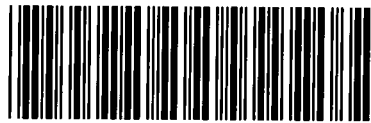


COMPANY REGISTRATION NUMBER: 5984095

**CALADANIAN LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 OCTOBER 2017**

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**CALADANIAN LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 OCTOBER 2017**

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<b>Contents</b>	<b>Page</b>
Officers and professional advisers	1
Strategic report	2
Director's report	4
Independent auditor's report to the members	6
Profit and loss account	9
Balance sheet	10
Statement of cash flows	11
Notes to the financial statements	12

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**CALADANIAN LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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<b>Director</b>	N Ladefoged
<b>Company secretary</b>	Answerbuy Ltd
<b>Registered office</b>	Spring Farm Stackyard Green Monks Eleigh Ipswich IP7 7BD
<b>Auditor</b>	EK & Co 2003 Ltd Chartered Certified Accountants & statutory auditor 2 Crossways Business Centre Bicester Road Kingswood Aylesbury Bucks HP18 0RA

**CALADANIAN LIMITED**  
**STRATEGIC REPORT**  
**YEAR ENDED 31 OCTOBER 2017**

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**REVIEW OF THE BUSINESS**

The principle activity of the business during the year was that of importers and food wholesalers.

Both the level of the business and the year end financial position was satisfactory and the directors expect that the present level of activity will continue for the foreseeable future.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The process of risk management is addressed through a framework of policies, procedures and internal controls. The policies are set by the Board of Directors and are reviewed by them on a regular basis.

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

**Price risk**

The company is exposed to commodity price risk as a result of its operations. However, given the nature of the company's operation the level of risk is not considered to be significant. Therefore no actions are undertaken to manage exposure. This policy will be reviewed for appropriateness if the company's operations change.

**Liquidity risk**

The company actively maintains short-term debt finance that is designed to ensure that the company has sufficient available funds for operations and planned expansions.

**Interest rate cash flow risk**

The company has interest bearing liabilities.

**KEY FINANCIAL PERFORMANCE INDICATORS**

We consider that our key financial performance indicators are those that communicate the performance and strength of the company as a whole, these being turnover and gross margin as follows:

	2017 £	2016 £
UK	14,467,108	15,470,919
Overseas	215,539	865,070
Total	<u>14,682,647</u>	<u>16,335,989</u>
Gross profit margin	12.5%	11.3%

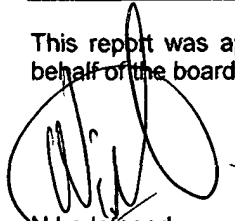
**CALADANIAN LIMITED**

**STRATEGIC REPORT** *(continued)*

**YEAR ENDED 31 OCTOBER 2017**

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This report was approved by the board of directors on 25 September 2018 and signed on behalf of the board by:



N. Ladefoged  
Director

Registered office:  
Spring Farm  
Stackyard Green  
Monks Eleigh  
Ipswich  
IP7 7BD

**CALADANIAN LIMITED**  
**DIRECTOR'S REPORT**  
**YEAR ENDED 31 OCTOBER 2017**

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The director presents his report and the financial statements of the company for the year ended 31 October 2017.

**Director**

The director who served the company during the year was as follows:

N Ladefoged

**Dividends**

Particulars of recommended dividends are detailed in note 12 to the financial statements.

**Director's responsibilities statement**

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 company will continue in business.

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

**Statement of disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

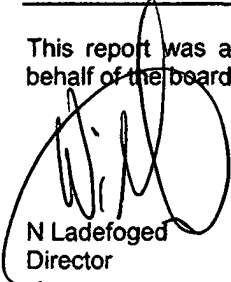
**CALADANIAN LIMITED**

**DIRECTOR'S REPORT** *(continued)*

**YEAR ENDED 31 OCTOBER 2017**

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This report was approved by the board of directors on 25 September 2018 and signed on behalf of the board by:



N Ladefoged  
Director

Registered office:  
Spring Farm  
Stackyard Green  
Monks Eleigh  
Ipswich  
IP7 7BD

**CALADANIAN LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALADANIAN LIMITED**  
**YEAR ENDED 31 OCTOBER 2017**

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**Opinion**

We have audited the financial statements of Caladanian Limited (the 'company') for the year ended 31 October 2017 which comprise the profit and loss account, balance sheet, statement of cash flows and the related notes, 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



## CALADANIAN LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALADANIAN LIMITED *(continued)*

YEAR ENDED 31 OCTOBER 2017

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#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**CALADANIAN LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALADANIAN LIMITED (continued)**

**YEAR ENDED 31 OCTOBER 2017**

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**Responsibilities of the director**

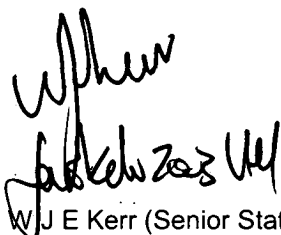
As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



