

Ryman Group Limited

Annual Report and Financial Statements

Year Ended

26 March 2022

Company Number 02714395

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Ryman Group Limited

Annual report and financial statements for the year ended 26 March 2022

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Directors

T Paphitis
K Kyprianou
S J Lakin
I M Childs
K Lawton

Secretary and registered office

K Lawton, Ryman House, Savoy Road, Crewe, Cheshire, CW1 6NA

Company number

02714395

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Bankers

National Westminster Bank Plc, 18 Cromwell Place, London SW7 2LB

Ryman Group Limited

Strategic report for the year ended 26 March 2022

A review of the business and future developments, including key performance indicators and the principal risks and uncertainties is set out below.

Business review and future developments

Ryman Group Limited's main trading subsidiary is Ryman Limited, a national retailer of stationery products operating through its high street chain of stores and through the www.ryman.co.uk and www.rymanbusiness.com websites. Complementing the proposition of Ryman Limited as a fellow subsidiary of the Company is the business of London Graphic Centre Limited, a specialist retailer of arts and graphic products located in Covent Garden, London.

The principal activity of the Company is to act as an intermediate holding company. Ryman Group Limited also holds a 50% shareholding in Partners Properties (UK) Ltd, the company that owns the freehold interest in the warehouses and offices occupied by Ryman Limited and associated companies in Crewe, Cheshire.

The business review and future developments for Ryman Limited, London Graphic Centre Limited and Partners Properties (UK) Ltd can be found in their individual subsidiary accounts.

Key Performance Indicators

Like for like sales up 41.8% year on year (2021 - 40.1% down). Like for like sales include stores and channels that have been trading throughout both the current and previous years.

Turnover increased 39.8% to £105.7 million (2021 - £75.5 million). The main contributing factor for the increase in turnover, both in total and on a like for like basis, is due to the impact of the Covid-19 pandemic on last year's comparative results and in particular the associated periods of stores closure.

Operating loss of £3.4 million (2021 - £14.0 million loss). The reduction in operating loss is a reflection of the improvement in turnover as the business recovered from the impact of Covid-19.

Earnings before interest, tax, depreciation, amortisation and impairments (EBITDA) improved to £1.3 million loss (2021 - £10.1 million loss). The reduction in EBITDA loss is also a reflection of the improvement in turnover as the business recovered from the impact of Covid-19.

Group net assets of £51.9 million (2021 - £54.0 million). The reduction in net assets reflects the impact on net current assets of the operating loss outlined above.

Given the challenging environment resulting from the Covid-19 pandemic, the directors are monitoring the performance of the Group against these key performance indicators and are generally satisfied with this performance.

Principal risks and uncertainties

The principal risks and uncertainties that the Group faces together with an explanation of how they are managed and mitigated are as follows:

Covid-19

Whilst the impact and restrictions relating to the Covid-19 pandemic have eased during the year this did, at times, affect all aspects of the business. We have followed Government guidance during this period and the directors meet regularly to review and agree changes to the operation of the business.

The period under review continued to be impacted by Covid-19 restrictions, and as a result, we have continued to manage costs and cash flow tightly.

Ryman Group Limited

Strategic report for the year ended 26 March 2022 (*continued*)

Principal risks and uncertainties (*continued*)

Covid-19 (continued)

As a result of our planning and attention to keeping the business safe, we have been able to ensure that our stores, warehouse operations and head office remain covid-secure, to protect our customers and colleagues. We have also been able to track any Covid cases and react accordingly. Our IT systems and remote working capabilities have allowed us to continue to support the business as usual. Through regular and open communication with our suppliers, we have been able to maintain our supply chains, to provide the goods and services that our customers require and expect.

The strength of the Group trading brands, business and balance sheet, which has net assets of £51.9m, puts us in a good position to overcome the challenges of the current pandemic and the retail market, and allows us to develop the business for further success. The competitive market we operate in and the rapidly changing environment will continue to demand the best from the strong trading partnerships that we have with our suppliers and similar minded brands.

Going Concern

In preparing the financial statements the directors are required to assess the Group and Company's ability to continue to trade as a going concern for the foreseeable future.

During the year reported, the Group made significant progress in recovering from the impact of the pandemic which had meant the closing of its stores and a significant decline in activity of key customer groups including businesses and students.

The recovery of our store business has continued into the current financial year. The growth is expected to continue as related customer activity continues to build to pre-pandemic levels. Costs have increased in the current year and Government support, particularly against our store rates liability, has significantly reduced. Cost pressures are expected to continue into the next financial year and in order to ensure that we mitigate these as far as possible, the board has undertaken a review led by Theo Paphitis, the owner, which has identified material savings. We have considered the suitability of our store portfolio to our key customer groups, products and brands we work with, which will result in some closures or relocations and openings. A review of our supply chain has also identified benefits relating to working capital requirements.

The continued growth into the current financial year despite wider challenges in retail, the cost management review undertaken and the improvements in working capital expected give the board confidence for the future of the Group and for Ryman as it enters into its 130th year of trading. The current ownership of its 27 years has delivered healthy profits in all years prior to the impact of the pandemic.

To support the business through the pandemic, the Group and Company secured a £10m CLBILS from its bank, Natwest, who have been the Group's and Company's bankers for over 25 years. Prior to this the Group and Company has been funded through its own reserves and shareholder loans. The facility has tranches of £5m maturing at the end of March 2023 and March 2024. The covenants reflect the business plan recovering from the impact of the pandemic. The facilities are in the process of being reviewed and are required to ensure the Group and Company has sufficient working capital to maintain the recovery towards previous levels of profitability and meet its business plan.

Given the long standing relationship with the bank and the recovery demonstrated by the continued growth in stores, the directors believe that the bank will continue to be supportive in extending the facilities to the Group and Company however this is yet to be confirmed. The majority shareholder, Theo Paphitis, has indicated his commitment to the Group and Company and support through the recovery and demonstrated to the directors that he has the means to support the Group and Company should there be a requirement beyond the facilities that the Group and Company is able to secure. Whilst this is not a legally binding commitment from the majority shareholder, it is on this basis that the directors consider that the Group and Company will be a going concern for a period of at least 12 months from the date of approval of these financial statements and they have therefore prepared the financial statements on a going concern basis.

Ryman Group Limited

Strategic report for the year ended 26 March 2022 (*continued*)

Principal risks and uncertainties (*continued*)

Going Concern (continued)

However, if the expected forecast growth in revenue falls significantly below expectations and mitigating actions are not achieved in full and the Group and Company cannot extend the banking facilities, these conditions indicate a material uncertainty that may cast significant doubt over the Group and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Liquidity and cash flow

The directors review the liquidity and cash flow risk of the Group carefully. Cash flow is monitored by the directors on a regular basis and surplus funds are primarily invested in readily accessible accounts to ensure that peak working capital requirements are easily managed.

Currency

The Group manages foreign exchange risk through, when appropriate, the forward buying of US dollars for future trade payments. The Board agrees and reviews the policy on a regular basis. Financial instruments such as trade creditors arise directly from the Group's operations.

The Economy and impact of Brexit

There are a number of economic factors that affect our customers, partners and suppliers at both the global and national level. The directors monitor these closely to ensure that the Group is prepared for and can react to changes in the economic environment. We are constantly monitoring developments post Brexit and considering potential impacts, particularly on our supply chain and currency exposure. We have maintained regular discussions with our suppliers and continue to hedge our currency exposure in line with our policy. We will also maintain our agile and collaborative approach to all aspects of our business to ensure that the impact of any disruption following our departure from the European Union are minimised. The majority of our supply chain is based outside the European Union and as such there has been no material impact of Brexit. At the year end, the continuing rising levels of inflation and interest rates have led to increased risk within the Company. The directors are reviewing costs across the business and all strategic decisions are made with the view to mitigate risk and to maintain stakeholder satisfaction.

