

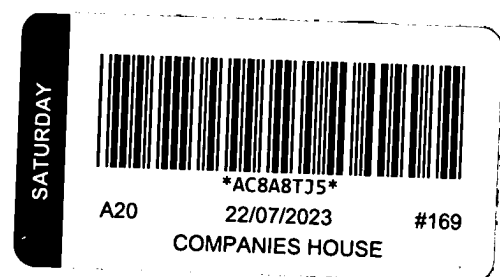
Registration number: 02486719

# Cadline Limited

Annual Report and Financial Statements

for the Year Ended 31 January 2023

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



# Cadline Limited

## Strategic Report for the Year Ended 31 January 2023

The directors present their strategic report for the year ended 31 January 2023.

### 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:

| Financial KPIs      | Unit   | 2023   | 2022   |
|---------------------|--------|--------|--------|
| Turnover            | £000's | 52,044 | 39,936 |
| Gross profit        | %      | 23     | 26     |
| Carrying net assets | £000's | 1,107  | 3,553  |

### 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:

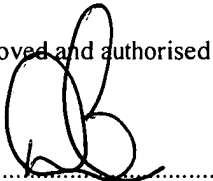
#### Quality

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, ISO27001 and JOSCAR 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 and authorised by the Board on 17 May 2023 and signed on its behalf by:



.....  
D Peppin  
Company secretary and director

## **Cadline Limited**

### **Directors' Report for the Year Ended 31 January 2023**

The directors present their report and the financial statements for the year ended 31 January 2023.

#### **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 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 2023

#### *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.

#### Interest rate risk

In order to manage the company's exposure to interest rates, the company does not enter into transactions including, but not limited to, fixed interest rate agreements. However, we have no bank loans and no other loan obligations.

#### 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 and authorised by the Board on 17 May 2023 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 United Kingdom 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 2023, 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 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.

## **Cadline Limited**

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

#### **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.

#### **Auditor 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.

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.

#### **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.

#### **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.

## **Cadline Limited**

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

#### **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  
22 Carlton Road  
South Croydon  
Surrey  
CR2 0BS

17 May 2023

## **Cadline Limited**

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

#### **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.

## Cadline Limited

### Profit and Loss Account for the Year Ended 31 January 2023

|  | Note | 2023<br>£               | 2022<br>£               |
|--|------|-------------------------|-------------------------|
| Turnover                                     | 3    | 52,043,653              | 39,935,746              |
| Cost of sales                                |      | <u>(39,959,350)</u>     | <u>(29,554,390)</u>     |
| Gross profit                                 |      | 12,084,303              | 10,381,356              |
| Administrative expenses                      |      | (7,973,648)             | (7,180,834)             |
| Other operating expenses                     |      | <u>-</u>                | <u>(930,745)</u>        |
| Operating profit                             | 5    | <u>4,110,655</u>        | <u>2,269,777</u>        |
| Other interest receivable and similar income | 6    | 17,657                  | 82                      |
| Interest payable and similar expenses        | 7    | <u>52,244</u>           | <u>(7,976)</u>          |
|  |      | <u>69,901</u>           | <u>(7,894)</u>          |
| Profit before tax                            |      | 4,180,556               | 2,261,883               |
| Tax on profit                                | 11   | <u>(627,121)</u>        | <u>(268,789)</u>        |
| Profit for the financial year                |      | <u><u>3,553,435</u></u> | <u><u>1,993,094</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 2023

