Company Registration No. 04713142 (England and Wales)

Aketon Limited

Annual report and group financial statements for the year ended 31 October 2018

Company information

Directors	Simon Mackaness	
	Peter Banks	(Appointed 30 November 2017)
	Judith Mackaness	(Appointed 30 November 2017)
	Matthew Mackaness	(Appointed 30 November 2017)
	Nicholas Mackaness	(Appointed 30 November 2017)
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

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Aketon Limited

Strategic report
For the year ended 31 October 2018

The directors present the strategic report for the year ended 31 October 2018.

Fair review of the business
The directors view the performance for the year as satisfactory. Turnover has increased as a consequence of the Spa maturing, as well as the development of other areas of the business, and increased caravan sales. Operating profit has returned to expected levels.

This has been a year of consolidation, and understanding the full impact of the Spa on our overall business.

During the year dividends of £200,000 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.

Development and performance
The directors feel that the future prospects will be acceptable and performance for the current year is in line with budget.

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:

	2018 £'000	2017 £'000	% change
Turnover	19,558	16,799	16.4
Gross profit	6,136	4,671	31.4
Gross profit margin	31.4	27.8	
Operating profit	1,455	848	71.6
Operating profit margin	7.4	5.0	

On behalf of the board

....
Simon Mackaness
Director
9 April 2019

The directors present their annual report and financial statements for the year ended 31 October 2018.

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	(Appointed 30 November 2017)
Judith Mackaness	(Appointed 30 November 2017)
Matthew Mackaness	(Appointed 30 November 2017)
Nicholas Mackaness	(Appointed 30 November 2017)

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £200,000. The directors do not recommend payment of a further dividend.

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.

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
....

Simon Mackaness
Director
Date: 9 April 2019

Directors' responsibilities statement
For the year ended 31 October 2018

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.

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 2018 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 2018 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.

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.

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.

Saffery Champness LLP ....

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

Chartered Accountants
Statutory Auditors

9/Oct/19

Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

Aketon Limited

Group statement of comprehensive income
For the year ended 31 October 2018

	Notes	2018 £	2017 £
Turnover	3	19,557,863	16,799,100
Cost of sales		(13,421,649)	(12,127,897)
Gross profit		6,136,214	4,671,203
Administrative expenses		(4,680,742)	(3,823,365)
Operating profit	4	1,455,472	847,838
Interest payable and similar expenses	7	(295,872)	(292,857)
Profit before taxation		1,159,600	554,981
Tax on profit	8	(339,751)	(134,723)
Profit for the financial year	24	819,849	420,258

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 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Goodwill	10		-		530,255
Tangible assets	11		30,078,045		30,363,655
			30,078,045		30,893,910
Current assets					
Stocks	15	1,115,919		1,230,083	
Debtors	16	675,480		644,469	
Cash at bank and in hand		229,379		14,297	
		2,020,778		1,888,849	
Creditors: amounts falling due within one year	17	(7,025,950)		(6,640,026)	
Net current liabilities			(5,005,172)		(4,751,177)
Total assets less current liabilities			25,072,873		26,142,733
Creditors: amounts falling due after more than one year	18		(10,366,667)		(12,100,000)
Provisions for liabilities	21		(950,703)		(907,971)
Net assets			13,755,503		13,134,762
Capital and reserves					
Called up share capital	23		17,841		16,949
Profit and loss reserves	24		13,737,662		13,117,813
Total equity			13,755,503		13,134,762

The financial statements were approved by the board of directors and authorised for issue on 9 April 2019 and are signed on its behalf by:

....