Stock

The most significant investment that the Group makes each year is its investment in stock. Processes are in place to mitigate the risk inherent in such an investment by controlling the level of stock in the context of changing sales levels, and to ensure that all slow-moving stock is moved through the business. Challenges associated with the increased shipping and container costs seen in the reporting period were managed through regular contact with our agent. Rates since the year end are now back to expected levels.

People

The Board recognises the importance of our people in the success of its operations. The risk of reliance on key individuals is reduced through the development of succession plans.

Cyber risk/business continuity

An ever present and increasing risk to our business is the potential impact from a cyber-attack. In response we have a dedicated Security Board with members from both within the Group and external specialists, who monitor and advise on how best to mitigate this risk. Actions taken include the appropriate updating and back up of our systems and data together with insurance covering cyber risk and business continuity.

Ryman Group Limited

Strategic report

for the year ended 26 March 2022 (*continued*)

Section 172 (1) statement

This report sets out how the directors of Ryman Group Limited comply with the requirements of Section 172 Companies Act 2006 and how these requirements have impacted the Board's decision making throughout the year.

The directors have acted in a way that they consider to be most likely to promote the success of the Group, and in doing so had regard to:

- the likely consequences of any decision in the long term;
- the need to act fairly as between members of the Group;
- the interest of the Group's employees;
- the need to further develop the Group's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment; and
- the requirement of the Group in maintaining its reputation for high standards of business conduct.

Decision Making

Ryman Group Limited is ultimately controlled by a single shareholder, which works closely with the senior executive team. Together they ensure that all decisions made are in the best interest of the Group, stakeholders and employees. Whilst the Group has not formally adopted an integrated governance code, these best practices form the foundation of the reviews undertaken by the shareholders, directors and senior management teams.

Meetings are held to discuss the Company's trading subsidiaries covering:

- financial performance
- budget approvals
- business and market reviews
- market and ecommerce reviews
- operational/strategic plans
- employee relations

Given the entrepreneurial nature of the business, the above are not restricted solely to formal monthly meetings and the shareholder will often attend the weekly trade meetings.

The key decisions made by the Board in the year include:

- to invest in an end-to-end workforce management system to help optimise labour, spend, reduce people turnover and improve workforce productivity; and
- our wider energy saving initiatives which include the continuing roll out of LED light conversion across the store estate.

All decisions made by the Board during the year were done taking full consideration of the interests of its employees, customers, shareholders, suppliers and communities. These decisions were made within the context of the medium and long term strategies and shareholders expectations on investment return and to strengthen the business from both an operational and financial perspective.

Ryman Group Limited

Strategic report for the year ended 26 March 2022 (*continued*)

Section 172 (1) statement (*continued*)

Our Stakeholders

Suppliers

Our suppliers are central to our business, without them we would not exist. We engage and build relationships with our suppliers through regular interactions at the most senior levels. The Board seeks to balance the benefits of maintaining strong partnering relationships with key suppliers alongside the need to obtain value for money for the Group and the desired quality and service levels for our customers. All those in our supply chain are expected to respect the rights and wellbeing of their workforce, protect the natural environment and promote high standards of welfare.

Customers

Our customers, and their needs, remain at the forefront of our business. The work we have done internally to analyse the shopping behaviour, demographic and geo location of our customers has helped inform our ongoing brand strategies. It has enabled us to identify ways to improve the overall customer experience - including expanding delivery services, introducing flexible payment options, and working towards ensuring our service levels in stores and online continue to exceed expectations.

Employees

Our employees are our most valuable asset. We aim to attract, retain and develop the best talent at every level throughout the Group and believe that an engaged workforce is vital to achieving our aims. We strive to create a workplace in which everyone is safe, supported and respected; treated fairly and taken care of; listened to; and motivated to achieve their full potential. We encourage diversity and inclusion every day, ensuring that everyone should be able to be their true self at work, and feel they belong.

Investment has been made in an end-to-end workforce management system, which will help us to optimise labour, spend, reduce turnover and improve workforce productivity. The system will enable us to share important information with groups, teams or the entire business whilst ensuring employees can easily access document libraries and HR policies all in one place.

Employee wellbeing remains a focus for the business, so investment in training Mental Health First Aiders has continued across the business, along with offering ongoing support from the Retail Trust.

Our Communities

The impact we have on the communities we serve is an important consideration for the Ryman and London Graphic Centre businesses. We recognise that our product offering is a key area in which we can contribute to efforts that enable a reduction in consumer carbon footprint. We are two brands, which are committed to identifying new ways to reduce plastic pollution by offering our customers more environmentally-friendly choices.

We continue to support the work of Starlight Children's Foundation, a charity which reduces the impact of serious illness on children and families, in hospital, or at home, during treatment and recovery, through playtime by providing craft and stationery which can be used as part of children's play therapy. We are also proud to sponsor the National Play Therapist of the Year awards, which Starlight organises to recognise Play Therapists working in the NHS across the UK. This year we hosted our first charity shoot, which many of our suppliers attended and helped us raise over £60,000 to be distributed between two charities close to our heart, Starlight and Hide Out Youth Zone.

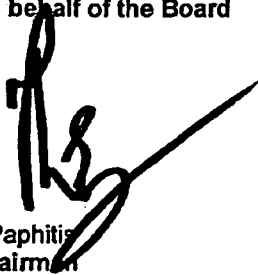
Ryman Group Limited
Strategic report
for the year ended 26 March 2022 (continued)

Section 172 (1) statement (continued)

Our Communities (continued)

We have seen; better than ever, how our suppliers, employees and the communities we operate in can pull together, when the distressing news unfolded in Ukraine. With a desire to help, we launched a fundraising initiative across the Theo Paphitis Retail Group of which both Ryman and London Graphic Centre form a part, whereby we encouraged our colleagues and customers to raise money for the Disasters Emergency Committee (DEC). We agreed that the Theo Paphitis Charitable Trust would match donations our colleagues across the Group raised up to £50,000. This saw a whole host of fundraising activities from cake sales, raffles to sponsored walks with over £200,000 in cash donated to the DEC in just over three months. Our suppliers also joined forces with us to donate over £110,000 of products, which were shipped to Ukraine.

On behalf of the Board



T Paphitis
Chairman

Date 18 January 2023

Ryman Group Limited

Directors' report for the year ended 26 March 2022

The directors present their report together with the audited financial statements for the year ended 26 March 2022.

Results and dividends

The consolidated statement of comprehensive income is set out on page 16 and shows the loss for the year.

The Group loss after taxation for the year amounted to £2,170,000 (2021 - £12,002,000 loss).

The directors do not recommend the payment of any interim or final dividends (2021 - £nil).

Principal activities, business review and future developments

The Group is a retailer specialising in stationery both through the stores of the Ryman and the London Graphic Centre brands as well as online through www.ryman.co.uk, www.rymanbusiness.com and www.londongraphics.co.uk.

A review of the business and future developments is contained in the strategic report on page 1.

Financial risk factors

The consideration of the key financial risk factors is contained in the strategic report on pages 1 to 3.

Directors

The directors of the Company during the year were:

T Paphitis
K Kyprianou
S J Lakin
I M Childs
K Lawton (appointed 25 March 2022)
M S Cooke (resigned 25 March 2022)

Going concern

The directors' assessment of the Company's and Group's ability to continue to trade as a going concern is outlined in note 1, Accounting policies: basis of preparation.

Deeds of indemnity

As at the date of this report, indemnities are in force under which the Group has agreed to indemnify the directors, to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as directors of the Group.

Employees

The Group is an equal opportunities employer, committed to diversity and inclusion for all employees. The Group recruits the best people from all backgrounds reflecting the communities in which it operates and encourages development through training programmes for employees to make best use of their skills.

Ryman Group Limited

Directors' report for the year ended 26 March 2022 (*continued*)

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of employees becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Health and Safety

The Group understands the importance of high standards of health and safety which it monitors through its Health and Safety Committee which meets regularly. The Committee comprises representatives from operational, administrative and risk management and is chaired by the Company Secretary.

