

COMPANY REGISTRATION NUMBER: 5984095

CALADANIAN LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 OCTOBER 2019

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CALADANIAN LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2019

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CALADANIAN LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Director	N Ladefoged
Company secretary	Answerbuy Ltd
Registered office	Spring Farm Stackyard Green Monks Eleigh Ipswich IP7 7BD
Auditor	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 2019

REVIEW OF THE BUSINESS

The principal 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 director 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.

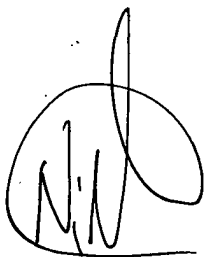
KEY FINANCIAL PERFORMANCE INDICATORS

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:

	2019 £	2018 £
UK	18,589,264	16,975,686
Overseas	1,155,055	317,899
Total	<u>19,744,319</u>	<u>17,293,585</u>
Gross profit margin	9%	10.3%

CALADANIAN LIMITED
STRATEGIC REPORT *(continued)*
YEAR ENDED 31 OCTOBER 2019

This report was approved by the board of directors on 28 October 2019 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'N Ladefoged', enclosed within a circular scribble.

N Ladefoged
Director

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

CALADANIAN LIMITED
DIRECTOR'S REPORT
YEAR ENDED 31 OCTOBER 2019

The director presents his report and the financial statements of the company for the year ended 31 October 2019.

Director

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

N Ladefoged

Dividends

The director does not recommend the payment of a dividend.

Events after the end of the reporting period

Since the balance sheet date there has been the global pandemic from the outbreak of COVID-19, of which the full impact to the global economy is uncertain. It is anticipated that the pandemic will only have a low impact on the company. The UK is leaving the EU at the end of the transition period on 1 January 2021. The director has considered the risks posed by Brexit. As the company imports stock from outside the EU and the majority of sales are in the UK the director has concluded that the risk is low. See also note 18 'Events after the reporting period' in the notes 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.

CALADANIAN LIMITED

DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31 OCTOBER 2019

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.

This report was approved by the board of directors on 29 October 2020 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 2019

Opinion

We have audited the financial statements of Caladanian Limited (the 'company') for the year ended 31 October 2019 which comprise the profit and loss account, balance sheet, statement of changes in equity, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2019 and of its loss 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 2019

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 2019

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. This description forms part of our auditor's report.

Use of our report

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



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 29/10/2020

CALADANIAN LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 OCTOBER 2019

	Note	2019 £	2018 £
Turnover	4	19,744,319	17,293,585
Cost of sales		(17,966,763)	(15,511,542)
Gross profit		<u>1,777,556</u>	<u>1,782,043</u>
Administrative expenses		(3,948,634)	(1,193,816)
Operating (loss)/profit	5	(2,171,078)	588,227
Other interest receivable and similar income	9	66,809	34,369
Interest payable and similar expenses	10	(115,588)	(91,471)
(Loss)/profit before taxation		<u>(2,219,857)</u>	<u>531,125</u>
Tax on (loss)/profit	11	(13,932)	(130,288)
(Loss)/profit for the financial year and total comprehensive income		<u><u>(2,233,789)</u></u>	<u><u>400,837</u></u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 21 form part of these financial statements.

CALADANIAN LIMITED

BALANCE SHEET

31 OCTOBER 2019

	Note	2019 £	£	2018 £	£
Current assets					
Stocks	12	3,298,362		1,189,305	
Debtors	13	4,583,785		3,486,945	
Cash at bank and in hand		70,036		2,523,629	
		<u>7,952,183</u>		<u>7,199,879</u>	
Creditors: amounts falling due within one year	14	<u>(7,689,956)</u>		<u>(4,703,863)</u>	
Net current assets			<u>262,227</u>		<u>2,496,016</u>
Total assets less current liabilities			<u>262,227</u>		<u>2,496,016</u>
Net assets			<u>262,227</u>		<u>2,496,016</u>
Capital and reserves					
Called up share capital	16		1		1
Profit and loss account	17		<u>262,226</u>		<u>2,496,015</u>
Shareholders funds			<u>262,227</u>		<u>2,496,016</u>

The notes on pages 14 to 21 form part of these financial statements.