|   | Note | 2023<br>£           | 2022<br>£          |
|---|------|---------------------|--------------------|
| <b>fixed assets</b>                                   |      |                     |                    |
| Intangible assets                                     | 12   | 63,676              | 100,672            |
| tangible assets                                       | 13   | 148,069             | 110,599            |
| Investments   | 14   | <u>173,237</u>      | <u>173,237</u>     |
|   |      | <u>384,982</u>      | <u>384,508</u>     |
| <b>Current assets</b>                                 |      |                     |                    |
| Stocks  | 15   | -                   | 1,042              |
| Debtors   | 16   | 7,303,470           | 5,366,566          |
| Cash at bank and in hand                              |      | <u>6,594,061</u>    | <u>6,734,505</u>   |
|   |      | 13,897,531          | 12,102,113         |
| <b>Creditors: Amounts falling due within one year</b> | 17   | <u>(13,148,223)</u> | <u>(8,913,004)</u> |
| <b>Net current assets</b>                             |      | <u>749,308</u>      | <u>3,189,109</u>   |
| <b>Total assets less current liabilities</b>          |      | 1,134,290           | 3,573,617          |
| <b>Provisions for liabilities</b>                     | 18   | <u>(27,594)</u>     | <u>(20,356)</u>    |
| <b>Net assets</b>                                     |      | <u>1,106,696</u>    | <u>3,553,261</u>   |
| <b>capital and reserves</b>                           |      |                     |                    |
| Called up share capital                               | 22   | 166                 | 166                |
| Profit and loss account                               |      | <u>1,106,530</u>    | <u>3,553,095</u>   |
| <b>Total equity</b>                                   |      | <u>1,106,696</u>    | <u>3,553,261</u>   |

Approved and authorised by the Board on 17 May 2023 and signed on its behalf by:

  
 .....  
 D Peppin  
 Company secretary and director

## Cadline Limited

### Statement of Changes in Equity for the Year Ended 31 January 2023

|                     | <b>Share capital</b> | <b>Retained</b>  | <b>Total</b>     |
|---------------------|----------------------|------------------|------------------|
|                     | <b>£</b>             | <b>earnings</b>  | <b>£</b>         |
|                     |                      | <b>£</b>         |                  |
| At 1 February 2022  | <u>166</u>           | <u>3,553,095</u> | <u>3,553,261</u> |
| Profit for the year | -                    | 3,553,435        | 3,553,435        |
| Dividends           | -                    | (6,000,000)      | (6,000,000)      |
| At 31 January 2023  | <u>166</u>           | <u>1,106,530</u> | <u>1,106,696</u> |
|                     | <b>Share capital</b> | <b>Retained</b>  | <b>Total</b>     |
|                     | <b>£</b>             | <b>earnings</b>  | <b>£</b>         |
|                     |                      | <b>£</b>         |                  |
| At 1 February 2021  | <u>166</u>           | <u>4,060,001</u> | <u>4,060,167</u> |
| Profit for the year | -                    | 1,993,094        | 1,993,094        |
| Dividends           | -                    | (2,500,000)      | (2,500,000)      |
| At 31 January 2022  | <u>166</u>           | <u>3,553,095</u> | <u>3,553,261</u> |

The notes on pages 13 to 25 form an integral part of these financial statements.

## Cadline Limited

### Statement of Cash Flows for the Year Ended 31 January 2023

|   | Note | 2023<br>£          | 2022<br>£          |
|---|------|--------------------|--------------------|
| <b>Cash flows from operating activities</b>   |      |                    |                    |
| Profit for the year                           |      | 3,553,435          | 1,993,094          |
| Adjustments to cash flows from non-cash items |      |                    |                    |
| Depreciation and amortisation                 | 5    | 87,387             | 76,064             |
| Finance income                                | 6    | (17,657)           | (82)               |
| Income tax expense                            | 11   | 627,121            | 268,789            |
| Gain/loss from changes in provisions          |      | -                  | 930,745            |
|   |      | <u>4,250,286</u>   | <u>3,268,610</u>   |
| Working capital adjustments                   |      |                    |                    |
| Decrease in stocks                            | 15   | 1,042              | 68                 |
| (Increase)/decrease in trade debtors          | 16   | (1,936,904)        | 1,429,161          |
| Increase/(decrease) in trade creditors        | 17   | <u>3,877,253</u>   | <u>(143,998)</u>   |
| Cash generated from operations                |      | 6,191,677          | 4,553,841          |
| Income taxes paid                             | 11   | <u>(261,917)</u>   | -                  |
| Net cash flow from operating activities       |      | <u>5,929,760</u>   | <u>4,553,841</u>   |
| <b>Cash flows from investing activities</b>   |      |                    |                    |
| Interest received                             | 6    | 17,657             | 82                 |
| Acquisitions of tangible assets               |      | <u>(87,861)</u>    | <u>(12,289)</u>    |
| Net cash flows from investing activities      | 14   | <u>(70,204)</u>    | <u>(12,207)</u>    |
| <b>Cash flows from financing activities</b>   |      |                    |                    |
| Proceeds from other borrowing draw downs      |      | -                  | (580,746)          |
| Repayment of other borrowing                  |      | -                  | (1,585,788)        |
| Dividends paid                                |      | <u>(6,000,000)</u> | <u>(2,500,000)</u> |
| Net cash flows from financing activities      |      | <u>(6,000,000)</u> | <u>(4,666,534)</u> |
| Net decrease in cash and cash equivalents     |      | (140,444)          | (124,900)          |
| Cash and cash equivalents at 1 February       |      | <u>6,734,505</u>   | <u>6,859,405</u>   |
| Cash and cash equivalents at 31 January       |      | <u>6,594,061</u>   | <u>6,734,505</u>   |

