5,987,314
	=====	=====
Group profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	922,154	1,137,590
Effects of:		
Income not subject to corporation tax	(856,773)	(1,078,143)
Difference in tax rate	308	5,734
Tax expense/(credit)	<u>65,689</u>	<u>65,181</u>
	=====	=====

KELTIE LLP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023****Tax rate changes**

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. For the financial year ended 30 April 2023, the current weighted averaged tax rate was 19%.

10. Intangible fixed assets – Group and LLP

	Software
	£
Cost:	
At 1 May 2022	147,733
At 30 April 2023	<u>147,733</u>
Amortisation:	
At 1 May 2022	131,878
Charge for the year	13,376
At 30 April 2023	<u>145,254</u>
Net book value:	
At 30 April 2023	2,479
	=====
At 30 April 2022	15,855
	=====

The amortisation charge for the year is recognised within administrative expenses.

11. Fixed asset investments – LLP

	2023	2022
	£	£
Investments in subsidiaries:		
K2 IP Limited	7	7
Keltie Limited	84	84
	<u>91</u>	<u>91</u>
	=====	=====

The £7 investment in subsidiary undertakings relate to the 100% ownership of the issued Ordinary share capital of K2 IP Limited, a company incorporated in England and Wales. The principal activity of K2 IP Limited is the provision of services to the intellectual property industry. The registered office address of K2 IP Limited is 1 London Bridge, London, SE1 9BA.

The £84 investment in subsidiary undertakings relate to the 100% ownership of the issued Ordinary share capital of Keltie Limited, which was incorporated in Ireland on 19 August 2016. The principal activity is the provision of services to the intellectual property industry.

KELTIE LLP

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023**

11. Fixed asset investments – LLP (continued)

The aggregate amount of capital and reserves and the result of these undertakings for the last relevant financial period were:

	2023 £	2022 £
Aggregate capital and reserves		
K2 IP Limited	483,778	399,238
Keltie Limited	503,203	392,256
	=====	=====
	2023 £	2022 £
Profit for the year		
K2 IP Limited	84,540	106,118
Keltie Limited	163,245	141,574
	=====	=====

12. Tangible fixed assets – Group

	Leasehold property £	Fixtures & Fittings £	Equipment £	Total £
Cost:				
At 1 May 2022	735,173	374,340	366,532	1,476,045
Additions	-	498	17,821	18,319
Disposals	(250,000)	(99,000)	-	(349,000)
Exchange adjustments		(1,739)	(316)	(2,055)
At 30 April 2023	485,173	274,099	384,037	1,143,309
Depreciation:				
At 1 May 2022	555,422	234,160	269,651	1,059,233
Charge for the year	48,517	28,185	52,239	128,941
Disposals	(187,500)	(75,900)	-	(263,400)
Exchange adjustments	-	(854)	(316)	(1,170)
At 30 April 2023	416,439	185,591	321,574	923,604
Net book value:				
At 30 April 2023	68,734	88,508	62,463	219,705
	=====	=====	=====	=====
At 30 April 2022	179,751	140,180	96,881	416,812
	=====	=====	=====	=====

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £72,584 (2022: £75,406) for the year.

	2023 £	2022 £
Leasehold property	68,733	117,250
Fixtures and fittings	24,067	64,980
	92,800	182,230
	=====	=====

The leasehold property included above is held under short leasehold.

KELTIE LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

13. Tangible fixed assets - LLP

	Leasehold property £	Fixtures & Fittings £	Equipment £	Total £
Cost:				
At 1 May 2022	735,173	361,964	364,285	1,461,422
Additions	-	-	17,821	17,821
Disposals	(250,000)	(99,000)	-	(349,000)
At 30 April 2023	485,173	262,964	382,106	1,130,243
Depreciation:				
At 1 May 2022	555,422	228,080	267,404	1,050,906
Charge for the year	48,517	27,123	52,239	127,879
Disposals	(187,500)	(75,900)	-	(263,400)
At 30 April 2023	416,439	179,303	319,643	915,385
Net book value:				
At 30 April 2023	68,734	83,663	62,463	214,858
	=====	=====	=====	=====
At 30 April 2022	179,751	133,884	96,881	410,516
	=====	=====	=====	=====

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £72,854 (2022: £75,406) for the year.

	2023 £	2022 £
Leasehold property	68,733	117,250
Fixtures and fittings	24,067	64,980
	92,800	182,230
	=====	=====

The leasehold property included above is held under a short leasehold.