Employee consultation

The Group places considerable value on the involvement of its employees and maintains close consultation with them regarding matters likely to affect their interests and is committed to providing them with relevant information and involving them in the performance and development of the Group whenever possible. This is achieved through regular trading updates and both formal and informal meetings where employees are consulted on a wide range of matters that affect their interests. The Group operates a regular performance review process with each employee to discuss personal and career development.

Business relationships

The Group values its various business relationships with customers, suppliers and other parties. Details of these relationships can be found in the S172 (1) statement on pages 4 to 6.

Streamlined Energy and Carbon Reporting (SECR) statement

In line with the Streamlined Energy and Carbon Reporting legislation, the Group is required to report its energy consumption and greenhouse gas emissions arising in the UK. All scope 1 and 2 sources of energy and emissions have been disclosed as well as mandatory scope 3 sources of energy and emissions.

Energy efficiencies

As pandemic restrictions which affected our operations during the previous reporting period have eased we have seen an increase in activity. The statement year on year is non-comparable due to this underlying change in business activity. In particular consumption of fuel in company vehicles which has increased by 45%, however we are continuing to utilise video conferencing technology and remote working where appropriate to keep this to a minimum. Our electricity consumption has also increased by 6.8% although we have continued to roll out LED lighting across our estate. In comparison with the previous financial period our combined energy consumption has increased by 0.99 GWh or 11.1% and our total greenhouse gas emissions have increased by 103.2 tCO₂e or 5.1%. Our total floor area has also changed meaning that our energy and emissions intensities have increased by 11.5% and 13.8% respectively.

Ryman Group Limited

Directors' report for the year ended 26 March 2022 (continued)

Streamlined Energy and Carbon Reporting (SECR) statement (continued)

Energy consumption and greenhouse gas emissions for the period 1 April 2021 to 31 March 2022

Source of energy and emissions	2022 GHG emissions (tCO ₂ e)	2021
Scope 1 (gas, diesel and other fuels)		
Total scope 1	822.49	623.06
Scope 2 (electricity)		
Total scope 2	1,309.72	1,405.94
	<hr/>	<hr/>
Total emissions in tonnes CO ₂ e	2,132.21	2,029.00
	<hr/>	<hr/>
Intensity ratio (per 1000m ² gross floor area tCO ₂ e)	49.94	43.87
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Total energy consumption MWh	9,803.16	8,818.11
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Conversion factors

All conversion factors and fuel properties used in this disclosure have been taken from the 2021 "UK Government Greenhouse Gas Conversion Factors for Company Reporting" published by the Department for Business, Energy & Industrial Strategy (BEIS) and the Department for Environment, Food & Rural Affairs (DEFRA). Average fuel prices have been taken from "Retail Prices of Petroleum Products and Crude Oil Price Index" published by BEIS. All greenhouse gas emissions have been expressed in terms of their carbon dioxide equivalence. LG Energy Group has assisted us with the data gathering and reporting calculations.

Utilities

For purchased electricity and natural gas the consumption expressed in kilowatt-hours has been taken from supplier invoices and half-hourly meter readings. Some locations have infrequent electricity invoices therefore some consumption has been apportioned pro-rata to the period. Twelve sites which have energy supplied by the landlord did not have consumption data available therefore gas and electricity consumption have been estimated using the floor area and the average kWh/m² benchmark of the rest of the estate. 4.4% of the electricity consumption has been estimated in this way. The location based kgCO₂e/kWh conversion factors for the average UK grid supply have been used to calculate greenhouse gas emissions from electricity and natural gas consumption. Our distribution centre also has solar photovoltaic panels installed which supply carbon-neutral electricity to the grid.

Due to an error in the collation of the electricity half-hourly data last year we over-reported our energy consumption by 1.21 GWh which has been corrected for the year-on-year comparison.

Ryman Group Limited

Directors' report for the year ended 26 March 2022 (*continued*)

Streamlined Energy and Carbon Reporting (SECR) statement (*continued*)

Transport

Heavy goods vehicles refuel from on-site tanks. The quantity of diesel consumed in litres has been taken from supplier invoices. Group Company vans use fuel cards which record the cost of diesel purchased, and staff driving passenger vehicles record the cost of fuel purchased in expense claims. The average monthly fuel price has been used to estimate the quantity of fuel consumed in litres from the cost. The kgCO₂e/litre and kgCO₂e/kWh conversion factors for the average forecourt blend of diesel and petrol have been used to calculate the underlying energy use and associated greenhouse gas emissions.

Other fuels and emissions


No other fuels are used. Maintenance records contained one instance of a refrigerant leak during the reference period. No other sources of fugitive emissions have been identified.

Auditors

Each individual director has taken all the steps necessary to make themselves aware of any information needed by the Group and Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487 (2) they will automatically be reappointed as auditors 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their reappointment.

On behalf of the Board



T Paphitis
Director

Date 18 January 2023

Ryman Group Limited

Directors' responsibilities statement for the year ended 26 March 2022

The directors are responsible for preparing the strategic report, the directors' 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 Group and Company financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Group and 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 then 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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Ryman Group Limited

Independent auditor's report for the year ended 26 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYMAN GROUP LIMITED

Qualified Opinion on the financial statements

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 26 March 2022 and of the Group's loss 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.

We have audited the financial statements of Ryman Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 26 March 2022 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cash flow statement, the company statement of financial position, the company statement of changes in equity 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).

Basis for qualified opinion

We were not able to observe the counting of store stock until after 27 March 2021 due to lockdown restrictions put in place by the government specifically as a result of the Novel Coronavirus. We were, therefore, unable to satisfy ourselves by alternative means concerning the store stock quantities held at 27 March 2021, which amounted to £12.6m of the total stock balance included in the balance sheet at £21.4m, by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount at 27 March 2021 was necessary or whether there was any consequential effect on the cost of sales for the year ended 26 March 2022.

In addition, were any adjustment to the stock balance to be required, the strategic report and the directors' report would also need to be amended.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Independence

We are independent of the Group and the Parent 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.

Ryman Group Limited

Independent auditor's report for the year ended 26 March 2022 (continued)

Material uncertainty related to going concern

We draw attention to the disclosures made in note 1 to the financial statements which indicates that the Group and Parent Company are reliant on funding from its subsidiary company, Ryman Limited, but its banking facilities are due for renewal in March 2023 which is yet to be confirmed. As stated in note 1 this condition, along with the other matters set out in note 1, indicates the existence of a material uncertainty that may cast significant doubt over the Group's and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the store stock quantities held at 27 March 2021 which amount to £12.6m of the total stock balance included in the balance sheet at £21.4m and whether there was any consequential effect on the cost of sales for the year ended 26 March 2022. We have concluded that where the other information refers to the store stock balance or related balances such as cost of sales, it may be materially misstated for the same reason.

Other Companies Act 2006 reporting

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

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

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Ryman Group Limited

Independent auditor's report for the year ended 26 March 2022 (*continued*)

Other Companies Act 2006 reporting (*continued*)

Arising from the limitation on the scope of our work referred to above we have not obtained all of the information and explanations that we considered necessary for the purpose of our audit.

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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, and considered the risk of acts by the Group that were contrary to applicable laws and regulations, including fraud.
- We considered the Group's compliance with laws and regulations that have a significant impact on the financial statements including, but not limited to, UK accounting standards, company law and tax legislation, and we considered the extent to which non-compliance might have a material effect on the Group financial statements.