The notes on pages 13 to 25 form an integral part of these financial statements.

# Cadline Limited

## Notes to the Financial Statements for the Year Ended 31 January 2023

### 1 General information

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

The address of its registered office is:

Gatwick House  
Peeks Brook Lane  
Horley  
Surrey  
RH6 9ST  
England

### 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 United Kingdom and Republic of Ireland and the Companies Act 2006'.

#### 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 current and 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 2023

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

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.

## **Cadline Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2023**

#### **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.

#### **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.

#### **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 2023

#### 3 Turnover

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

|   | 2023              | 2022              |
|---|-------------------|-------------------|
|   | £                 | £                 |
| Sales of services and software licences | <u>52,043,653</u> | <u>39,935,746</u> |

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

|    | 2023              | 2022              |
|----|-------------------|-------------------|
|    | £                 | £                 |
| UK | <u>52,043,653</u> | <u>39,935,746</u> |

#### 4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

|                                      | 2023     | 2022             |
|--------------------------------------|----------|------------------|
|                                      | £        | £                |
| Gain/loss from changes in provisions | <u>-</u> | <u>(930,745)</u> |

#### 5 Operating profit

Arrived at after charging/(crediting)

|   | 2023          | 2022           |
|---|---------------|----------------|
|   | £             | £              |
| Depreciation expense                          | 50,391        | 39,068         |
| Amortisation expense                          | 36,996        | 36,996         |
| Operating lease expense - plant and machinery | <u>75,122</u> | <u>114,770</u> |

#### 6 Other interest receivable and similar income

|                                  | 2023          | 2022      |
|----------------------------------|---------------|-----------|
|                                  | £             | £         |
| Interest income on bank deposits | <u>17,657</u> | <u>82</u> |

#### 7 Interest payable and similar expenses

|                               | 2023            | 2022         |
|-------------------------------|-----------------|--------------|
|                               | £               | £            |
| Foreign exchange gains/losses | <u>(52,244)</u> | <u>7,976</u> |

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2023

#### 8 Staff costs

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

|  | 2023                    | 2022                    |
|--|-------------------------|-------------------------|
|  | £                       | £                       |
| Wages and salaries                         | 5,878,809               | 5,356,043               |
| Social security costs                      | 713,777                 | 652,889                 |
| Pension costs, defined contribution scheme | <u>135,401</u>          | <u>133,799</u>          |
|  | <u><u>6,727,987</u></u> | <u><u>6,142,731</u></u> |

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

|                            | 2023             | 2022             |
|----------------------------|------------------|------------------|
|                            | No.              | No.              |
| Administration and support | 18               | 17               |
| Sales                      | 38               | 36               |
| Other departments          | <u>37</u>        | <u>36</u>        |
|                            | <u><u>93</u></u> | <u><u>89</u></u> |

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2023

#### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

|  | 2023<br>£             | 2022<br>£             |
|--|-----------------------|-----------------------|
| Remuneration                                 | 854,886               | 724,989               |
| Contributions paid to money purchase schemes | <u>20,931</u>         | <u>31,301</u>         |
|  | <u><u>875,817</u></u> | <u><u>756,290</u></u> |

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

|   | 2023<br>No. | 2022<br>No. |
|---|-------------|-------------|
| Accruing benefits under money purchase pension scheme | <u>5</u>    | <u>5</u>    |

