

Company Registration No. 04713142 (England and Wales)

Aketon Limited

**Annual report and
group financial statements
for the year ended 31 October 2019**

FRIDAY



A99HSSF0

A06

17/07/2020

#62

COMPANIES HOUSE

Aketon Limited

Company information

Directors	Simon Mackaness Peter Banks Judith Mackaness Matthew Mackaness Nicholas Mackaness
Company number	04713142
Registered office	Rudding Park Harrogate North Yorkshire HG3 1JH
Independent auditor	Saffery Champness LLP Mitre House North Park Road Harrogate North Yorkshire HG1 5RX
Bankers	Santander Corporate and Commercial Bank 44 Merrion Street Leeds LS2 8JQ

Aketon Limited

Contents

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Consolidated statement of comprehensive income	7
Consolidated statement of financial position	8
Company statement of financial position	9
Consolidated statement of changes in equity	10
Company statement of changes in equity	11
Consolidated statement of cash flows	12
Notes to the financial statements	13 - 33

Aketon Limited

Strategic report

For the year ended 31 October 2019

The directors present the strategic report for the year ended 31 October 2019.

Fair review of the business

An acceptable year from a revenue perspective, however business mix had an impact on profitability. The investment in the spa continues to be a sound one as this element of the business is maturing well. Overall a satisfactory year.

During the year dividends of £350,000 were declared.

Principal risks and uncertainties

As for many businesses of our size, the business environment in which we operate continues to be challenging. The company operates in an industry which is impacted by consumer spending patterns and their overall level of disposable income in the current economic climate is variable. The level of disposable income is therefore viewed as a key risk facing the company.

Coronavirus

Since the year end we have experienced the onset of COVID 19, the Directors have been in conversation with the Bank and have secured a significant CIBLS overdraft which in their estimation will be amply sufficient until the return of business. We have also taken two capital repayment holidays in 2020.

The directors have agreed a new cash flow forecast to the end of May 2021, and are happy to defer capital expenditure as and when necessary, we will review the performance of the business on a monthly basis and make all necessary decisions then.

Key performance indicators

Key performance indicators are considered to be those that communicate the financial performance and strength of the company as a whole, these being gross margin and operating profit margin. The key performance indicators are shown below:

	2019 £'000	2018 £'000	% change
Turnover	20,466	19,558	4.5
Gross profit	6,251	6,136	1.9
Gross profit margin	30.5	31.4	-
Operating profit	1,718	1,455	-18.1
Operating profit margin	8.4%	7.4%	-

On behalf of the board



Simon Mackaness

Director

16 July 2020

Aketon Limited

Directors' report

For the year ended 31 October 2019

The directors present their annual report and financial statements for the year ended 31 October 2019.

Principal activities

The principal activities of the group in the year under review were as follows:

- a) Hotel accommodation with restaurant and spa
- b) Conference and banqueting facilities
- c) Holiday park and self-catering holiday properties
- d) Golf course

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Simon Mackaness
Peter Banks
Judith Mackaness
Matthew Mackaness
Nicholas Mackaness

Results and dividends

The results for the year are set out on page 7.

Interim dividends of £350,000 were declared.

Disabled persons

Aketon is an equal opportunities employer and supports the employment training and advancement of disabled persons where it is possible.

Employee involvement

The company's policy is to consult and discuss with employees, through staff forums and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

The auditor, Saffery Champness LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Aketon Limited

Directors' report (continued)

For the year ended 31 October 2019

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Simon Mackaness

Director

Date: 16 July 2020

**Independent auditor's report
To the members of Aketon Limited**

Opinion

We have audited the financial statements of Aketon Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2019 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 October 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Aketon Limited

Independent auditor's report (continued)

To the members of Aketon Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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; or
- we have not received all the information and explanations we require for our audit.

Aketon Limited

Independent auditor's report (continued)
To the members of Aketon Limited

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.