W J E Kerr (Senior Statutory Auditor)

For and on behalf of  
EK & Co 2003 Ltd  
Chartered Certified Accountants & statutory auditor  
2 Crossways Business Centre  
Bicester Road  
Kingswood  
Aylesbury  
Bucks  
HP18 0RA 25/9/2018

**CALADANIAN LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 OCTOBER 2017**

	Note	2017 £	2016 £
<b>Turnover</b>	<b>4</b>	14,682,647	16,335,989
Cost of sales		(12,835,130)	(14,485,894)
<b>Gross profit</b>		<u>1,847,517</u>	<u>1,850,095</u>
Administrative expenses		(1,334,641)	(851,275)
<b>Operating profit</b>	<b>5</b>	<u>512,876</u>	<u>998,820</u>
Other interest receivable and similar income	<b>9</b>	8,370	1,309
Interest payable and similar expenses	<b>10</b>	(78,689)	(84,885)
<b>Profit before taxation</b>		<u>442,557</u>	<u>915,244</u>
Tax on profit	<b>11</b>	(118,712)	(195,710)
<b>Profit for the financial year and total comprehensive income</b>		<u><u>323,845</u></u>	<u><u>719,534</u></u>
Dividends paid and payable	<b>12</b>	–	(210,200)
<b>Retained earnings at the start of the year</b>		<u>1,771,333</u>	<u>1,261,999</u>
<b>Retained earnings at the end of the year</b>		<u><u>2,095,178</u></u>	<u><u>1,771,333</u></u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

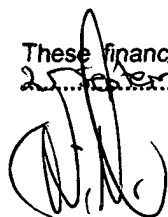
**CALADANIAN LIMITED**

**BALANCE SHEET**

**31 OCTOBER 2017**

	Note	2017		2016	
		£	£	£	£
<b>Current assets</b>					
Stocks	13	2,314,640		3,024,508	
Debtors	14	2,499,112		2,211,936	
Cash at bank and in hand		1,745,519		1,228,831	
		<u>6,559,271</u>		<u>6,465,275</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(4,464,092)</u>		<u>(4,693,941)</u>	
<b>Net current assets</b>			<u>2,095,179</u>		<u>1,771,334</u>
<b>Total assets less current liabilities</b>			<u>2,095,179</u>		<u>1,771,334</u>
<b>Net assets</b>			<u><u>2,095,179</u></u>		<u><u>1,771,334</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		1		1
Profit and loss account	19		<u>2,095,178</u>		<u>1,771,333</u>
<b>Shareholders funds</b>			<u><u>2,095,179</u></u>		<u><u>1,771,334</u></u>

These financial statements were approved by the board of directors and authorised for issue on 25 October 2017 and are signed on behalf of the board by:



N Ladefoged  
Director

Company registration number: 5984095

The notes on pages 12 to 20 form part of these financial statements.

**CALADANIAN LIMITED**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 OCTOBER 2017**

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		323,845	719,534
<i>Adjustments for:</i>			
Other interest receivable and similar income		(8,370)	(1,309)
Interest payable and similar expenses		78,689	84,885
Tax on profit		118,712	195,710
Accrued (income)/expenses		(320,056)	319,946
<i>Changes in:</i>			
Stocks		709,868	(86,738)
Trade and other debtors		(287,176)	(382,863)
Trade and other creditors		443,041	(551,197)
Cash generated from operations		1,058,553	297,968
Interest paid		(78,689)	(84,885)
Interest received		8,370	1,309
Tax paid		(193,022)	(202,766)
Net cash from operating activities		<u>795,212</u>	<u>11,626</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		112,930	331,488
Dividends paid		–	(210,200)
Net cash from financing activities		<u>112,930</u>	<u>121,288</u>
<b>Net increase in cash and cash equivalents</b>		908,142	132,914
<b>Cash and cash equivalents at beginning of year</b>		837,377	704,463
<b>Cash and cash equivalents at end of year</b>	<b>15</b>	<u>1,745,519</u>	<u>837,377</u>

The notes on pages 12 to 20 form part of these financial statements.

**CALADANIAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 OCTOBER 2017**

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**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Spring Farm, Stackyard Green, Monks Eleigh, Ipswich, IP7 7BD.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**CALADANIAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 OCTOBER 2017**

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**3. Accounting policies** *(continued)*

**Judgements and key sources of estimation uncertainty**

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

**Critical judgements in applying the Company's accounting policies**

The critical judgements that the directors have made in the progress of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

**(i) Assessing indicators of impairment**

In assessing whether there have been any indicators of impairment of assets, the directors have considered both internal and external sources of information such as market conditions, counterparty credit ratings and experience recoverability. There have been no indicators of impairments identified during the current financial year.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty, 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.