Ryman Group Limited

Independent auditor's report for the year ended 26 March 2022 (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

- We designed audit procedures to identify instances of non-compliance with such laws and regulations. Our procedures included reviewing the financial statement disclosures and agreeing to underlying supporting documentation where necessary. We reviewed minutes of all Board meetings held during the year for any indicators of non-compliance and made enquiries of management and of the directors as to the risks of non-compliance and any instances thereof. We also made similar enquiries of advisers to the Group, where information from that adviser has been used in the preparation of the financial statements.
- We addressed the risk of management override of internal controls, including testing a sample of journal entries based on risk criteria processed during the year and evaluating whether there was evidence of bias in these entries that represented a risk of material misstatement due to fraud.
- We designed audit procedures that specifically address the fraud risk due to improper revenue recognition.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. In addition, the extent to which the audit was capable of detecting irregularities, including fraud was limited by the matter described in the basis for qualified opinion section of our report.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Michael Philp

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Michael Philp (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick, UK

Date: 20 January 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Ryman Group Limited

Consolidated statement of comprehensive income for the year ended 26 March 2022

	Note	2022 £'000	2021 £'000
Turnover	3	105,651	75,549
Cost of sales		(85,789)	(78,194)
Gross profit/(loss)		19,862	(2,645)
Administrative expenses		(25,619)	(23,759)
Other operating income	4	2,384	12,359
Operating loss	5	(3,373)	(14,045)
Share of operating profit in joint venture		376	792
Loss on ordinary activities before interest		(2,997)	(13,253)
Interest receivable and similar income			
- Group	8	1,110	1,130
Interest payable and similar charges:			
- Group	9	(22)	(37)
- Joint venture		(117)	(147)
Loss on ordinary activities before taxation		(2,026)	(12,307)
Taxation on loss on ordinary activities	10	(144)	305
Loss on ordinary activities after taxation		(2,170)	(12,002)
Total comprehensive loss for the year		(2,170)	(12,002)
Loss for the year attributable to:			
Owners of the parent		(2,170)	(12,002)

All amounts relate to continuing activities.

The notes on pages 22 to 43 form part of these financial statements.

Ryman Group Limited

Consolidated statement of financial position at 26 March 2022

Company number 02714395	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Intangible assets	11		1,573		1,320
Tangible assets	12		8,432		9,736
Investments in joint venture:	14				
- share of gross assets		8,639		8,055	
- share of gross liabilities		(3,922)		(3,426)	
			4,717		4,629
			14,722		15,685
Current assets					
Stocks	15	18,854		21,415	
Debtors	16	49,853		51,074	
Cash at bank and in hand		8,261		5,464	
		76,968		77,953	
Creditors: amounts falling due within one year	17	(39,793)		(39,571)	
Net current assets			37,175		38,382
Total assets less current liabilities			51,897		54,067
Provision for liabilities and charges	18		(29)		(29)
Net assets			51,868		54,038
Capital and reserves					
Called up share capital	20		3,358		3,358
Capital redemption reserve			616		616
Profit and loss account			47,894		50,064
Shareholders' funds			51,868		54,038

The financial statements were approved by the Board and authorised for issue on 18 January 2023

T Paphitis
Director

The notes on pages 22 to 43 form part of these financial statements.

Ryman Group Limited

Consolidated statement of changes in equity for the year ended 26 March 2022

	Share Capital £'000	Capital Redemption Reserve £'000	Profit and loss account £'000	Total £'000
28 March 2021	3,358	616	50,064	54,038
Comprehensive loss for the year				
Loss for the year	-	-	(2,170)	(2,170)
Total comprehensive loss for the year	-	-	(2,170)	(2,170)
26 March 2022	3,358	616	47,894	51,868
	Share Capital £'000	Capital Redemption Reserve £'000	Profit and loss account £'000	Total £'000
29 March 2020	3,358	616	62,066	66,040
Comprehensive loss for the year				
Loss for the year	-	-	(12,002)	(12,002)
Total comprehensive loss for the year	-	-	(12,002)	(12,002)
27 March 2021	3,358	616	50,064	54,038

The notes on pages 22 to 43 form part of these financial statements.

Ryman Group Limited

Consolidated cash flow statement for the year ended 26 March 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Loss for the financial year		(2,170)	(12,002)
Adjustments for:			
Depreciation of tangible fixed assets	12	1,625	1,853
Amortisation of intangible assets	11	538	724
Impairment of fixed assets	12	253	564
Derivative fair value movements	19	(831)	745
Loss on disposal of tangible fixed assets	5	124	86
Share of profit of joint venture		(79)	(480)
Interest received	8	(1,110)	(1,130)
Interest paid	9	22	37
Taxation (credit)		(36)	(470)
Decrease/(increase) in stocks		2,561	(657)
Decrease in debtors		2,417	2,986
(Decrease)/increase in creditors		(3,252)	7,051
Cash from/(used in) operations		62	(693)
Taxation received		-	470
Net cash generated from/(used in) operating activities		62	(223)
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		38	35
Purchase of tangible fixed assets		(736)	(1,098)
Purchase of intangible fixed assets		(791)	(392)
Interest received		-	17
Net cash used in investing activities		(1,489)	(1,438)
Cash flows from financing activities			
Loans repaid to other related parties		(750)	(2,250)
Loans received from other related parties		1,000	-
Interest paid to other related parties		(13)	(375)
Bank loan received		4,000	-
Interest paid		(13)	(3)
Net cash received/(used) in financing activities		4,224	(2,628)
Net increase/(decrease) in cash and cash equivalents		2,797	(4,289)
Cash and cash equivalents at beginning of year		5,464	9,753
Cash and cash equivalents at end of year	22	8,261	5,464

The notes on pages 22 to 43 form part of these financial statements.

Ryman Group Limited

Company statement of financial position at 26 March 2022

<i>Company number 02714395</i>	<i>Note</i>	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Fixed assets					
Tangible assets	12		213		187
Investments	13		7,730		7,730
			<hr/>		<hr/>
			7,943		7,917
Current assets					
Debtors	16	1,035		1,131	
Cash at bank and in hand		1		-	
		<hr/>		<hr/>	
		1,036		1,131	
Creditors: amounts falling due within one year	17	(8,369)		(6,425)	
		<hr/>		<hr/>	
Net current liabilities			(7,333)		(5,294)
			<hr/>		<hr/>
Net assets			610		2,623
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	20		3,358		3,358
Capital redemption reserve			616		616
Profit and loss account			(3,364)		(1,351)
			<hr/>		<hr/>
Shareholders' funds			610		2,623
			<hr/>		<hr/>
			2022 £'000		2021 £'000
Loss for the year			(2,013)		(2,337)
			<hr/>		<hr/>

The financial statements were approved by the Board and authorised for issue on 18 January 2023


T Paphitis
Director

The notes on pages 22 to 43 form part of these financial statements.

Ryman Group Limited

Company statement of changes in equity for the year ended 26 March 2022

	Share Capital £'000	Capital Redemption Reserve £'000	Profit and loss account £'000	Total £'000
28 March 2021	3,358	616	(1,351)	2,623
Comprehensive loss for the year				
Loss for the year	-	-	(2,013)	(2,013)
Total comprehensive loss for the year	-	-	(2,013)	(2,013)
26 March 2022	3,358	616	(3,364)	610
	Share Capital £'000	Capital Redemption Reserve £'000	Profit and loss account £'000	Total £'000
29 March 2020	3,358	616	986	4,960
Comprehensive loss for the year				
Loss for the year	-	-	(2,337)	(2,337)
Total comprehensive loss for the year	-	-	(2,337)	(2,337)
27 March 2021	3,358	616	(1,351)	2,623

The notes on pages 22 to 43 form part of these financial statements.

Ryman Group Limited

Notes forming part of the financial statements for the year ended 26 March 2022

1 Accounting policies

Ryman Group Limited is a private company limited by shares and incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the strategic and directors' reports.

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The accounts are drawn up to the nearest whole £'000, except where otherwise indicated.

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Ryman Group Limited and its subsidiaries ('the Group') as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Financial Reporting Standard 102 - parent company disclosure exemptions

In preparing the separate financial statements of the Ryman Group Limited (the 'Company'), advantage has been taken of the following disclosure exemptions, as permitted by FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the Company would be identical;
- No cash flow statement or related notes have been presented for the Company;
- Disclosures in respect of the Company's financial instruments have not been presented as equivalent disclosures and have been provided in respect of the Group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the Company as their remuneration is included in the totals for the Group as a whole; and
- No disclosure of transactions with wholly owned subsidiaries within the Group.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements. The Group's loss for the year includes a loss after tax of £2,013,000 (2021 - £2,337,000 loss) which is dealt with in the financial statements of the Company.