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

Use of our report

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

Martin Holden (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors



.....
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

16/07/20

Aketon Limited

**Group statement of comprehensive income
For the year ended 31 October 2019**

	Notes	2019 £	2018 £
Turnover	3	20,465,810	19,557,863
Cost of sales		(14,214,653)	(13,421,649)
Gross profit		6,251,157	6,136,214
Administrative expenses		(4,533,383)	(4,680,742)
Operating profit	4	1,717,774	1,455,472
Interest payable and similar expenses	8	(282,526)	(295,872)
Profit before taxation		1,435,248	1,159,600
Tax on profit	9	(276,272)	(339,751)
Profit for the financial year	25	1,158,976	819,849

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

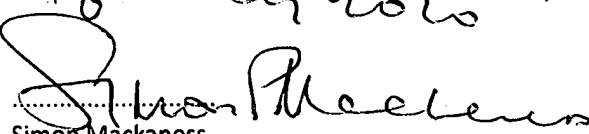
The income statement has been prepared on the basis that all operations are continuing operations.

Aketon Limited

**Group statement of financial position
As at 31 October 2019**

	Notes	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	12		29,919,688		30,078,045
Current assets					
Stocks	16	1,414,660		1,115,919	
Debtors	17	798,186		675,480	
Cash at bank and in hand		13,893		229,379	
			2,226,739	2,020,778	
Creditors: amounts falling due within one year	18	(7,451,348)		(7,025,950)	
Net current liabilities			(5,224,609)		(5,005,172)
Total assets less current liabilities			24,695,079		25,072,873
Creditors: amounts falling due after more than one year	19		(9,033,334)		(10,366,667)
Provisions for liabilities	22		(1,097,266)		(950,703)
Net assets			14,564,479		13,755,503
Capital and reserves					
Called up share capital	24		17,841		17,841
Profit and loss reserves	25		14,546,638		13,737,662
Total equity			14,564,479		13,755,503

The financial statements were approved by the board of directors and authorised for issue on 16 July 2020 and are signed on its behalf by:


Simon Mackaness
Director

Aketon Limited

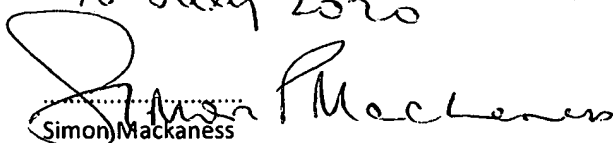
**Company statement of financial position
As at 31 October 2019**

			2019		2018
	Notes	£	£	£	£
Fixed assets					
Investments	13		9,866,099		9,866,099
			<u> </u>		<u> </u>
Capital and reserves					
Called up share capital	24		17,841		17,841
Profit and loss reserves	25		9,848,258		9,848,258
			<u> </u>		<u> </u>
Total equity			<u>9,866,099</u>		<u>9,866,099</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £350,000 (2018: £199,108)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 16 July 2020 and are signed on its behalf by:


Simon Mackaness
Director

Company Registration No. 04713142

Aketon Limited

**Group statement of changes in equity
For the year ended 31 October 2019**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2017		16,949	13,117,813	13,134,762
Year ended 31 October 2018:				
Profit and total comprehensive income for the year		-	819,849	819,849
Issue of share capital	24	892	-	892
Dividends	10	-	(200,000)	(200,000)
Balance at 31 October 2018		17,841	13,737,662	13,755,503
Year ended 31 October 2019:				
Profit and total comprehensive income for the year		-	1,158,976	1,158,976
Dividends	10	-	(350,000)	(350,000)
Balance at 31 October 2019		17,841	14,546,638	14,564,479

Aketon Limited

**Company statement of changes in equity
For the year ended 31 October 2019**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2017		16,949	9,849,150	9,866,099
Year ended 31 October 2018:				
Profit and total comprehensive income for the year		-	199,108	199,108
Issue of share capital	24	892	-	892
Dividends	10	-	(200,000)	(200,000)
Balance at 31 October 2018		17,841	9,848,258	9,866,099
Year ended 31 October 2019:				
Profit and total comprehensive income for the year		-	350,000	350,000
Dividends	10	-	(350,000)	(350,000)
Balance at 31 October 2019		17,841	9,848,258	9,866,099

