

PLEASE SIGN AND  
RETURN

Companies House  
copy

Registration number: 02486719

# Cadline Limited

Annual Report and Financial Statements

for the Year Ended 31 January 2021

The McCay Partnership  
Chartered Accountants and Registered Auditors  
Unit 24  
Capital Business Centre  
22 Carlton Road  
South Croydon  
Surrey  
CR2 0BS



# Cadline Limited

## Strategic Report for the Year Ended 31 January 2021

The directors present their strategic report for the year ended 31 January 2021.

### Principal activity

Cadline Limited provides technology and services that improve business performance, supporting customers in design, analysis, data management, collaboration and business performance platforms. Representation from all major industries: Architecture; Engineering; Construction; Manufacturing and GIS - ensuring customers have an effective partner with the necessary on job industry expertise. The team consists of designers, technicians, site managers and surveyors with significant experience supporting civil, highways, structural, building services, mechanical and electrical projects.

### Fair review of the business

A dedicated development team offers customers extended capability through increased functionality and the delivery of bespoke applications with proven return on investment. From additional functionality through to high performance applications, Cadline offers an iterative, low risk approach ensuring a software solution perfectly aligned to business goals.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Turnover	£000's	30,879	36,108
Gross profit	%	26	24
Carrying net assets	£000's	4,060	4,057

### Principal risks and uncertainties

As with other businesses, Cadline Limited faces a number of risks and uncertainties in the course of its day to day operations. By effectively identifying and managing these risks we can improve our performance and quality of service. The main risks identified are:


#### Quality

Poor management systems and customer support and service could result in the loss of customers and reputation. We therefore invest in systems that we know will meet the needs of our customers and other stakeholders. Cadline Limited is certified to ISO 9001:2015 standard across its offices.

#### Economic and market environment

Cadline has continued to increase profitability since the transition to a subscription model, despite a year of Covid challenges.

Approved by the Board on 17 August 2021 and signed on its behalf by:

  
.....  
D Peppin  
Company secretary and director

## **Cadline Limited**

### **Directors' Report for the Year Ended 31 January 2021**

The directors present their report and the financial statements for the year ended 31 January 2021.

#### **Directors of the company**

The directors who held office during the year were as follows:

D Peppin - Company secretary and director

S Woolven

C Robertson

N Harris

B C Lewis

R J Robertson

P Laycock

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Financial instruments**

##### ***Objectives and policies***

Cadline Limited's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance business operations and build reserves.

Financial risk is the risk that the company will not be able to meet its financial obligations as they fall due. Cadline Limited manages this risk by regularly reviewing financial performance, bank balances, suppliers payable and debtors receivable.

## Cadline Limited

### Directors' Report for the Year Ended 31 January 2021

#### *Price risk, credit risk, liquidity risk and cash flow risk*

The principal risks and uncertainties for the company are broadly classed as liquidity risk, credit risk, interest rate risk and competitive and market risk. The directors are committed to ensure that adequate financial resources are available for the development of the business activities, whilst managing its risks. The directors review and agree policies for managing these risks and these are summarised below:

#### Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company policy throughout the year has been to hold cash balances in readily accessible cash deposits.

#### Credit risk

The principal credit risk of the company arises from trade debtors and the company closely manages its exposure to bad debts by strong credit control and credit checks for new accounts. Given that the company's core client base is Government funded, the directors do not consider this risk to be of significant concern.

#### Interest rate risk

In order to manage the company's exposure to interest rates, the company enters into transactions including, but not limited to, fixed interest rate agreements.

#### Competitive and market risk

The company operates in a highly competitive industry, which can impact on its ability to win new work and also dilute its margins. The company mitigates these risks by effective cost management thereby allowing it to remain competitive and to deliver the required results.

#### Research and development

The company continues to research and develop specialist cloud-based data management and collaborative platforms and other systems.

Approved by the Board on 17 August 2021 and signed on its behalf by:



D Peppin

Company secretary and director

## **Cadline Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are 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. They are 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Cadline Limited**

### **Independent Auditor's Report to the Members of Cadline Limited**

#### **Opinion**

We have audited the financial statements of Cadline Limited (the 'company') for the year ended 31 January 2021, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 Financial Reporting Standard 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 January 2021 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.

#### **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.

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

In the light of our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the directors 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 directors 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Cadline Limited**

### **Independent Auditor's Report to the Members of Cadline Limited**

#### **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:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the nature of the industry and sector, control environment and business performance including the design of the company's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets; results of our enquiries of management about their own identification and assessment of the risks of irregularities; and the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

A further description of our responsibilities is available 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.