Ryman Group Limited

Notes forming part of the financial statements for the year ended 26 March 2022 (*continued*)

1 Accounting policies (*continued*)

Basis of preparation

In preparing the financial statements the directors are required to assess the Group and Company's ability to continue to trade as a going concern for the foreseeable future.

During the year reported, the Group made significant progress in recovering from the impact of the pandemic which had meant the closing of its stores and a significant decline in activity of key customer groups including businesses and students.

The recovery of our store business has continued into the current financial year. The growth is expected to continue as related customer activity continues to build to pre-pandemic levels. Costs have increased in the current year and Government support, particularly against our store rates liability, has significantly reduced. Cost pressures are expected to continue into the next financial year and in order to ensure that we mitigate these as far as possible, the board has undertaken a review led by Theo Paphitis, the owner, which has identified material savings. We have considered the suitability of our store portfolio to our key customer groups, products and brands we work with, which will result in some closures or relocations and openings. A review of our supply chain has also identified benefits relating to working capital requirements.

The continued growth into the current financial year despite wider challenges in retail, the cost management review undertaken and the improvements in working capital expected give the board confidence for the future of the Group and for Ryman as it enters into its 130th year of trading. The current ownership of its 27 years has delivered healthy profits in all years prior to the impact of the pandemic.

To support the business through the pandemic, the Group and Company secured a £10m CLBILS from its bank, Natwest, who have been the Group's and Company's bankers for over 25 years. Prior to this the Group and Company has been funded through its own reserves and shareholder loans. The facility has tranches of £5m maturing at the end of March 2023 and March 2024. The covenants reflect the business plan recovering from the impact of the pandemic. The facilities are in the process of being reviewed and are required to ensure the Group and Company has sufficient working capital to maintain the recovery towards previous levels of profitability and meet its business plan.

Given the long standing relationship with the bank and the recovery demonstrated by the continued growth in stores, the directors believe that the bank will continue to be supportive in extending the facilities to the Group and Company however this is yet to be confirmed. The majority shareholder, Theo Paphitis, has indicated his commitment to the Group and Company and support through the recovery and demonstrated to the directors that he has the means to support the Group and Company should there be a requirement beyond the facilities that the Group and Company is able to secure. Whilst this is not a legally binding commitment from the majority shareholder, it is on this basis that the directors consider that the Group and Company will be a going concern for a period of at least 12 months from the date of approval of these financial statements and they have therefore prepared the financial statements on a going concern basis.

However, if the expected forecast growth in revenue falls significantly below expectations and mitigating actions are not achieved in full and the Group and Company cannot extend the banking facilities, these conditions indicate a material uncertainty that may cast significant doubt over the Group and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Turnover

Turnover is stated net of returns, after deducting discounts and markdowns, and is exclusive of value added tax. Revenue is recognised only when all significant risks and rewards of ownership of goods have been transferred to the purchaser.

The Group earns agency commission from the provision of third party partner in-store and online services. Revenue is recognised on an accruals basis in accordance with the relevant agreement.

Ryman Group Limited

Notes forming part of the financial statements for the year ended 26 March 2022 (*continued*)

1 Accounting policies (*continued*)

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation

Depreciation is charged on all tangible fixed assets, excluding land, so as to allocate their cost less residual value over their estimated useful lives. The estimated useful lives range as follows:

Short leaseholds and leasehold improvements	-	over the lease term
Fixtures, fittings and equipment	-	15% - 25% on written down value

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Administrative costs' in the statement of comprehensive income.

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ("CGU") to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Joint ventures

An entity is treated as a joint venture where the Group holds a long term interest and shares control under a contractual arrangement.

In the Group financial statements, interests in joint ventures are accounted for using the gross equity method of accounting. The consolidated income statement includes the Group's share of the joint ventures' turnover, operating results, interest, pre-tax results and attributable taxation based on audited financial statements. In the consolidated statement of financial position, the Group's share of identifiable gross assets and gross liabilities attributable to joint ventures are shown separately.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Ryman Group Limited

Notes forming part of the financial statements for the year ended 26 March 2022 (continued)

1 Accounting policies (continued)

Intangible assets - Goodwill

Goodwill represents the excess of the cost of a business combination or acquisition of trade and assets over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. If a reliable estimate cannot be made, the useful life of goodwill is presumed to be 10 years.

Intangible assets – Goodwill (continued)

Goodwill is being amortised to 'administrative expenses' over a period of 10 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash-generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Intangible assets – software development costs

Software costs that are classified as intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Software costs are capitalised as they relate to the development and functionality of the Group's website which is expected to generate future revenues in excess of the costs of development.

All software development costs are internally generated. Expenditure on maintaining software is written off as incurred.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives at a rate of 20% on a straight line basis. It is included in either costs of sales or administrative expenses, depending on the software use within the Group.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on an average cost basis. Net realisable value is based on estimated selling price less additional costs.

Provision is made for obsolete, slow-moving or defective items, where appropriate.

Operating leases

Operating lease rentals are charged to profit or loss on a straight-line basis over the term of the lease.

For leases entered into on or after 30 March 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

During the year the Group has received rent concessions on a number of the leased properties. In accordance with the amendment to FRS 102 the Group has recognised the change in lease payments over the period that the change is intended to compensate where the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022 (2021 – 30 June 2021); and
- there is no significant change to other terms and conditions of the lease.

Ryman Group Limited

Notes forming part of the financial statements for the year ended 26 March 2022 (continued)

1 Accounting policies (continued)

Dividends

Equity dividends are recognised when they become legally payable/receivable. In the case of interim dividends to equity shareholders, this is when the dividend is paid. Final equity dividends are recognised when approved by the shareholders.

Liquid resources

For the purposes of the cash flow statement, liquid resources are defined as short term deposits.

Current and deferred taxation

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 or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The capital redemption reserve represents the difference between the nominal value and purchase value of its own shares.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Ryman Group Limited

Notes forming part of the financial statements for the year ended 26 March 2022 (continued)

1 Accounting policies (continued)

Pension costs

Contributions to the Group's defined contribution pension scheme are charged to profit or loss in the year in which they become payable. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The Group also contributes to the personal pension schemes of certain employees.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the economic substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Derivative financial instruments

The Group's exposure to foreign exchange rate fluctuations is managed through the use of forward exchange contracts. These contracts are held at fair value which is determined based on the forward exchange rates as at the reporting date. The Group has not adopted hedge accounting. Unrealised changes in the fair value of these derivative instruments and cumulative gains and losses realised on the settlement of these derivative instruments are recognised in the in the profit or loss in the same place as the item to which they relate.

Foreign currency transactions and balances

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'sterling', which is both the Group's functional and presentational currency.

Foreign currency transactions are translated into the Group's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss in the same place as the item to which they relate.

Onerous lease contracts

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease. This is released over the remaining lease term.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial performance date.

Ryman Group Limited

Notes forming part of the financial statements for the year ended 26 March 2022 (*continued*)

1 Accounting policies (*continued*)

Government grants

Income received from the government in the form of grants is accounted for on an accruals basis and recognised in profit or loss on a systematic basis over the period in which the compensated expenses are incurred. Recognition takes place when there is reasonable certainty that the Group will be compliant with the conditions of the grants and that the grants will be received.

Grants of a revenue nature are recognised in 'other operating income' within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough'). The Group has also benefited from other forms of government assistance including council rate grants.

2 Judgements In applying accounting policies and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

The directors do not feel that they have made any critical judgements in the year in the process of applying the Group's accounting policies, apart from those involving estimations (which are dealt with separately below).

Key sources of estimation uncertainty

The key assumptions or estimation uncertainties at the statement of financial position date 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.

Inventory provisions

Stock is valued at the lower of cost and net realisable value. Management apply judgement in estimating the net realisable value for each product line, which includes assessing the lifecycle of the product, sell through data and price achieved. Estimates are revised as latest information is available.