Aketon Limited

Group statement of cash flows
For the year ended 31 October 2019

	Notes	£	2019 £	£	2018 £
Cash flows from operating activities					
Cash generated from operations	30		2,641,177		3,634,526
Interest paid			(282,526)		(295,872)
Income taxes paid			(204,997)		(82,953)
Net cash inflow from operating activities			2,153,654		3,255,701
Investing activities					
Purchase of tangible fixed assets		(923,226)		(679,956)	
Proceeds on disposal of tangible fixed assets		7,507		-	
Net cash used in investing activities			(915,719)		(679,956)
Financing activities					
Proceeds from issue of shares		-		892	
Repayment of bank loans		(1,333,333)		(1,733,333)	
Payment of finance leases obligations		(48,918)		(53,253)	
Dividends paid to equity shareholders		(150,000)		(200,000)	
Net cash used in financing activities			(1,532,251)		(1,985,694)
Net (decrease)/increase in cash and cash equivalents			(294,316)		590,051
Cash and cash equivalents at beginning of year			229,379		(360,672)
Cash and cash equivalents at end of year			(64,937)		229,379
Relating to:					
Cash at bank and in hand			13,893		229,379
Bank overdrafts included in creditors payable within one year			(78,830)		-

1 Accounting policies

Company information

Aketon Limited ("the company") is a private limited company incorporated in England and Wales. The registered office is Rudding Park, Harrogate, North Yorkshire, HG3 1JH.

The group consists of Aketon Limited and its subsidiary Rudding Park Limited.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £350,000 (2018: £199,108)

1 Accounting policies (continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The group financial statements incorporate those of Aketon Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 October 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have prepared forecasts and considered other events (see the strategic report for more information regarding Coronavirus), and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Notes to the financial statements (continued)
For the year ended 31 October 2019

1 Accounting policies (continued)

Hotel, conference and banqueting and holiday park revenue is recognised at the date the event or visit takes place. Revenue for the golf department is spread evenly over the year to which it relates.

1.5 Tangible fixed assets

Tangible fixed assets other than certain freehold land and buildings are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	Over 1-10 years, straight line
Motor vehicles	Over 1-4 years, straight line
Holiday Park buildings	Over 10-20 years, straight line
Golf course, academy and clubhouse buildings	Over 20 years, straight line
Other freehold land and buildings	Not depreciated, as noted below

Freehold land and assets in the course of construction are not depreciated.

The directors have not depreciated certain freehold land and buildings as they consider the depreciation charge to be immaterial due to very long useful economic lives. They are disclosed in the accounts at the following book values:

	Book value 2019 £	Book value 2018 £
Rudding Park Hotel	21,727,628	21,670,563
Holiday Park Stone Cottages, Shop and Office	1,201,911	1,145,584
Golf course construction	<u>2,147,716</u>	<u>2,147,716</u>
	<u>25,077,255</u>	<u>24,963,863</u>

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Notes to the financial statements (continued)
For the year ended 31 October 2019

1 Accounting policies (continued)

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition. Provision is made where necessary for obsolete, slow moving and defective stocks.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Notes to the financial statements (continued)
For the year ended 31 October 2019

1 Accounting policies (continued)

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1 Accounting policies (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

The company operates a defined contribution pension scheme for its staff, which is contributory. These contributions are charged to the profit and loss account in the year in which they are payable in accordance with FRS 102.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Provisions

Provision is made for bad and doubtful debts and obsolete stock. These provisions require management's best estimate of the recoverability of trade debtors and the expected future use of stock.