#### **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.

#### **Other information**

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

## Cadline Limited

### Independent Auditor's Report to the Members of Cadline Limited

#### Opinion on other matter prescribed by the Companies Act 2006

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

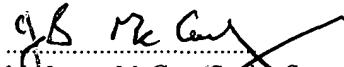
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Mr James McCay (Senior Statutory Auditor)  
For and on behalf of The McCay Partnership, Statutory Auditor

Unit 24  
Capital Business Centre  
22 Carlton Road  
South Croydon  
Surrey  
CR2 0BS

17 August 2021

## Cadline Limited

### Profit and Loss Account for the Year Ended 31 January 2021

	Note	2021 £	2020 £
Turnover	3	30,879,159	36,108,116
Cost of sales		<u>(22,823,923)</u>	<u>(27,513,668)</u>
Gross profit		8,055,236	8,594,448
Administrative expenses		<u>(6,450,075)</u>	<u>(7,270,633)</u>
Operating profit	4	<u>1,605,161</u>	<u>1,323,815</u>
Other interest receivable and similar income	5	4,830	9,735
Interest payable and similar expenses	6	<u>147,242</u>	<u>(25,973)</u>
		<u>152,072</u>	<u>(16,238)</u>
Profit before tax		1,757,233	1,307,577
Tax on profit	10	<u>(4,345)</u>	<u>5,021</u>
Profit for the financial year		<u><u>1,752,888</u></u>	<u><u>1,312,598</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

## Cadline Limited

### (Registration number: 02486719) Balance Sheet as at 31 January 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	11	137,668	84,500
Tangible assets	12	137,378	121,695
Investments	13	<u>173,237</u>	<u>173,237</u>
		<u>448,283</u>	<u>379,432</u>
<b>Current assets</b>			
Stocks	14	1,110	3,413
Debtors	15	6,795,727	7,875,235
Cash at bank and in hand		<u>6,859,405</u>	<u>2,877,665</u>
		13,656,242	10,756,313
<b>Creditors: Amounts falling due within one year</b>	16	<u>(10,019,212)</u>	<u>(7,057,665)</u>
<b>Net current assets</b>		<u>3,637,030</u>	<u>3,698,648</u>
<b>Total assets less current liabilities</b>		4,085,313	4,078,080
<b>Provisions for liabilities</b>	17	<u>(25,146)</u>	<u>(20,801)</u>
<b>Net assets</b>		<u>4,060,167</u>	<u>4,057,279</u>
<b>Capital and reserves</b>			
Called up share capital	22	166	166
Profit and loss account		<u>4,060,001</u>	<u>4,057,113</u>
<b>Total equity</b>		<u>4,060,167</u>	<u>4,057,279</u>

Approved and authorised by the Board on 17 August 2021 and signed on its behalf by:

  
 .....  
 D Peppin  
 Company secretary and director

The notes on pages 12 to 24 form an integral part of these financial statements.

## Cadline Limited

### Statement of Changes in Equity for the Year Ended 31 January 2021

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 February 2020	166	4,057,113	4,057,279
Profit for the year	-	1,752,888	1,752,888
Total comprehensive income	-	1,752,888	1,752,888
Dividends	-	(1,750,000)	(1,750,000)
At 31 January 2021	166	4,060,001	4,060,167
	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 February 2019	166	3,014,515	3,014,681
Profit for the year	-	1,312,598	1,312,598
Total comprehensive income	-	1,312,598	1,312,598
Dividends	-	(270,000)	(270,000)
At 31 January 2020	166	4,057,113	4,057,279

The notes on pages 12 to 24 form an integral part of these financial statements.

## Cadline Limited

### Statement of Cash Flows for the Year Ended 31 January 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the year		1,752,888	1,312,598
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	64,810	61,137
Finance income	5	(4,830)	(9,735)
Finance costs	6	-	7,849
Income tax expense	10	4,345	(5,021)
		<u>1,817,213</u>	<u>1,366,828</u>
Working capital adjustments			
Decrease in stocks	14	2,303	9,427
Decrease/(increase) in trade debtors	15	1,079,508	(1,124,817)
Increase in trade creditors	16	2,731,834	932,607
Net cash flow from operating activities		<u>5,630,858</u>	<u>1,184,045</u>
<b>Cash flows from investing activities</b>			
Interest received	5	4,830	9,735
Acquisitions of tangible assets		(53,661)	(10,299)
Acquisition of intangible assets	11	(80,000)	(105,000)
Net cash flows from investing activities	13	<u>(128,831)</u>	<u>(105,564)</u>
<b>Cash flows from financing activities</b>			
Interest paid	6	-	(7,849)
Repayment of bank borrowing		-	(500,000)
Proceeds from other borrowing draw downs		229,713	(61,784)
Dividends paid		(1,750,000)	(270,000)
Net cash flows from financing activities		<u>(1,520,287)</u>	<u>(839,633)</u>
Net increase in cash and cash equivalents		3,981,740	238,848
Cash and cash equivalents at 1 February		<u>2,877,665</u>	<u>2,638,817</u>
Cash and cash equivalents at 31 January		<u><u>6,859,405</u></u>	<u><u>2,877,665</u></u>

The notes on pages 12 to 24 form an integral part of these financial statements.