Tangible fixed and intangible asset useful lives

Tangible fixed and intangible assets are depreciated and amortised over their useful lives taking into account residual values, where appropriate. The selection of these estimated lives requires the exercise of management judgement. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. The carrying amount of tangible fixed assets and intangible assets are included in notes 11 and 12.

Tangible fixed and intangible asset impairment

Determining whether tangible fixed assets or intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which these assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from a cash-generating unit, which is usually considered to be a store. The directors have concluded that following the impairment test of tangible and intangible (including goodwill) fixed assets an impairment charge has been recognised in the period under review and is shown in notes 11 and 12.

Ryman Group Limited

Notes forming part of the financial statements
for the year ended 26 March 2022 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (*continued*)

Onerous lease provision

A provision for onerous leases is considered when a store is loss making and the unavoidable costs exceed the economic benefits expected to be received under the lease. In determining the economic benefits expected to be received, the directors consider both the cash flows attributable to the store to the expiry of the lease term and future cash flows where it is anticipated the store lease will be renewed on an indefinite basis. This requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows.

Intercompany impairments

In preparing the financial statements, the directors have determined whether there are indicators of impairment of the intercompany balances at year end. Factors taken into consideration in reaching such a decision include the expected future financial performance of the relevant group entities and their ability to settle any amounts due.

3 Turnover

Retail turnover represents the total amount receivable for goods sold exclusive of value added tax and is derived from the Group's principal activity in the United Kingdom.

4 Other operating income

	2022 £'000	2021 £'000
Government grants – Government Coronavirus Job Retention Scheme (Furlough)	282	8,934
Other government grants – revenue in nature	1,081	3,425
Lease surrender premiums	985	-
Other income	36	-
	<hr/>	<hr/>
	2,384	12,359
	<hr/>	<hr/>

Ryman Group Limited

Notes forming part of the financial statements for the year ended 26 March 2022 (continued)

5 Operating loss

	2022 £'000	2021 £'000
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	1,625	1,853
Amortisation of intangible fixed assets	538	724
Impairment of tangible fixed assets	253	354
Impairment of intangible fixed assets	-	210
Hire of plant and machinery - operating leases	919	1,133
Hire of other assets - operating leases	9,846	11,181
Auditors' remuneration - audit	115	107
Loss on disposal of tangible fixed assets	124	86
Foreign exchange (gain)/loss	(949)	589

Operating lease expense above is the expense recorded after recognising in the statement of comprehensive income Covid-19-related rent concessions received of £637,000 (2021 - £2,192,000).

6 Employees

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Staff costs (including directors) consist of:				
Wages and salaries	27,041	26,790	1,361	1,564
Social security costs	1,962	1,975	175	172
Other pension costs	584	622	70	76
	<u>29,587</u>	<u>29,387</u>	<u>1,606</u>	<u>1,812</u>

In addition to the costs above the Group recharged payroll costs to other group companies totalling £3,954,000 (2021 - £2,672,000).

Redundancy amounts paid through payroll in the year are included in the wages and salaries figure above. As at 26 March 2022, there were no outstanding amounts due.

The average weekly number of employees (including directors) during the year was:

	Group 2022 Number	Group 2021 Number	Company 2022 £'000	Company 2021 £'000
Shop employees	1,219	1,399	-	-
Other employees	444	463	8	9
	<u>1,663</u>	<u>1,862</u>	<u>8</u>	<u>9</u>
Full time equivalent	<u>1,137</u>	<u>1,285</u>	<u>8</u>	<u>9</u>

Ryman Group Limited

Notes forming part of the financial statements
for the year ended 26 March 2022 (continued)

7 Directors' remuneration

	2022 £'000	2021 £'000
Emoluments	971	876
Group and Company contributions to money purchase pension scheme	41	43

There were four directors in the Group's defined contribution pension scheme during the year (2021 - four). Contributions were also made to other pensions schemes for one director (2021 - one).

Emoluments of the highest paid director amounted to £273,000 (2021 - £220,000).

Group and Company contributions to other pension schemes for the highest paid director amounted to £29,000 (2021 - £31,000).

8 Interest receivable and similar income

	2022 £'000	2021 £'000
Bank interest	-	7
Interest from other Group companies (note 23)	1,110	1,110
Foreign currency exchange rate gain	-	3
Other interest	-	10
	1,110	1,130

9 Interest payable and similar charges

	2022 £'000	2021 £'000
Interest paid to other Group companies (note 23)	9	22
Interest paid to related parties (note 23)	-	12
Coronavirus large business interruption loan scheme interest (note 17)	11	-
Other interest	2	3
	22	37

Ryman Group Limited

Notes forming part of the financial statements
for the year ended 26 March 2022 (continued)

10 Taxation on loss on ordinary activities

	2022 £'000	2021 £'000
<i>UK corporation tax</i>		
Share of joint venture current tax	45	19
Group relief receivable	(36)	-
Adjustment in respect of prior year	-	(470)
	<hr/>	<hr/>
Total current tax	9	(451)
	<hr/>	<hr/>
<i>Deferred tax</i>		
Share of joint venture deferred tax	135	146
	<hr/>	<hr/>
Total deferred tax	135	146
	<hr/>	<hr/>
Taxation on loss on ordinary activities	144	(305)
	<hr/>	<hr/>

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2022 £'000	2021 £'000
Loss on ordinary activities before tax	(2,026)	(12,307)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(385)	(2,338)
Effects of:		
Share of joint venture current tax	(6)	(108)
Share of joint venture deferred tax	135	146
Expenses not deductible for tax purposes	20	5
Depreciation for year in excess of capital allowances	(407)	506
Other deferred tax movements	-	(10)
Adjustment in respect of prior year	-	(460)
Tax losses not recognised	787	1,954
	<hr/>	<hr/>
Current tax charge/(credit) for the year	144	(305)
	<hr/>	<hr/>

A change in the main UK corporation tax rate, announced in the budget on 3 March 2021, was substantively enacted in May 2021. From 1 April 2023 the main corporation tax rate will increase from 19% to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. Where the Company's profits fall between £50,000 and £250,000, the lower and upper limits, it will be able to claim an amount of marginal relief providing a gradual increase in the corporation tax rate. This will increase the Company's future tax charge accordingly.

Ryman Group Limited

Notes forming part of the financial statements
for the year ended 26 March 2022 (*continued*)

10 Taxation on loss on ordinary activities (*continued*)

The Group has unrecognised deferred tax liabilities in respect of deferred capital allowances of £13,000 (2021 – assets of £642,000). Additionally the Group has a deferred tax asset of £5,037,000 (2021 - £2,901,000) on losses has not been recognised at this stage as there is insufficient evidence as to its recoverability.

The Company has a deferred tax asset of £2,301,000 (2021 - £1,342,000) in respect of unutilised tax losses that has not been recognised at this stage as there is insufficient evidence as to its recoverability.

11 Intangible assets

Group	Positive goodwill £'000	Software costs £'000	Total £'000
<i>Cost</i>			
At 28 March 2021	627	2,450	3,077
Additions	-	791	791
At 26 March 2022	627	3,241	3,868
<i>Amortisation and impairment</i>			
At 28 March 2021	551	1,206	1,757
Amortisation charge	40	498	538
At 26 March 2022	591	1,704	2,295
<i>Net book value</i>			
At 26 March 2022	36	1,537	1,573
At 27 March 2021	76	1,244	1,320

The remaining goodwill balance was impaired during the prior year based on a value in use calculation. The main assumptions comprised a pre-tax discount rate of 20% and a probability-weighted assessment of anticipated future cash flows. This is recorded in administrative expenses in the comparative year statement of income and retained earnings.