In respect of the highest paid director:

|   | 2023<br>£    | 2022<br>£    |
|---|--------------|--------------|
| Remuneration  | 193,246      | 181,954      |
| Company contributions to money purchase pension schemes | <u>5,734</u> | <u>5,399</u> |

#### 10 Auditors' remuneration

|                                   | 2023<br>£     | 2022<br>£     |
|-----------------------------------|---------------|---------------|
| Audit of the financial statements | <u>10,000</u> | <u>10,000</u> |

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2023

#### 11 Taxation

Tax charged/(credited) in the profit and loss account

|   | 2023                  | 2022                  |
|---|-----------------------|-----------------------|
|   | £                     | £                     |
| <b>Current taxation</b>                                     |                       |                       |
| UK corporation tax  | 627,929               | 273,579               |
| UK corporation tax adjustment to prior periods              | <u>(8,046)</u>        | -                     |
|   | 619,883               | 273,579               |
| <b>Deferred taxation</b>                                    |                       |                       |
| Arising from origination and reversal of timing differences | <u>7,238</u>          | <u>(4,790)</u>        |
| Tax expense in the income statement                         | <u><u>627,121</u></u> | <u><u>268,789</u></u> |

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2022 - the same as the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

|   | 2023                  | 2022                  |
|---|-----------------------|-----------------------|
|   | £                     | £                     |
| Profit before tax   | <u>4,180,556</u>      | <u>2,261,883</u>      |
| Corporation tax at standard rate  | 794,306               | 429,758               |
| Effect of expense not deductible in determining taxable profit (tax loss)     | 5,712                 | 528                   |
| Decrease in UK and foreign current tax from adjustment for prior periods      | (8,046)               | -                     |
| Tax (decrease)/increase from effect of capital allowances and depreciation    | (12,296)              | 14,332                |
| Tax increase/(decrease) from other short-term timing differences              | 7,258                 | (4,790)               |
| Tax decrease from effect of unrelieved tax losses carried forward             | -                     | (7,054)               |
| Tax decrease from effect of adjustment in research and development tax credit | <u>(159,813)</u>      | <u>(163,985)</u>      |
| Total tax charge  | <u><u>627,121</u></u> | <u><u>268,789</u></u> |
| <b>Deferred tax</b>   |                       |                       |

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 £6,898 (2022 - £3,868).

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2023

#### 12 Intangible assets

|                          | <b>Goodwill</b> | <b>Total</b> |
|--------------------------|-----------------|--------------|
|                          | <b>£</b>        | <b>£</b>     |
| <b>Cost or valuation</b> |                 |              |
| At 1 February 2022       | 200,000         | 200,000      |
| At 31 January 2023       | 200,000         | 200,000      |
| <b>Amortisation</b>      |                 |              |
| At 1 February 2022       | 99,328          | 99,328       |
| Amortisation charge      | 36,996          | 36,996       |
| At 31 January 2023       | 136,324         | 136,324      |
| <b>Carrying amount</b>   |                 |              |
| At 31 January 2023       | 63,676          | 63,676       |
| At 31 January 2022       | 100,672         | 100,672      |

#### 13 Tangible assets

|                          | <b>Furniture,<br/>fittings and<br/>equipment</b> | <b>Motor vehicles</b> | <b>Total</b> |
|--------------------------|--|-----------------------|--------------|
|                          | <b>£</b>   | <b>£</b>              | <b>£</b>     |
| <b>Cost or valuation</b> |  |                       |              |
| At 1 February 2022       | 342,444  | 5,000                 | 347,444      |
| Additions                | 87,861   | -                     | 87,861       |
| At 31 January 2023       | 430,305  | 5,000                 | 435,305      |
| <b>Depreciation</b>      |  |                       |              |
| At 1 February 2022       | 231,845  | 5,000                 | 236,845      |
| Charge for the year      | 50,391   | -                     | 50,391       |
| At 31 January 2023       | 282,236  | 5,000                 | 287,236      |
| <b>Carrying amount</b>   |  |                       |              |
| At 31 January 2023       | 148,069  | -                     | 148,069      |
| At 31 January 2022       | 110,599  | -                     | 110,599      |

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2023

#### 14 Investments

|  | 2023<br>£ | 2022<br>£ |
|--|-----------|-----------|
| <b>Non-current unlisted investments</b>            |           |           |
| Investment cost less impairment at 31 January 2022 | 173,237   | 173,237   |

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.