Depreciation

For some of the buildings held, including the main hotel, no depreciation is charged. A critical judgement is the view of management that the economic life of these assets is extensive, meaning any depreciation charge would be immaterial.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019	2018
	£	£
Turnover analysed by class of business		
Sale of goods	1,210,628	1,832,403
Rendering of services	19,255,182	17,725,460
	<u>20,465,810</u>	<u>19,557,863</u>

Aketon Limited**Notes to the financial statements (continued)**
For the year ended 31 October 2019**4 Operating profit**

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	1,081,583	1,023,784
Depreciation of tangible fixed assets held under finance leases	-	39,618
Profit on disposal of tangible fixed assets	(7,507)	-
Amortisation of intangible assets	-	530,255
Cost of stocks recognised as an expense	<u>7,334,506</u>	<u>7,078,125</u>

5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	3,000	3,000
Audit of the financial statements of the company's subsidiaries	<u>10,500</u>	<u>8,400</u>
	<u>13,500</u>	<u>11,400</u>
For other services		
Taxation compliance services	5,000	4,900
All other non-audit services	<u>11,055</u>	<u>22,965</u>
	<u>16,055</u>	<u>27,865</u>

The group audit fee is borne by the subsidiary company.

Notes to the financial statements (continued)
For the year ended 31 October 2019

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Production	202	209	-	-
Selling and distribution	63	56	-	-
Administration	56	53	-	-
	<u>321</u>	<u>318</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	7,852,047	7,248,499	-	-
Social security costs	580,412	550,752	-	-
Pension costs	236,888	160,516	-	-
	<u>8,669,347</u>	<u>7,959,767</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	511,347	466,553
Company pension contributions to defined contribution schemes	72,925	54,589
	<u>584,272</u>	<u>521,142</u>

Aketon Limited**Notes to the financial statements (continued)**
For the year ended 31 October 2019**7 Directors' remuneration (continued)**

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019	2018
	£	£
Remuneration for qualifying services	241,177	238,686
Company pension contributions to defined contribution schemes	10,168	12,966
	<u>251,345</u>	<u>251,652</u>

An amount of £52,286 was paid to a third party as consideration for the services of directors.

8 Interest payable and similar expenses

	2019	2018
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	282,526	295,872
	<u>282,526</u>	<u>295,872</u>

9 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	177,737	349,187
Adjustments in respect of prior periods	(48,028)	(52,168)
	<u>129,709</u>	<u>297,019</u>
Total current tax	<u>129,709</u>	<u>297,019</u>
Deferred tax		
Origination and reversal of timing differences	146,563	42,732
	<u>146,563</u>	<u>42,732</u>
Total tax charge	<u>276,272</u>	<u>339,751</u>

Aketon Limited**Notes to the financial statements (continued)**
For the year ended 31 October 2019**9 Taxation (continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	1,435,248	1,159,600
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	272,697	220,324
Tax effect of expenses that are not deductible in determining taxable profit	23,931	25,553
Under/(over) provided in prior years	(48,028)	(52,169)
Deferred tax adjustments in respect of prior years	40,187	45,024
Change in deferred tax rate	(12,515)	270
Goodwill arising on consolidation	-	100,749
Taxation charge	276,272	339,751

10 Dividends

	2019 £	2018 £
Dividends	350,000	200,000

Aketon Limited

Notes to the financial statements (continued)
For the year ended 31 October 2019

11 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 November 2018 and 31 October 2019	4,545,013
Amortisation and impairment	
At 1 November 2018 and 31 October 2019	4,545,013
Carrying amount	
At 31 October 2019	-
At 31 October 2018	-

The company had no intangible fixed assets at 31 October 2019 or 31 October 2018.

12 Tangible fixed assets

Group	Land and buildings Freehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 November 2018	27,992,341	9,783,742	180,167	37,956,250
Additions	124,353	791,123	7,750	923,226
At 31 October 2019	28,116,694	10,574,865	187,917	38,879,476
Depreciation and impairment				
At 1 November 2018	2,209,464	5,509,591	159,150	7,878,205
Depreciation charged in the year	90,728	973,223	17,632	1,081,583
At 31 October 2019	2,300,192	6,482,814	176,782	8,959,788
Carrying amount				
At 31 October 2019	25,816,502	4,092,051	11,135	29,919,688
At 31 October 2018	25,782,877	4,274,151	21,017	30,078,045

The company had no tangible fixed assets at 31 October 2019 or 31 October 2018.