CALADANIAN LIMITED
BALANCE SHEET (continued)

31 OCTOBER 2019

These financial statements were approved by the board of directors and authorised for issue on 28 October 2020, and are signed on behalf of the board by:



N Ladefoged
Director

Company registration number: 5984095

The notes on pages 14 to 21 form part of these financial statements.

CALADANIAN LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 OCTOBER 2019

	Called up share capital £	Profit and loss account £	Total £
At 1 November 2017	1	2,095,178	2,095,179
Profit for the year	—	400,837	400,837
Total comprehensive income for the year	—	400,837	400,837
At 31 October 2018	1	2,496,015	2,496,016
Loss for the year	—	(2,233,789)	(2,233,789)
Total comprehensive income for the year	—	(2,233,789)	(2,233,789)
At 31 October 2019	<u>1</u>	<u>262,226</u>	<u>262,227</u>

The notes on pages 14 to 21 form part of these financial statements.

CALADANIAN LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED 31 OCTOBER 2019

	2019 £	2018 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(2,233,789)	400,837
<i>Adjustments for:</i>		
Impairment of loans to other related parties	2,248,335	—
Other interest receivable and similar income	(66,809)	(34,369)
Interest payable and similar expenses	115,588	91,471
Tax on (loss)/profit	13,932	130,288
<i>Changes in:</i>		
Stocks	(2,109,057)	1,125,335
Trade and other debtors	(3,922,732)	190,271
Trade and other creditors	1,854,718	55,973
Cash generated from operations	(4,099,814)	1,959,806
Interest paid	(115,588)	(91,471)
Interest received	66,809	34,369
Tax paid	(40,892)	(34,359)
Net cash (used in)/from operating activities	<u>(4,189,485)</u>	<u>1,868,345</u>
Cash flows from financing activities		
Proceeds from borrowings	972,315	143,510
Loans from/(to) other related parties	763,577	(1,233,745)
Net cash from/(used in) financing activities	<u>1,735,892</u>	<u>(1,090,235)</u>
Net (decrease)/increase in cash and cash equivalents	(2,453,593)	778,110
Cash and cash equivalents at beginning of year	<u>2,523,629</u>	<u>1,745,519</u>
Cash and cash equivalents at end of year	<u>70,036</u>	<u>2,523,629</u>

The notes on pages 14 to 21 form part of these financial statements.

CALADANIAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2019

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.

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

Monetary amounts in these financial statements are rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

After reviewing the company's forecasts and projections together with funding received after the year end, the Director has 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.

The impact of COVID-19 and Brexit have been considered when performing the going concern assessment. Given the limited impact on business operations and mitigating steps taken by management the going concern basis of accounting remains appropriate, as stated above.

CALADANIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 OCTOBER 2019

3. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, the director is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The director's 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 director has 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 2019

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

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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 2019

3. Accounting policies (continued)

Financial instruments

Basic financial assets, which include 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.

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, which include trade and other payables, loans to other related parties and bank loans and overdrafts, 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.

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 of 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.

4. Turnover

Turnover arises from:

	2019	2018
	£	£
Sale of goods	19,609,319	17,158,585
Rendering of services	135,000	135,000
	<u>19,744,319</u>	<u>17,293,585</u>

CALADANIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 OCTOBER 2019

4. Turnover (continued)

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:

	2019	2018
	£	£
United Kingdom	18,589,264	16,975,686
Overseas	1,155,055	317,899
	<u>19,744,319</u>	<u>17,293,585</u>

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2019	2018
	£	£
Impairment of trade debtors	(127,379)	143,891
Impairment of loans to other related parties	<u>3,688,355</u>	<u>—</u>

6. Auditor's remuneration

	2019	2018
	£	£
Fees payable for the audit of the financial statements	<u>14,526</u>	<u>10,565</u>