14. Debtors – Group

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	6,741,753	5,390,057
Payments on account	166,314	138,438
Amounts receivable under contracts	1,000,911	1,490,956
Other debtors	6,573	17,327
Prepayments and accrued income	329,472	656,431
	8,245,023	7,693,209
Amounts falling due after more than one year:		
Other debtors	203,147	409,164
	8,448,170	8,102,373
	=====	=====

KELTIE LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

15. Debtors - LLP

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	6,375,606	5,061,762
Payments on account	108,962	84,878
Amounts receivable under contract	982,241	1,429,217
Other debtors	6,660	15,181
Prepayments and accrued income	329,472	653,681
	<u>7,802,941</u>	<u>7,244,719</u>
Amounts falling due after more than one year:		
Other debtors	203,147	409,164
	<u>8,006,088</u>	<u>7,653,883</u>
	=====	=====

16. Creditors: Amounts falling due within one year – Group

	2023	2022
	£	£
Bank loans and overdrafts (note 18)	484,681	344,750
Trade creditors	2,798,083	2,841,308
Other taxation and social security costs	573,600	499,432
Corporation tax	42,159	51,079
Other creditors	2,531	21,613
Accruals and deferred income	326,541	473,145
	<u>4,227,595</u>	<u>4,231,327</u>
	=====	=====

The bank overdraft at the year-end was £57,106 (2022: nil).

17. Creditors: Amounts falling due within one year - LLP

	2023	2022
	£	£
Bank loans and overdrafts (note 18)	484,681	344,750
Trade creditors	2,603,738	2,565,962
Amount due to subsidiary	652,638	372,161
Other taxation and social security costs	572,646	487,530
Other creditors	2,531	21,216
Accruals and deferred income	312,476	458,263
	<u>4,628,710</u>	<u>4,249,882</u>
	=====	=====

The bank overdraft at the year-end was £57,106 (2022: nil).

KELTIE LLP

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023**

18. Borrowings – Group and LLP

	2023 £	2022 £
Creditors: amounts falling due within one year:		
Bank loans due within one year	427,575	344,750
	<u>427,575</u> =====	<u>344,750</u> =====

Bank overdrafts are annual facilities, subject to review annually and repayable on demand. A variable rate of interest is charged on this facility.

19. Financial instruments – Group and LLP

	2023 £	2022 £
The carrying amount of financial instruments were:		
Financial assets – Measured at amortised cost	8,245,023 =====	7,443,999 =====
Financial liabilities – Measured at amortised cost	4,282,221 =====	4,011,677 =====

20. Provisions for liabilities – Group and LLP

	Dilapidation provision £
Cost:	
At 1 May 2022	250,000
Eliminated on disposals	(194,750)
At 30 April 2023	<u>55,250</u> =====

The dilapidation provision relates to obligations which the Group and LLP is legally committed to under the terms of the property lease which ends in October 2029.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023

21. Reconciliation of profit after tax to net cash flow from operating activities

	2023 £	2022 £
Profit after tax	4,787,753	5,922,133
Adjustments for:		
Taxation	65,689	65,181
Interest payable	28,229	22,163
Depreciation	127,771	164,571
Amortisation of intangible assets	13,376	17,624
Foreign exchange gains on cash equivalents	(52,215)	31
Operating cash flows before movements in working capital	<u>4,970,603</u>	<u>6,191,703</u>
Increase in debtors	(345,798)	(1,700,003)
Increase in creditors	349,936	547,909
Decrease in provisions	(194,750)	-
Net cash provided by operating activities	<u>4,779,991</u> =====	<u>5,039,609</u> =====
Cash and cash equivalents	2023	2022
	£	£
Cash and cash equivalents represent:		
Cash at bank	1,552,979	2,173,463
Bank overdraft	(57,106)	-
	<u>1,495,873</u> =====	<u>2,173,463</u> =====

The principal non-cash transactions are new hire purchase contracts and finance leases and amounts due to former members.

22. Retirement benefit schemes – Group and LLP

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The charge to profit during the year in respect of defined contribution schemes was £246,052 (2022: £206,886).

23. Ultimate controlling party

The Group and the LLP are controlled by the LLP's members as a body and as such there is no single ultimate controlling party.

24. Related party transactions

The Group and the LLP have taken advantage of the exemption in Financial Reporting Standard 102 paragraph 33.1A from the requirement to disclose transactions entered into between two or more members of a group provided that any subsidiary which is party to the transaction is wholly owned by such a member.

KELTIE LLP

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023**

25. Remuneration of key management personnel – Group and LLP

The members are considered to be the only key management personnel. Members' remuneration is disclosed in note 6.

26. Operating lease commitments – Group and LLP

Lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	
	2023	2022
	£	£
Within one year	328,476	681,940
Between two and five years	1,313,903	994,496
After 5 years	368,973	-
	<u>2,011,352</u>	<u>1,676,436</u>
	=====	=====