Aketon Limited

Notes to the financial statements (continued)
For the year ended 31 October 2019

12 Tangible fixed assets (continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2019 £	2018 £	Company 2019 £	2018 £
Plant and machinery	32,902	127,171	-	-

13 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	14	-	-	9,866,099	9,866,099

Movements in fixed asset investments
Company

	Shares in group undertakings £
Cost or valuation	
At 1 November 2018 and 31 October 2019	9,866,099
Carrying amount	
At 31 October 2019	9,866,099
At 31 October 2018	9,866,099

14 Subsidiaries

Details of the company's subsidiaries at 31 October 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Rudding Park Limited	United Kingdom	Hotel, banqueting, holiday park, golf course and spa	Ordinary	100

Aketon Limited**Notes to the financial statements (continued)**
For the year ended 31 October 2019**14 Subsidiaries (continued)**

The aggregate capital and reserves and the profit for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Rudding Park Limited	1,158,976	14,564,479

15 Financial instruments

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	424,287	293,833	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	15,256,787	16,252,010	-	-

16 Stocks

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Raw materials and consumables	171,501	136,768	-	-
Finished goods and goods for resale	1,243,159	979,151	-	-
	1,414,660	1,115,919	-	-

17 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	424,287	293,833	-	-
Prepayments and accrued income	373,899	381,647	-	-
	798,186	675,480	-	-

Notes to the financial statements (continued)
For the year ended 31 October 2019

18 Creditors: amounts falling due within one year

		Group		Company	
		2019	2018	2019	2018
	Notes	£	£	£	£
Bank loans and overdrafts	20	1,412,163	1,333,333	-	-
Obligations under finance leases	21	27,418	76,336	-	-
Trade creditors		3,598,661	3,274,965	-	-
Corporation tax payable		177,737	253,025	-	-
Other taxation and social security		713,968	807,177	-	-
Dividends payable		200,000	-	-	-
Other creditors		139,386	135,814	-	-
Accruals and deferred income		1,182,015	1,145,300	-	-
		<u>7,451,348</u>	<u>7,025,950</u>	<u>-</u>	<u>-</u>

19 Creditors: amounts falling due after more than one year

		Group		Company	
		2019	2018	2019	2018
	Notes	£	£	£	£
Bank loans and overdrafts	20	9,033,334	10,366,667	-	-
		<u>9,033,334</u>	<u>10,366,667</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	4,912,500	6,202,500	-	-
	<u>4,912,500</u>	<u>6,202,500</u>	<u>-</u>	<u>-</u>

20 Loans and overdrafts

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	10,366,667	11,700,000	-	-
Bank overdrafts	78,830	-	-	-
	<u>10,445,497</u>	<u>11,700,000</u>	<u>-</u>	<u>-</u>
Payable within one year	1,412,163	1,333,333	-	-
Payable after one year	9,033,334	10,366,667	-	-
	<u>10,445,497</u>	<u>11,700,000</u>	<u>-</u>	<u>-</u>

Aketon Limited

Notes to the financial statements (continued) For the year ended 31 October 2019

20 Loans and overdrafts (continued)

The bank loans are secured by a first legal charge over freehold land and buildings and a floating charge over plant and machinery.

All loans are with Santander plc. One loan is for £1,200,000 at rate of 1.6% over the bank's LIBOR rate, a second is for £3,000,000 at a fixed rate of 3.36%. These two loans are interest only until 1 January 2021 and are then repaid by 20 consecutive quarterly instalments.