Ryman Group Limited

Notes forming part of the financial statements
for the year ended 26 March 2022 (*continued*)

12 Tangible assets

Group	Short leasehold and leasehold improvements £'000	Fixtures, fixtures and equipment £'000	Total £'000
<i>Cost</i>			
At 28 March 2021	9,015	33,362	42,377
Additions	203	533	736
Disposals	(224)	(706)	(930)
At 26 March 2022	8,994	33,189	42,183
<i>Depreciation and impairment</i>			
At 28 March 2021	7,488	25,153	32,641
Depreciation charge	361	1,264	1,625
Impairment charge	-	253	253
Disposals	(177)	(591)	(768)
At 26 March 2022	7,672	26,079	33,751
<i>Net book value</i>			
At 26 March 2022	1,322	7,110	8,432
At 27 March 2021	1,527	8,209	9,736

Store fixed assets of £253,000 (2021 - £354,000) were impaired during the period based on a value in use calculation. The main assumptions comprised a pre-tax discount rate of 15% and a probability-weighted assessment of anticipated future cash flows. This is recorded in administrative expenses in the statement of income and retained earnings.

Ryman Group Limited

Notes forming part of the financial statements
for the year ended 26 March 2022 (*continued*)

12 Tangible assets (*continued*)

Company	Short leasehold £'000	Fixtures, fittings and equipment £'000	Total £'000
<i>Cost</i>			
At 28 March 2021	80	496	576
Additions	-	59	59
At 26 March 2022	80	555	635
<i>Depreciation</i>			
At 28 March 2021	80	309	389
Provided for the year	-	33	33
At 26 March 2022	80	342	422
<i>Net book value</i>			
At 26 March 2022	-	213	213
At 27 March 2021	-	187	187

Ryman Group Limited

Notes forming part of the financial statements
for the year ended 26 March 2022 (*continued*)

13 Fixed asset investments

	Shares in subsidiary undertakings £'000	Shares in joint venture £'000	Total £'000
As at 27 March 2021 and 26 March 2022	7,720	10	7,730

The undertakings in which the Company's interest at the year end is 20% or more are as follows:

Name	Country of incorporation or registration	Share type	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertaking</i>				
Ryman Limited	England and Wales	Ordinary	100%	Retailer
Partners The Stationers Limited*	England and Wales	Ordinary	100%	Dormant
NAG Communications Limited	England and Wales	Ordinary	100%	Dormant
London Graphic Centre Limited	England and Wales	Ordinary	100%	Retailer
Stationery Box Limited*	England and Wales	Ordinary	100%	Dormant
Stationery Box (Retail) Limited*	England and Wales	Ordinary	100%	Dormant
<i>Joint ventures</i>				
Partners Properties (UK) Ltd	England and Wales	Ordinary	50%	Property management

* Indirectly held

All the above subsidiary and joint venture undertakings are included in the consolidated financial statements.

The registered office of all subsidiaries is Ryman House, Savoy Road, Crewe, Cheshire, CW1 6NA.

Ryman Group Limited

Notes forming part of the financial statements
for the year ended 26 March 2022 (*continued*)

14 Investment in joint ventures

	2022 £'000	2021 £'000
The Company had the following aggregate interest in joint ventures:		
<i>Shares of assets</i>		
Share of fixed assets	8,639	8,055
	<hr/>	<hr/>
	8,639	8,055
<i>Share of liabilities</i>		
Due within one year	(646)	(2,906)
Due after more than one year	(3,276)	(520)
	<hr/>	<hr/>
	(3,922)	(3,426)
	<hr/>	<hr/>
Share of net assets	4,717	4,629
	<hr/>	<hr/>

15 Stocks

	2022 £'000	2021 £'000
Group		
Finished goods and goods for resale	18,854	21,415
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above.

16 Debtors

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Trade debtors	1,270	1,592	-	-
Amounts owed by Group undertakings (note 23)	43,793	44,785	883	1,050
Amounts owed by related parties (note 23)	59	45	-	-
Other debtors	831	409	-	-
Derivative financial instruments	86	-	-	-
Prepayments and accrued income	3,814	4,243	152	81
	<hr/>	<hr/>	<hr/>	<hr/>
	49,853	51,074	1,035	1,131
	<hr/>	<hr/>	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

Amounts owed by related parties are unsecured, interest free and repayable on demand.

Ryman Group Limited

Notes forming part of the financial statements
for the year ended 26 March 2022 (continued)

17 Creditors: amounts falling due within one year

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Trade creditors	12,517	14,201	-	-
Amounts owed to Group undertakings (note 23)	28	1,026	7,285	5,338
Amounts owed to related parties (note 23)	8,151	8,236	-	-
Coronavirus large business interruption loan scheme (CLBILS)	4,000	-	-	-
Corporation tax – group relief payable	2,530	2,567	-	-
Other taxation and social security	4,135	4,909	321	235
Other creditors	2,633	3,122	63	113
Derivative financial instruments	-	745	-	-
Accruals and deferred income	5,799	4,765	700	739
	<u>39,793</u>	<u>39,571</u>	<u>8,369</u>	<u>6,425</u>

Amounts owed to related parties include a loan facility of £8,000,000 (2021 - £8,000,000) from Paphos Sky Limited, which expires on 30 April 2024. Interest is charged at a rate of 2.5% per annum and the loan is repayable on demand. The directors of Paphos Sky Limited agreed to waive the interest charge from 1 May 2020 to 30 April 2022, resulting in no charge for the year (2021 - £12,000).

In addition the Group has access to a CLBILS facility of £10.0m (2021 - £10.0m) from Natwest Bank. During the year £4.0m of this facility has been drawn down and is included in creditors falling due within one year. Interest is payable at 0.3% over the Bank of England base rate. Since the year end the remaining £6.0m has been drawn down from this facility. It is secured by way of a fixed and floating charge in favour of Natwest bank. £5m of the facility expires in March 2023 and the balance of £5m in March 2024, with drawdowns made on a rolling basis.

18 Provision for liabilities and charges

Group	Deferred taxation £'000
Balance at 27 March 2021 and 26 March 2022	(29)
	<u>2022</u> <u>£'000</u>
Deferred taxation	2021 £'000
Accelerated capital allowances	(29)
	<u>(29)</u>

Ryman Group Limited

Notes forming part of the financial statements
for the year ended 26 March 2022 (continued)

19 Financial Instruments

The Group's financial instruments are analysed as follows:

	2022 £'000	2021 £'000
Financial assets		
Financial assets measured at fair value through profit or loss	86	-
Financial assets that are debt instruments measured at amortised cost	54,214	52,295
	<u>54,300</u>	<u>52,295</u>
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	-	745
Financial liabilities measured at amortised cost	32,087	30,420
	<u>32,087</u>	<u>31,165</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors, amounts owed by Group undertakings and amounts owed by related parties.

Financial assets and liabilities measured at fair value through profit and loss comprise of forward currency contracts. The amount recognised in the consolidated statement of comprehensive income in respect of the financial asset measured at fair value through the profit and loss is £831,000 (2021 - £745,000 charge).

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, CLBILS facility, amounts owed to Group undertakings and amounts owed to related parties.

20 Share capital

	Authorised		Allotted, called-up and fully paid	
Group and Company	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Ordinary shares of US\$ 0.01	37	37	20	20
Deferred shares of £1	4,500	4,500	3,338	3,338
	<u>4,537</u>	<u>4,537</u>	<u>3,358</u>	<u>3,358</u>

At 27 March 2021 and 26 March 2022 the following number of shares were authorised, and issued:

	Authorised	Allotted called-up and fully paid
Ordinary shares of US\$0.01 each	6,000,000	3,337,681
Deferred shares of £1 each	4,500,000	3,337,681

The deferred shares carry no rights to dividends, rank only for a distribution on liquidation or winding up once the assets have been distributed in the amount of £10,000,000 per ordinary share, and carry no voting rights.