Simon Mackaness
Director

Company Registration No. 04713142

Aketon Limited

Company statement of financial position
As at 31 October 2018

	Notes		2018		2017
		£	£	£	£
Fixed assets					
Investments	12		9,866,099		9,866,099
Capital and reserves					
Called up share capital	23		17,841		16,949
Profit and loss reserves	24		9,848,258		9,849,150
Total equity			9,866,099		9,866,099

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 £149,108 (2017: £67,500)

The financial statements were approved by the board of directors and authorised for issue on 9 April 2019 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 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2016		16,949	12,765,055	12,782,004
Year ended 31 October 2017:				
Profit and total comprehensive income for the year		-	420,258	420,258
Dividends	9	-	(67,500)	(67,500)
Balance at 31 October 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	23	892	-	892
Dividends	9	-	(200,000)	(200,000)
Balance at 31 October 2018		17,841	13,737,662	13,755,503

Aketon Limited

Company statement of changes in equity
For the year ended 31 October 2018

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 November 2016		16,949	9,849,150	9,866,099
Year ended 31 October 2017:				
Profit and total comprehensive income for the year		-	67,500	67,500
Dividends	9	-	(67,500)	(67,500)
Balance at 31 October 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	23	892	-	892
Dividends	9	-	(200,000)	(200,000)
Balance at 31 October 2018		17,841	9,848,258	9,866,099

Aketon Limited

Group statement of cash flows
For the year ended 31 October 2018

	Notes	£	2018 £	£	2017 £
Cash flows from operating activities					
Cash generated from operations	**29**		3,634,526		1,729,933
Interest paid			(295,872)		(292,857)
Income taxes paid			(82,953)		(202,460)
Net cash inflow from operating activities			3,255,701		1,234,616
Investing activities					
Purchase of tangible fixed assets		(679,956)		(5,024,691)	
Proceeds on disposal of tangible fixed assets		-		15,256	
Net cash used in investing activities			(679,956)		(5,009,435)
Financing activities					
Proceeds from issue of shares		892		-	
Proceeds of new bank loans		-		5,297,278	
Repayment of bank loans		(1,733,333)		(666,667)	
Payment of finance leases obligations		(53,253)		(7,667)	
Dividends paid to equity shareholders		(200,000)		(67,500)	
Net cash (used in)/generated from financing activities			(1,985,694)		4,555,444
Net increase in cash and cash equivalents			590,051		780,625
Cash and cash equivalents at beginning of year			(360,672)		(1,141,297)
Cash and cash equivalents at end of year			229,379		(360,672)
Relating to:					
Cash at bank and in hand			229,379		14,297
Bank overdrafts included in creditors payable within one year			-		(374,969)

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 group 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 group 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 £149,108 (2017: £67,500)

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 2018. 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 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.

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 Accounting policies (continued)

1.5 Intangible fixed assets - goodwill

In 2015, goodwill was reassessed as having a remaining useful economic life of 3 years has therefore been fully written off this year.

1.6 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 2018	Book value 2017
	£	£
Rudding Park Hotel	21,670,563	21,537,544
Holiday Park Stone Cottages, Shop and Office	1,145,584	1,116,939
Golf course construction	2,147,716	2,147,716
	24,963,863	24,802,199

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.

1.7 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.

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.

1.8 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.

1.9 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.

1.10 Cash and cash equivalents

Cash at bank and in hand 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.

1 Accounting policies (continued)

1.11 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.

Other financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1 Accounting policies (continued)

1.12 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.

1.13 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.

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.

1.14 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.

1.15 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 Accounting policies (continued)

1.16 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 the income statement 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:

	2018	2017
	£	£
Turnover analysed by class of business		
Sale of goods	1,832,403	1,508,529
Redndering of services	17,725,460	15,290,571
	19,557,863	16,799,100

4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	1,023,784	743,989
Depreciation of tangible fixed assets held under finance leases	39,618	20,051
Profit on disposal of tangible fixed assets	-	(15,256)
Amortisation of intangible assets	530,255	530,254
Cost of stocks recognised as an expense	7,078,125	6,574,084

5 Auditor's remuneration

	2018	2017
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	-	-
Audit of the financial statements of the company's subsidiaries	12,000	11,600
For other services		
Taxation compliance services	4,900	4,700
All other non-audit services	22,365	10,400
	27,265	15,100

The group audit fee is borne by the subsidiary company.