7. Staff costs

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

	2019	2018
	No.	No.
Administrative staff	<u>7</u>	<u>7</u>

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

	2019	2018
	£	£
Wages and salaries	312,304	312,494
Social security costs	6,240	5,749
Other pension costs	1,882	1,103
	<u>320,426</u>	<u>319,346</u>

8. Director's remuneration

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

	2019	2018
	£	£
Remuneration	<u>12,000</u>	<u>12,000</u>

CALADANIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 OCTOBER 2019

9. Other interest receivable and similar income

	2019	2018
	£	£
Interest on cash and cash equivalents	–	1,161
Other interest receivable and similar income	66,809	33,208
	<u>66,809</u>	<u>34,369</u>

10. Interest payable and similar expenses

	2019	2018
	£	£
Interest on banks loans and overdrafts	115,588	91,465
Other interest payable and similar charges	–	6
	<u>115,588</u>	<u>91,471</u>

11. Tax on (loss)/profit

Major components of tax expense

	2019	2018
	£	£
Current tax:		
UK current tax expense	13,932	130,288
Tax on (loss)/profit	<u>13,932</u>	<u>130,288</u>

Reconciliation of tax expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019	2018
	£	£
(Loss)/profit on ordinary activities before taxation	(2,219,857)	531,125
(Loss)/profit on ordinary activities by rate of tax	(421,773)	100,914
Effect of expenses not deductible for tax purposes	435,705	29,374
Tax on (loss)/profit	<u>13,932</u>	<u>130,288</u>

12. Stocks

	2019	2018
	£	£
Raw materials and consumables	<u>3,298,362</u>	<u>1,189,305</u>

CALADANIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 OCTOBER 2019

12. Stocks (continued)

Stock recognised in cost of sales during the year as an expense was £14,684,122 (2018: £13,703,763).

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

13. Debtors

	2019	2018
	£	£
Trade debtors	763,510	429,542
Prepayments and accrued income	17,172	40,345
Director's loan account	3,562,155	–
Amounts owed by other related parties	–	2,825,892
Other debtors	240,948	191,166
	<u>4,583,785</u>	<u>3,486,945</u>

14. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	4,467,644	3,495,329
Trade creditors	2,468,519	1,087,427
Accruals and deferred income	550,695	67,081
Corporation tax	13,328	40,288
Social security and other taxes	2,462	2,065
Director loan accounts	–	11,363
Amounts owed to other related parties	186,330	310
Other creditors	978	–
	<u>7,689,956</u>	<u>4,703,863</u>

The bank loans and overdraft of £4,467,644 (2018: £3,495,329) are secured by a charge over all the assets and undertakings of both the company and Caladanian Holding Ltd.

15. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £1,882 (2018: £1,103).

CALADANIAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 OCTOBER 2019

16. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

17. Reserves

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

18. Events after the reporting period

The COVID-19 global pandemic and Brexit are considered to be non-adjusting events for financial reporting purposes. These financial statements do not include any adjustments to assets or liabilities to reflect the potential impact of the pandemic or Brexit on the company's future performance or underlying net asset position.

On 4. February 2020 100% of the issued share capital of the company was sold to DLD Enterprises Ltd, a company controlled by N Ladefoged.

19. Director's advances, credits and guarantees

During the year £3,651,194 was advanced to the director of the company. The amount was repayable on demand. During the year £143,882 was repaid by the director of the company. Interest has been charged at the official rate. The amount owed by the director at the year end was £3,562,155 (2018: £nil). The balance has been repaid in full since the year end.

20. Related party transactions

	2019 £	2018 £
Purchases from entities that provide key management personnel	233,301	528,659
Amounts owed to entities that provide key management personnel	77,011	33,000
Sales to other related parties	101,768	201,963
Purchases from other related parties	1,836,136	431,959
Amounts owed to other related parties	186,330	8,772
Amounts due from other related parties	2,712,304	2,866,257
Impairment provision on amounts due from other related parties	2,248,335	Nil
Expense recognised in respect of impairment of amounts due from other related parties	2,248,335	Nil

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