**(ii) Estimating value in use**

Where an indication of impairment exists the directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

**(iii) Recoverability of receivables**

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

**(iv) Determining residual values and useful economic lives of property, plant and equipment**

The company depreciate tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

**CALADANIAN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 OCTOBER 2017**

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**3. Accounting policies** *(continued)*

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

**Income tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.



**CALADANIAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 OCTOBER 2017**

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**3. Accounting policies** *(continued)*

**Financial instruments**

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Financial assets comprise of debtors and cash.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Basic financial liabilities, including trade and other payables and bank loans that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Financial liabilities comprise of creditors.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

**CALADANIAN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 OCTOBER 2017**

**4. Turnover**

Turnover arises from:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Sale of goods	14,547,647	16,200,989
Rendering of services	135,000	135,000
	<u>14,682,647</u>	<u>16,335,989</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
United Kingdom	14,467,108	15,470,919
Overseas	215,539	865,070
	<u>14,682,647</u>	<u>16,335,989</u>

**5. Operating profit**

Operating profit or loss is stated after charging:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Impairment of trade debtors	<u>37,767</u>	<u>154,091</u>

**6. Auditor's remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Fees payable for the audit of the financial statements	<u>10,000</u>	<u>10,000</u>

**7. Staff costs**

The average number of persons employed by the company during the year, including the director, amounted to:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Administrative staff	<u>7</u>	<u>6</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	303,517	318,883
Social security costs	5,434	5,903
Other pension costs	569	66
	<u>309,520</u>	<u>324,852</u>

**CALADANIAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 OCTOBER 2017**

**8. Director's remuneration**

The director's aggregate remuneration in respect of qualifying services was:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Remuneration	<u>12,000</u>	<u>12,000</u>

**9. Other interest receivable and similar income**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest on cash and cash equivalents	88	267
Other interest receivable and similar income	8,282	1,042
	<u>8,370</u>	<u>1,309</u>

**10. Interest payable and similar expenses**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest on banks loans and overdrafts	<u>78,689</u>	<u>84,885</u>

**11. Tax on profit**

**Major components of tax expense**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Current tax:</b>		
UK current tax expense	118,712	195,710
<b>Tax on profit</b>	<u>118,712</u>	<u>195,710</u>

**Reconciliation of tax expense**

The tax assessed on the profit on ordinary activities for the year is higher than (2016: higher than) the standard rate of corporation tax in the UK of 19.41% (2016: 20%).

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<u>442,557</u>	<u>915,244</u>
Profit on ordinary activities by rate of tax	84,086	183,049
Effect of expenses not deductible for tax purposes	32,096	12,661
Effect of different UK tax rates on some earnings	2,530	—
<b>Tax on profit</b>	<u>118,712</u>	<u>195,710</u>

**CALADANIAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*  
**YEAR ENDED 31 OCTOBER 2017**

**12. Dividends**

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017 £	2016 £
Equity dividends on ordinary shares	—	210,200

**13. Stocks**

	2017 £	2016 £
Raw materials and consumables	2,314,640	3,024,508

Stock recognised in cost of sales during the year as an expense was £10,994,135 (2016: £12,652,429).

An impairment loss of £134,901 (2016: £129,698) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

There is no significant difference between the replacement cost of the inventory and its carrying value.

**14. Debtors**

	2017 £	2016 £
Trade debtors	643,736	1,065,725
Prepayments and accrued income	35,747	2,469
Corporation tax repayable	55,641	—
Other debtors	1,763,988	1,143,742
	<u>2,499,112</u>	<u>2,211,936</u>

**15. Cash and cash equivalents**

Cash and cash equivalents comprise the following:

	2017 £	2016 £
Cash at bank and in hand	1,745,519	1,228,831
Bank overdrafts	—	(391,454)
	<u>1,745,519</u>	<u>837,377</u>

**CALADANIAN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 OCTOBER 2017**

**16. Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	3,362,875	3,641,696
Trade creditors	850,663	407,486
Accruals and deferred income	247,686	567,742
Corporation tax	—	74,310
Social security and other taxes	2,466	2,578
Director loan accounts	307	10
Other creditors	95	119
	<u>4,464,092</u>	<u>4,693,941</u>

The bank loans and overdraft of £3,362,875 (2016: £3,641,696) are secured by a charge over all the assets and undertakings of both the company and Caladanian Holding Ltd.

**17. Employee benefits**

**Defined contribution plans**

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £569 (2016: £66).

**18. Called up share capital**

**Issued, called up and fully paid**

	<b>2017</b>		<b>2016</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**19. Reserves**

Profit and loss account - This reserve records retained earnings and accumulated losses.

**CALADANIAN LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS** *(continued)*

**YEAR ENDED 31 OCTOBER 2017**

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**20. Related party transactions**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Purchases from entities that provide key management personnel	£167,851	£283,504
Amounts owed to entities that provide key management personnel	£Nil	£114,645
Sales to other related parties	£60,846	£583,155
Purchases from other related parties	£767,931	£222,828
Amounts owed to other related parties	£21,419	£102,120
Amounts due from other related parties	£1,759,874	£1,543,850

An unlimited multilateral guarantee between Caladanian Ltd and Caladanian Holding Ltd was given to the bank.