6 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Production	301	275	-	-
Selling and distribution	56	57	-	-
Administration	53	49	-	-
	410	381	-	-

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	7,248,499	6,382,728	-	-
Social security costs	550,752	488,072	-	-
Pension costs	160,516	102,841	-	-
	7,959,767	6,973,641	-	-

7 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	295,872	292,857

8 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	349,187	101,704
Adjustments in respect of prior periods	(52,168)	(85,284)
Total current tax	297,019	16,420

8 Taxation (continued)

Deferred tax		
Origination and reversal of timing differences	42,732	118,303
Total tax charge	339,751	134,723

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

	2018	**2017**
	£	**£**
Profit before taxation	1,159,600	554,981
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	220,324	105,446
Tax effect of expenses that are not deductible in determining taxable profit	25,553	30,112
Effect of change in corporation tax rate	-	2,167
Under/(over) provided in prior years	(52,169)	-
Deferred tax adjustments in respect of prior years	45,024	3,069
Change in deferred tax rate	270	(106,820)
Goodwill arising on consolidation	100,749	100,749
Taxation charge	339,751	134,723

9 Dividends

	2018	**2017**
	£	**£**
Final paid	200,000	67,500

10 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 November 2017 and 31 October 2018	4,545,013
Amortisation and impairment	
At 1 November 2017	4,014,758
Amortisation charged for the year	530,255
At 31 October 2018	4,545,013
Carrying amount	
At 31 October 2018	-
At 31 October 2017	530,255

The company had no intangible fixed assets at 31 October 2018 or 31 October 2017.

11 Tangible fixed assets

Group	Land and buildings Freehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 November 2017	27,830,677	9,789,534	169,525	37,789,736
Additions	161,664	605,486	10,642	777,792
Disposals	-	(611,278)	-	(611,278)
At 31 October 2018	27,992,341	9,783,742	180,167	37,956,250
Depreciation and impairment				
At 1 November 2017	2,119,535	5,168,225	138,321	7,426,081
Depreciation charged in the year	89,929	952,644	20,829	1,063,402
Eliminated in respect of disposals	-	(611,278)	-	(611,278)
At 31 October 2018	2,209,464	5,509,591	159,150	7,878,205
Carrying amount				
At 31 October 2018	25,782,877	4,274,151	21,017	30,078,045
At 31 October 2017	25,711,142	4,621,309	31,204	30,363,655

The company had no tangible fixed assets at 31 October 2018 or 31 October 2017.

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Plant and machinery	127,171	68,953	-	-
Depreciation charge for the year in respect of leased assets	39,618	20,051	-	-

12 Fixed asset investments

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Investments in subsidiaries	13	-	-	9,866,099	9,866,099

Movements in fixed asset investments

Company

	Shares in group undertakings
	£
Cost or valuation	
At 1 November 2017 and 31 October 2018	9,866,099
Carrying amount	
At 31 October 2018	9,866,099
At 31 October 2017	9,866,099

13 Subsidiaries

Details of the company's subsidiaries at 31 October 2018 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	100.00	

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	1,350,996	13,755,503

14 Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	293,833	326,114	-	-
Carrying amount of financial liabilities				
Measured at amortised cost	16,332,415	18,915,828	-	-

15 Stocks

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Raw materials and consumables	136,768	157,557	-	-
Finished goods and goods for resale	979,151	1,072,526	-	-
	1,115,919	1,230,083	-	-

16 Debtors

Amounts falling due within one year:	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	293,833	326,114	-	-
Prepayments and accrued income	381,647	318,355	-	-
	675,480	644,469	-	-