Ryman Group Limited

Notes forming part of the financial statements
for the year ended 26 March 2022 (*continued*)

21 Commitments

Commitments under operating leases

The Group had total commitments under non-cancellable operating leases as set out below:

	Land and buildings 2022 £'000	Other 2022 £'000	Land and buildings 2021 £'000	Other 2021 £'000
Operating leases which expire:				
Within one year	9,284	382	10,624	417
In two to five years	21,876	302	25,754	433
After five years	4,213	-	7,656	-
	<u>35,373</u>	<u>684</u>	<u>44,034</u>	<u>850</u>

The Company had total commitments under non-cancellable operating leases as set out below:

	Land and buildings 2022 £'000	Land and buildings 2021 £'000
Operating leases which expire:		
Within one year	481	518
In two to five years	806	-
	<u>1,287</u>	<u>518</u>

22 Analysis of cash and cash equivalents

	At 27 March 2021 £'000	Cash flow 2022 £'000	At 26 March 2022 £'000
Cash	5,451	2,797	8,248
Short term deposits	13	-	13
	<u>5,464</u>	<u>2,797</u>	<u>8,261</u>
CLBILS loan			(4,000)
Net bank debt			<u>4,261</u>

Ryman Group Limited

Notes forming part of the financial statements for the year ended 26 March 2022 (*continued*)

23 Related party transactions

The Company is controlled by Sevenfathers Limited. The Company's ultimate controlling party is Theo Paphitis who has control of the issued share capital of Fivefathers Holdings Limited, the ultimate parent company.

Related party transactions and balances – Group

Key management personnel include all directors and a number of senior managers across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel for services provided to the Group was £3,047,000 (2021 – £2,500,000).

During the year, the Group was charged rentals of £853,000 (2021 – £733,000) from, recharged insurance costs of £14,083 (2021 – £14,917) and other costs of £nil (2021 – £3,203) to, and received short term funding of £1,000,000 (2021 – £nil) from Partners Properties (UK) Ltd. The Group repaid short term funding to Partners Properties (UK) Ltd of £750,000 (2021 – £2,250,000). During the year, interest of £17,586 (2021 – £45,181) was payable to Partners Properties (UK) Ltd. Partners Properties (UK) Ltd is jointly owned by fellow Fivefathers group companies Sevenfathers Limited and Ryman Group Limited. At the year end the balance owed to Partners Properties (UK) Ltd was £17,275 (2021 – £1,025,960).

During the year the Group was charged property rental and insurance costs of £95,000 (2021 – £97,000) by M & P Properties. M & P Properties is partly owned by Theo Paphitis, a director of the Company. At the year end the balance owed by M & P Properties was £14,650 (2021 – £72,433 owed to).

During the year the Group provided goods and services totalling £9,321 (2021 – £7,725) to Fareport Training Organisation Limited, a company controlled by directors and shareholders related to Theo Paphitis, a director of the Group. At the year end the balance owed from Fareport Training Organisation Limited was £44,185 (2021 – £35,182).

During the year, the Group was charged other costs of £255,084 (2021 – £84,455) from, recharged costs and charged interest, management and support fees totalling £4,046,596 (2021 – £4,745,231) to Boux Avenue Limited, a fellow Fivefathers group company. The loans in place of £35,500,000 (2021 – £35,500,000) were subject to interest at 3% per annum which created interest receivable in the year of £1,065,000 (2021 – £1,065,000). At the year end the balance owed by Boux Avenue Limited was £41,208,906 (2021 – £41,247,717). These amounts are guaranteed by the ultimate parent company Fivefathers Holdings Limited.

During the year the Group recharged stock, costs, management and support fees totalling £6,658,323 (2021 – £5,411,367) and were recharged stock and other costs totalling £1,195,697 (2021 – £736,501) by Robert Dyas Holdings Limited, a fellow Fivefathers group company. The short term loans of £1,500,000 (2021 – £1,500,000) were subject to interest at 3% per annum which created interest receivable in the year of £45,000 (2021 – £45,000). At the year end the balance owed by Robert Dyas Holdings Limited was £1,912,411 (2021 – £2,928,151).

During the year the Group provided funding of £45,910 (2021 – £63,264) to and settled costs totalling £53,978 (2021 – £nil) on behalf of Fivefathers Holdings Limited, a fellow Fivefathers group company. At the year end a balance of £598,639 (2021 – £498,751) was due to the Group from Fivefathers Holdings Limited.

Ryman Group Limited

Notes forming part of the financial statements for the year ended 26 March 2022 (continued)

23 Related party transactions (continued)

Related party transactions and balances – Group (continued)

During the year the Group settled costs totalling £1,100 (2021 - £1,320) on behalf of Sevenfathers Limited, a fellow Fivefathers group company. The bank account held by Sevenfathers was closed during the year with the balance of £50,315 transferred to the Group. At the year end the balance owed to Sevenfathers Limited was £10,697 (2021 - £38,518 owed by).

During the year the Group issued a net credit in respect of goods and services previously recharged to MB Partners Limited totalling £9,957 (2021 - £20,051) and made purchases of £nil (2021 - £5,900) from MB Partners Limited. Theo Paphitis and Ian Childs, directors of the Group, are also directors and shareholders of MB Partners Limited. At the year end the balance owed from MB Partners Limited was £nil (2021 - £9,957).

During the year the Group continued to benefit from the loan facility provided by Paphos Sky Limited, a company incorporated in Jersey, in which Theo Paphitis and Kypros Kyprianou are directors. The funding was subject to interest at 2.5% per annum. The directors of Paphos Sky Limited agreed to waive the interest charge from 1 May 2020 to 30 April 2022, resulting in no charge for the year (2021 - £12,000). A payment of £13,000 (2021 - £375,000) in respect of accrued interest was made during the year. At the year end the balance owed to Paphos Sky Limited was £8,000,000 (2021 - £8,013,000).

At the year end the balance owed by Sixfathers Limited, a fellow Fivefathers group company was £72,123 (2021 - £72,123).

At the year end the balance owed to Theo Paphitis Funding Limited, a company in which Theo Paphitis and Kypros Kyprianou are directors was £150,877 (2021 - £150,877).

Related party transactions and balances - Company

During the year the Company recharged costs, management and support fees totalling £1,276,310 (2021 - £910,231) to and were charged other costs totalling £105,955 (2021 - £84,455) by Boux Avenue Limited, a fellow Fivefathers group company. At the year end the balance owed by Boux Avenue Limited was £153,771 (2021 - £177,203).

During the year the Company recharged costs, management and support fees totalling £1,814,270 (2021 - £1,216,852) to and were charged other costs totalling £381,649 (2021 - £99,670) by Robert Dyas Holdings Limited, a fellow Fivefathers group company. At the year end the balance owed by Robert Dyas Holdings Limited was £124,542 (2021 - £369,231).

During the year the Company provided funding of £45,910 (2021 - £63,264) to and settled costs totalling £53,978 (2021 - £nil) on behalf of Fivefathers Holdings Limited, a fellow Fivefathers group company. At the year end a balance of £598,639 (2021 - £498,751) was due to the Company from Fivefathers Holdings Limited.

During the year the Company made purchases totalling £nil (2021 - £5,900) from MB Partners Limited. Theo Paphitis and Ian Childs, directors of the Company, are also directors and shareholders of MB Partners Limited. At the year end the balance owed from MB Partners Limited was £nil (2021 - £nil).

Ryman Group Limited

Notes forming part of the financial statements
for the year ended 26 March 2022 (*continued*)

23 Related party transactions (*continued*)

Joint venture

The following transactions took place between the Ryman Group and its joint venture, Partners Properties (UK) Ltd, during the year:

	2022 £'000	2021 £'000
Rentals paid	(853)	(733)
Insurance recharged	14	15
	<hr/>	<hr/>

Partners Properties (UK) Ltd is jointly owned by Ryman Group Limited and Sevenfathers Limited, a fellow subsidiary company of Fivefathers Holdings Limited.

24 Ultimate parent company

The Company's ultimate parent company is Fivefathers Holdings Limited, which is the parent of both the smallest and largest groups of which the Company is a member. The Company's results are included in the consolidated financial statements of Fivefathers Holdings Limited. Fivefathers Holdings Limited is registered in Cyprus and a copy of its financial statements can be obtained from its registered office at Karaiskaki 6, City House, 3032, Limassol, Cyprus.

At 26 March 2022 the Company's parent company was Sevenfathers Limited, a company registered in England and Wales.

The directors consider Theo Paphitis to be the ultimate controlling party.