#### 15 Stocks

|          | 2023<br>£ | 2022<br>£ |
|----------|-----------|-----------|
| Software | -         | 1,042     |

#### 16 Debtors

|                                 |             | 2023<br>£ | 2022<br>£ |
|---------------------------------|-------------|-----------|-----------|
| <b>Current</b>                  | <b>Note</b> |           |           |
| Trade debtors                   |             | 5,979,711 | 4,485,687 |
| Amounts owed by related parties | 21          | 169,086   | 54,690    |
| Other debtors                   |             | 27,430    | 25,520    |
| Prepayments                     |             | 156,210   | 201,738   |
| Accrued income                  |             | 971,033   | 598,931   |
|                                 |             | 7,303,470 | 5,366,566 |

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2023

#### 17 Creditors

|                                 | Note | 2023<br>£  | 2022<br>£ |
|---------------------------------|------|------------|-----------|
| <b>Due within one year</b>      |      |            |           |
| trade creditors                 |      | 9,887,014  | 6,091,581 |
| Social security and other taxes |      | 1,232,914  | 1,024,079 |
| Other payables                  |      | 23,994     | 41,358    |
| Accrued expenses                |      | 1,372,756  | 1,482,407 |
| Corporation tax liability       | 11   | 631,545    | 273,579   |
|                                 |      | 13,148,223 | 8,913,004 |

#### 18 Provisions for liabilities

|  | Fixed assets<br>£ | Total<br>£ |
|--|-------------------|------------|
| At 1 February 2022                                     | 20,356            | 20,356     |
| Deferred tax charge for accelerated capital allowances | 7,238             | 7,238      |
| At 31 January 2023                                     | 27,594            | 27,594     |

#### 19 Loans and borrowings

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

##### Operating leases

The total of future minimum lease payments is as follows:

|   | 2023<br>£ | 2022<br>£ |
|---|-----------|-----------|
| Not later than one year                           | 84,994    | 170,532   |
| Later than one year and not later than five years | 69,303    | 149,308   |
|   | 154,297   | 319,840   |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £194,017 (2022 - £239,574).

## **Cadline Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2023**

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

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

During the year the company paid dividends to directors of £4,800,000 (2022 - £2,000,000).

## **Cadline Limited**

### **Notes to the Financial Statements for the Year Ended 31 January 2023**

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

##### **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 in terms of overall profitability and net assets of the Group.

At the balance sheet date Cadline Europe BV had net assets of £4,327 (2022 - £115,102) and its turnover in the year ended review was £4,195,288 (2022 - £4,545,581) - less than 10% of Cadline Limited's reported turnover. At the balance sheet date Cadline Europe BV owed Cadline Limited £169,086 (2022 - £54,690). During the year Cadline Limited invoiced Cadline Europe BV management charges of £182,133 (2022 - £305,847).

##### **A2K Holding Pty Ltd**

This company, which is controlled by one of the directors of Cadline Limited, holds a minority shareholding in Cadline Limited. Cadline Limited paid dividends of £1,200,000 to this entity during the year (2022 - £500,000).

##### **CloudA2K Limited**

CloudA2K Limited was a company in which two of the directors of Cadline Limited have a material interest. This entity was set up to develop, market and sell MTWO software on behalf of Cadline Limited. Cadline Limited are contractually prohibited by their main vendor from selling competing products and for this reason MTWO was developed and marketed, with the potential to sell, through Cloud A2K Limited.

Last year the directors formed the view that the product could not be successfully sold into the UK market and a decision was taken to stop product development. The recharged costs to CloudA2K Limited were written back to Cadline Limited resulting in the exceptional item on the face of the comparative profit and loss account. Companies House has now struck CloudA2K Limited off the Register.

## Cadline Limited

### Notes to the Financial Statements for the Year Ended 31 January 2023

#### 22 Share capital

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

|                                   | 2023             |            | 2022             |            |
|-----------------------------------|------------------|------------|------------------|------------|
|                                   | 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.

#### 23 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 £135,401 (2022 - £133,799).