# Cadline Limited

## Notes to the Financial Statements for the Year Ended 31 January 2021

### 1 General information

The company (registration number 02486710) is incorporated in England and Wales.

The address of its registered office is:

Cadline House  
Drake Avenue  
Staines  
Middlesex  
TW18 2AP

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

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

#### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

#### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

#### Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency (GBP Sterling) rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate prevailing on the reporting period end date.

The variances based on this revaluations are recorded as 'Foreign Exchange (Gains)/Losses' as 'Interest Payable and Similar Expenses' in the Profit and Loss Account.

#### Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2021

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures, fittings and equipment	25% reducing balance basis
Motor vehicles	25% reducing balance

#### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Purchased goodwill	Over 5 to 10 years straight line basis

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

## **Cadline Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2021**

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Trade creditors**

Trade creditors 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2021

#### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2021	2020
	£	£
Sales of services and software licences	<u>30,879,159</u>	<u>36,108,116</u>

The analysis of the company's turnover for the year by market is as follows:

	2021	2020
	£	£
UK	<u>30,879,159</u>	<u>36,108,116</u>

#### 4 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	37,978	38,637
Amortisation expense	26,832	22,500
Operating lease expense - plant and machinery	<u>148,773</u>	<u>176,044</u>

#### 5 Other interest receivable and similar income

	2021	2020
	£	£
Interest income on bank deposits	<u>4,830</u>	<u>9,735</u>

#### 6 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and borrowings	-	7,849
Foreign exchange (gains) / losses	<u>(147,242)</u>	<u>18,124</u>
	<u>(147,242)</u>	<u>25,973</u>

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2021

#### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,528,326	4,705,620
Social security costs	589,031	612,420
Pension costs, defined contribution scheme	132,702	123,576
	<u>5,250,059</u>	<u>5,441,616</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Administration and support	17	17
Sales	33	33
Other departments	46	46
	<u>96</u>	<u>96</u>

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2021

#### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	636,129	675,158
Contributions paid to money purchase schemes	41,189	40,796
	<u>677,318</u>	<u>715,954</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Accruing benefits under money purchase pension scheme	<u>6</u>	<u>6</u>

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	164,788	152,554
Company contributions to money purchase pension schemes	4,584	4,520

#### 9 Auditors' remuneration

	2021 £	2020 £
Audit of the financial statements	<u>9,100</u>	<u>8,100</u>

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2021

#### 10 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>4,345</u>	<u>(5,021)</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>1,757,233</u>	<u>1,307,577</u>
Corporation tax at standard rate	333,874	248,440
Effect of expense not deductible in determining taxable profit (tax loss)	2,743	7,598
Tax (decrease)/increase from effect of capital allowances and depreciation	(1,559)	5,491
Tax increase/(decrease) from other short-term timing differences	4,345	(5,021)
Tax decrease from effect of unrelieved tax losses carried forward	(162,344)	(87,905)
Tax decrease from effect of adjustment in research and development tax credit	<u>(172,714)</u>	<u>(173,624)</u>
Total tax charge/(credit)	<u>4,345</u>	<u>(5,021)</u>

#### Deferred tax

There are £37,127 of unused tax losses (2020 - £891,571) for which no deferred tax asset is recognised in the Balance Sheet.

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £4,778 (2020 - £3,744).

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2021

#### 11 Intangible assets

	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>		
At 1 February 2020	120,000	120,000
Additions acquired separately	<u>80,000</u>	<u>80,000</u>
At 31 January 2021	<u>200,000</u>	<u>200,000</u>
<b>Amortisation</b>		
At 1 February 2020	35,500	35,500
Amortisation charge	<u>26,832</u>	<u>26,832</u>
At 31 January 2021	<u>62,332</u>	<u>62,332</u>
<b>Carrying amount</b>		
At 31 January 2021	<u>137,668</u>	<u>137,668</u>
At 31 January 2020	<u>84,500</u>	<u>84,500</u>

#### 12 Tangible assets

	<b>Furniture, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>			
At 1 February 2020	272,661	5,000	277,661
Additions	<u>53,661</u>	<u>-</u>	<u>53,661</u>
At 31 January 2021	<u>326,322</u>	<u>5,000</u>	<u>331,322</u>
<b>Depreciation</b>			
At 1 February 2020	151,230	4,736	155,966
Charge for the year	<u>37,906</u>	<u>72</u>	<u>37,978</u>
At 31 January 2021	<u>189,136</u>	<u>4,808</u>	<u>193,944</u>
<b>Carrying amount</b>			
At 31 January 2021	<u>137,186</u>	<u>192</u>	<u>137,378</u>
At 31 January 2020	<u>121,431</u>	<u>264</u>	<u>121,695</u>

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2021

#### 13 Investments

	2021 £	2020 £
<b>Non-current unlisted investments</b>		
Investment cost less impairment at 31 January 2019	<u>173,237</u>	<u>173,237</u>

The investment represents a less than 10% shareholding at cost in a company which is not an associate or a joint venture entity. There was no impairment in the carrying amount of the investment at the year end.