On the 18 December 2015 Rudding Park Limited entered into a loan agreement with Santander plc for loans of up to £9,500,000 for the purpose of building a spa. Of this, £5,000,000 was available under EIB funding with a variable rate of 1.1% over the bank's LIBOR rate, repayable in 15 consecutive quarterly instalments. On 15 December 2016 this loan was converted to a fixed rate loan with a rate of 1.935%. £3,000,000 is outstanding at the year end and is repayable in 9 quarterly instalments. The second facility of £4,500,000 was fully drawn in 2017, with a variable rate of 1.6% over the bank's LIBOR rate, repayable in 40 consecutive quarterly instalments commencing 18 March 2021.

21 Finance lease obligations

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Within one year	27,418	76,336	-	-

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Group		
Accelerated capital allowances	1,112,997	995,653
Other timing differences	(15,731)	(44,950)
	<u>1,097,266</u>	<u>950,703</u>

Aketon Limited**Notes to the financial statements (continued)**
For the year ended 31 October 2019**22 Deferred taxation (continued)**

The company has no deferred tax assets or liabilities.

	Group 2019 £	Company 2019 £
Movements in the year:		
Liability at 1 November 2018	950,703	-
Charge to profit or loss	146,563	-
Liability at 31 October 2019	<u>1,097,266</u>	<u>-</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

23 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>236,888</u>	<u>160,516</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

	Group and company 2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
16,949,000 A Ordinary shares of 0.1p each	16,949	16,949
892,053 B Ordinary shares of 0.1p each	892	892
	<u>17,841</u>	<u>17,841</u>

Neither class of ordinary share carries a right to fixed income.

25 Reserves

Called-up share capital represents the nominal value of shares that have been issued.

Profit and loss account includes all current and prior year retained profits and losses.

Aketon Limited**Notes to the financial statements (continued)**
For the year ended 31 October 2019**27 Related party transactions (continued)**

The following amounts were outstanding at the reporting end date:

Group	Amounts owed to related parties	
	2019 £	2018 £
Shareholders	22,476	52,681
Key management personnel	116,909	83,133
Other related parties	-	510
	<u>139,385</u>	<u>136,324</u>

No guarantees have been given or received.

Included above is £22,476 owed to the MGM Trust (2018: £21,353) and £nil to the NJM Trust (2018: £31,328). Both entities are shareholders of Aketon Limited.

28 Directors' transactions

Included in the above note is amounts owed to key management personnel. These are the director loan accounts of the subsidiary's directors. All director loan accounts are unsecured and no interest accrues on these balances. Movements on the director loan accounts during the period are shown below, positive values represent amounts owed to the directors:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Simon Mackaness -	-	35,927	106,806	(40,000)	102,733
Judith Mackaness -	-	12,886	7,895	(20,000)	781
Matthew Mackaness -	-	16,991	7,895	(11,491)	13,395
Nicholas Mackaness -	-	17,329	7,895	(25,224)	-
		<u>83,133</u>	<u>130,491</u>	<u>(96,715)</u>	<u>116,909</u>

Dividends of £55,009 (2018: £107,051) were paid in the year in respect of shares held by the company's directors. The remaining balance from the declared dividend was credited to the director loan accounts. These movements are included in the above table.

Aketon Limited**Notes to the financial statements (continued)**
For the year ended 31 October 2019**29 Controlling party**

Aketon Limited is controlled by Mr Simon Mackaness by virtue of his holding of the majority of share capital.

30 Cash generated from group operations

	2019	2018
	£	£
Profit for the year after tax	1,158,976	819,849
Adjustments for:		
Taxation charged	276,272	339,751
Finance costs	282,526	295,872
Gain on disposal of tangible fixed assets	(7,507)	-
Amortisation and impairment of intangible assets	-	530,255
Depreciation and impairment of tangible fixed assets	1,081,583	1,063,402
Movements in working capital:		
(Increase)/decrease in stocks	(298,741)	114,164
Increase in debtors	(122,706)	(31,011)
Increase in creditors	270,774	502,244
Cash generated from operations	2,641,177	3,634,526