17 Creditors: amounts falling due within one year

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Bank loans and overdrafts	19	1,333,333	1,708,302	-	-
Obligations under finance leases	20	76,336	31,753	-	-
Trade creditors		3,274,965	2,992,316	-	-
Corporation tax payable		253,025	38,959	-	-
Other taxation and social security		807,177	746,372	-	-
Other creditors		135,814	161,191	-	-
Accruals and deferred income		1,145,300	961,133	-	-
		7,025,950	6,640,026	-	-

18 Creditors: amounts falling due after more than one year

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Bank loans and overdrafts	19	10,366,667	12,100,000	-	-

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

Payable by instalments	6,202,500	8,302,500	-	-

19 Loans and overdrafts

	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans	11,700,000	13,433,333	-	-
Bank overdrafts	-	374,969	-	-
	11,700,000	13,808,302	-	-
Payable within one year	1,333,333	1,708,302	-	-
Payable after one year	10,366,667	12,100,000	-	-
Amounts included above which fall due after five years:				
Payable by instalments	6,202,500	8,302,500	-	-

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 the previous year, with a variable rate of 1.6% over the bank's LIBOR rate, repayable in 40 consecutive quarterly instalments commencing 18 March 2021.

20 Finance lease obligations

	Group 2018 £	2017 £	Company 2018 £	2017 £
Future minimum lease payments due under finance leases:				
Within one year	76,336	31,753	-	-

20 Finance lease obligations (continued)

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.

21 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:

Group	Liabilities 2018 £	Liabilities 2017 £
Accelerated capital allowances	995,653	922,709
Other timing differences	(44,950)	(14,738)
	950,703	907,971

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2018 £	Company 2018 £
Liability at 1 November 2017	907,971	-
Charge to profit or loss	42,732	-
Liability at 31 October 2018	950,703	-

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.

22 Retirement benefit schemes

Defined contribution schemes	2018 £	2017 £
Charge to profit or loss in respect of defined contribution schemes	160,516	102,841

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.

23 Share capital

	Group and company	
	2018	2017
Ordinary share capital	£	£
Issued and fully paid		
16,949,000 Ordinary shares of 0.1p each	16,949	16,949
892,053 B Ordinary shares of 0.1p each	892	-
	17,841	16,949

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

24 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.

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Acquisition of tangible fixed assets	32,520	-	-	-

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018	2017
	£	£
Aggregate compensation	521,142	497,933

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Purchase of goods	
	2018	2017
	£	£
Group		
Other related parties	48,130	-

	Other advances/(expenses)	
	2018	2017
	£	£
Group		
Key management personnel	(314)	45,376

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2018	2017
	£	£
Group		
Shareholders	52,681	61,969
Key management personnel	83,133	99,222
Other related parties	510	-
	136,324	161,191

26 Related party transactions (continued)

No guarantees have been given or received.

Included above is £21,353 owed to the MGM Trust (2017: £30,985) and £31,328 to the NJM Trust (2017: £30,984). Both entities are shareholders of Aketon Limited.

27 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 -	-	48,104	143,047	(155,224)	35,927
Judith Mackaness -	-	22,182	10,704	(20,000)	12,886
Matthew Mackaness -	-	9,811	10,704	(3,524)	16,991
Nicholas Mackaness -	-	19,125	10,704	(12,500)	17,329
		99,222	175,159	(191,248)	83,133

Dividends of £107,051 (2017: £58,831) 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.

28 Controlling party

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

29 Cash generated from group operations

	2018	2017
	£	£
Profit for the year after tax	819,849	420,258
Adjustments for:		
Taxation charged	339,751	134,723
Finance costs	295,872	292,857
Gain on disposal of tangible fixed assets	-	(15,256)
Amortisation and impairment of intangible assets	530,255	530,254
Depreciation and impairment of tangible fixed assets	1,063,402	764,040
Movements in working capital:		
Decrease/(increase) in stocks	114,164	(168,312)
(Increase)/decrease in debtors	(31,011)	115,272
Increase/(decrease) in creditors	502,244	(343,903)
Cash generated from operations	3,634,526	1,729,933