#### 14 Stocks

	2021 £	2020 £
Software	<u>1,110</u>	<u>3,413</u>

#### 15 Debtors

	Note	2021 £	2020 £
Trade debtors		4,861,397	6,668,548
Amounts owed by related parties	21	1,117,270	416,177
Other debtors		22,783	26,214
Prepayments		310,200	162,243
Accrued income		<u>484,077</u>	<u>602,053</u>
Total current trade and other debtors		<u>6,795,727</u>	<u>7,875,235</u>

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2021

#### 16 Creditors

	Note	2021 £	2020 £
<b>Due within one year</b>			
Loans and borrowings	19	1,235,789	1,006,076
Trade creditors		6,687,320	3,986,827
Social security and other taxes		562,981	494,349
Other payables		390,151	87,524
Accrued expenses		<u>1,142,971</u>	<u>1,482,889</u>
		<u>10,019,212</u>	<u>7,057,665</u>

#### 17 Provisions for liabilities

	Fixed assets £	Total £
At 1 February 2020	20,801	20,801
Deferred tax charge for accelerated capital allowances	<u>4,345</u>	<u>4,345</u>
At 31 January 2021	<u>25,146</u>	<u>25,146</u>

#### 18 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £132,702 (2020 - £123,576).

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2021

#### 19 Loans and borrowings

	2021 £	2020 £
<b>Current loans and borrowings</b>		
Other borrowings - directors' loans	<u>1,235,789</u>	<u>1,006,076</u>

#### 20 Obligations under leases and hire purchase contracts

##### Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	297,437	326,371
Later than one year and not later than five years	<u>214,935</u>	<u>283,576</u>
	<u>512,372</u>	<u>609,947</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £507,780 (2020 - £599,263).

## **Cadline Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2021**

#### **21 Related party transactions**

##### **Transactions with directors**

At the year end, the directors were owed by way of their loan accounts £1,235,788 (2020 - £1,006,076)

During the year the company paid dividends to directors of £1,400,000 (2020 - £216,000).

##### **Summary of transactions with other related parties**

###### **Electropoint Limited**

Electropoint Limited is a company in which one of the directors of Cadline Limited has a material interest. Cadline Limited trades with Electropoint Limited on a commercial basis. During the year Cadline Limited paid licences and other costs to Electropoint Limited of £190,217 (2020 - £215,624) and made sales to Electropoint Limited of £44,338 (2020 - £42,763). At the balance sheet date Electropoint Limited owed Cadline Limited a net balance of £17,952 (2020 - £3,812).

###### **Cadline Europe BV**

This company is wholly owned by Cadline Limited with share capital of 1 Euro. It is registered in The Netherlands with the company number 858605351 and the Chamber of Commerce number KvK7164723. The results of the Netherlands entity have not been consolidated in these financial statement as the directors believe that the non-inclusion is not material in giving a true and fair view. At the balance sheet date Cadline Europe BV had net assets of £45,790 Euros and it's turnover in the year ender review was 1,766,176 Euros (no more than 5% of the reported turnover of Cadline Limited). At the balance sheet date Cadline Europe BV owed Cadline Limited £307,548 (2020 -£197,168). During the year Cadline Limited invoiced Cadline Europe BV management charges of £130,000.

###### **CloudA2K Limited**

CloudA2K Limited is a company in which two of the directors of Cadline Limited have a material interest. Cadline Limited trade with CloudA2K Limited on a commercial basis. At the year end CloudA2K Limited owed Cadline Limited £809,722 (2020 - £367,969). During the year Cadline Limited invoiced CloudA2K Limited management charges and for shared costs of £441,753.

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2021

#### 22 Share capital

##### Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
A Ordinary shares of £0.0001 each	10,000	1	10,000	1
B Ordinary shares of £0.0001 each	<u>1,650,000</u>	<u>165</u>	<u>1,650,000</u>	<u>165</u>
	<u>1,660,000</u>	<u>166</u>	<u>1,660,000</u>	<u>166</u>

##### Rights, preferences and restrictions

The A ordinary equity shares carry equal voting, dividend and capital on winding up rights.

The B ordinary equity shares carry equal dividend and capital on winding up rights.