
CAKE DISTRIBUTION LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2017

CAKE DISTRIBUTION LIMITED
REGISTERED NUMBER: 05747277

BALANCE SHEET
AS AT 31 DECEMBER 2017

| | Note | 2017 £ | 2016 £ |
|---------------------------------------------------------|-------------|-------------------------|-------------------------|
| Fixed assets | | | |
| Tangible assets | 4 | 26,171 | 47,108 |
| | | <u>26,171</u> | <u>47,108</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 5 | 8,611,723 | 6,749,414 |
| Cash at bank and in hand | | 773,389 | 2,218,182 |
| | | <u>9,385,112</u> | <u>8,967,596</u> |
| Creditors: amounts falling due within one year | 6 | (8,374,996) | (7,857,660) |
| Net current assets | | <u>1,010,116</u> | <u>1,109,936</u> |
| Total assets less current liabilities | | <u>1,036,287</u> | <u>1,157,044</u> |
| Creditors: amounts falling due after more than one year | 7 | (266,625) | (519,030) |
| Provisions for liabilities | | | |
| Deferred tax | 9 | (4,248) | (9,900) |
| | | <u>(4,248)</u> | <u>(9,900)</u> |
| Net assets | | <u><u>765,414</u></u> | <u><u>628,114</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 200 | 200 |
| Profit and loss account | | 765,214 | 627,914 |
| | | <u><u>765,414</u></u> | <u><u>628,114</u></u> |

CAKE DISTRIBUTION LIMITED
REGISTERED NUMBER: 05747277

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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 20 August 2018.

Edward Ryan Galton
Director

The notes on pages 3 to 10 form part of these financial statements.

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

1. General information

Cake Distribution Limited is a private company, limited by shares and incorporated in England and Wales. The registered office is 76 Charlotte Street, London, W1T 4QS.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

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

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Interest income

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

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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

2. Accounting policies (continued)

2.8 Borrowing costs

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

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet 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 Balance Sheet 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 balance sheet date.

2.11 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.

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

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

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:

| | | | |
|------------------|---|-----|---------|
| Office equipment | - | 25% | on cost |
|------------------|---|-----|---------|

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 the Statement of Comprehensive Income.

2.12 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.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 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.

2.15 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 the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

CAKE DISTRIBUTION LIMITED

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

2. Accounting policies (continued)

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 14 (2016 - 13).

4. Tangible fixed assets

| | Office equipment £ |
|-------------------------------------|--------------------------|
| Cost or valuation | |
| At 1 January 2017 | 101,725 |
| Additions | 2,506 |
| | <hr/> |
| At 31 December 2017 | 104,231 |
| | <hr/> |
| Depreciation | |
| At 1 January 2017 | 54,617 |
| Charge for the year on owned assets | 23,443 |
| | <hr/> |
| At 31 December 2017 | 78,060 |
| | <hr/> |
| Net book value | |
| At 31 December 2017 | 26,171 |
| | <hr/> |
| At 31 December 2016 | 47,108 |
| | <hr/> |

CAKE DISTRIBUTION LIMITED

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

5. Debtors

| | 2017 £ | 2016 £ |
|--------------------------------|------------------|------------------|
| Trade debtors | 2,404,000 | 1,803,009 |
| Other debtors | 372,148 | 789,676 |
| Prepayments and accrued income | 5,835,575 | 4,156,729 |
| | <u>8,611,723</u> | <u>6,749,414</u> |

6. Creditors: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|------------------|
| Bank overdrafts | 88,829 | 152,616 |
| Other loans | 641,826 | 292,572 |
| Trade creditors | 148,180 | 304,780 |
| Amounts owed to group undertakings | 704,850 | 415,394 |
| Corporation tax | 179,899 | 138,059 |
| Other taxation and social security | 222,388 | 434,807 |
| Other creditors | 12,236 | 101,936 |
| Accruals and deferred income | 6,376,788 | 6,017,496 |
| | <u>8,374,996</u> | <u>7,857,660</u> |

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

| | 2017 £ | 2016 £ |
|-------------|----------------|----------------|
| Other loans | 266,625 | 519,030 |
| | <u>266,625</u> | <u>519,030</u> |

CAKE DISTRIBUTION LIMITED

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

8. Loans

Analysis of the maturity of loans is given below:

| | 2017 £ | 2016 £ |
|----------------------------------------------------|-----------------------|-----------------------|
| Amounts falling due within one year | | |
| Other loans | 641,826 | 292,572 |
| | <u>641,826</u> | <u>292,572</u> |
| Amounts falling due after more than 5 years | | |
| Other loans | 266,623 | 519,028 |
| | <u>266,623</u> | <u>519,028</u> |
| | <u><u>908,449</u></u> | <u><u>811,600</u></u> |

9. Deferred taxation

| | 2017 £ |
|---------------------------|-----------------------|
| At beginning of year | (9,900) |
| Charged to profit or loss | 5,652 |
| At end of year | <u><u>(4,248)</u></u> |

The provision for deferred taxation is made up as follows:

| | 2017 £ | 2016 £ |
|--------------------------------|-----------------------|-----------------------|
| Accelerated capital allowances | (4,248) | (9,900) |
| | <u><u>(4,248)</u></u> | <u><u>(9,900)</u></u> |

CAKE DISTRIBUTION LIMITED

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

10. Commitments under operating leases

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

| | 2017 £ | 2016 £ |
|----------------------------------------------|----------------|----------------|
| Not later than 1 year | 72,450 | 72,450 |
| Later than 1 year and not later than 5 years | 27,921 | 100,371 |
| | <u>100,371</u> | <u>172,821</u> |

11. Related party transactions

At the year end £1,881 (2016: £61,881) was owed to the company by the directors.

The directors T Van Waveren and E Galton have given a joint and several personal guarantee for the sum of £100,000 in respect of bank facilities provided to the company.

12. Controlling party

The ultimate parent company is Cake Entertainment Limited, and its registered office is 76 Charlotte Street, London W1T 2AB.

13. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2017 was unqualified.

The audit report was signed on 20 August 2018 by Stephen Haffner (Senior Statutory Auditor) on behalf of Harris & Trotter LLP.