

Parent Company of Hortipark Limited  
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## **Ryedale Group Limited**

Registered number: 05128618

### **Annual report and consolidated financial statements**

**For the year ended 30 June 2018**

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**RYEDALE GROUP LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	J P Buffoni S R Buffoni
<b>Company secretary</b>	S R Buffoni
<b>Registered number</b>	05128618
<b>Registered office</b>	Ryedale Group Kirkdale Road Kirkbymoorside North Yorkshire YO62 6YB
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP

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**RYEDALE GROUP LIMITED**

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**RYEDALE GROUP LIMITED**

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**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

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**Introduction**

The Directors present their Strategic Report for the year ended 30 June 2018.

**Business review**

The Group has had a satisfactory year. Year-on-year the Group has realised a significant net profit improvement achieved through a minor increase in revenue and administrative cost reduction projects. Trading conditions remained challenging due to a consolidation of customers in the market and extreme weather conditions over the course of the horticultural season. To counter rising costs the Group has invested in people and technologies.

The Directors are satisfied with the results and see more opportunities in future by continuing with the strategy of meeting the needs of niche markets and balancing the business against seasonal peaks and troughs.

Going forward we expect our net profit to continue to improve through margin improvement.

**Principal risks and uncertainties**

Any changes in sterling: euro exchange rate are difficult to predict due to the UK's planned exit from the EU. General economic uncertainty and changes in the structure of the horticultural supply chain require close monitoring as the resultant buyer/supplier influences continue to change. Seasonality and changes in short term weather patterns are also unpredictable and require ever more flexibility.

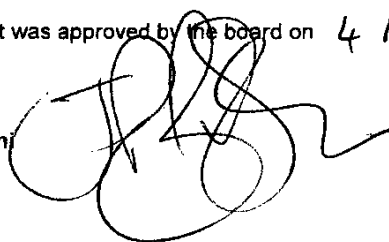
The Company maintains good health and safety standards and ensures compliance throughout its operations.

**Financial key performance indicators**

Turnover increased from £6,755,323 to £6,860,227. Gross margin remained constant with the previous year. Profit after tax improved from a loss of £113,759 in 2017 to a loss of £2,443. Net assets remained consistent at £3,249,840 (2017 - £3,282,828).

This report was approved by the board on 4 March 2019 and signed on its behalf.

J P Buffon  
Director



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**RYEDALE GROUP LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

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The Directors present their report and the financial statements for the year ended 30 June 2018.

**Directors' responsibilities statement**

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

**Results and dividends**

The profit for the year, after taxation and minority interests, amounted to £10,977 (2017 - loss £94,423).

The Group and Company declared dividends of £30,545 (2017- £nil) during the year.

**Directors**

The Directors who served during the year were:

J P Buffoni  
S R Buffoni

**Going concern**

In the opinion of the Directors the Group and parent Company have sufficient financial resources together with clearly defined performance objectives. The Group and parent Company have the strong support of its bankers, shareholders and other providers of funds in working towards meeting its financial objectives. As a consequence, the Directors believe that the Group and Company are well placed to manage their business risks successfully.

The Directors have a reasonable expectation that the Group and parent Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt a going concern basis of accounting in preparing the financial statements.

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**RYEDALE GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2018**

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**Principal risks and uncertainties**

The Directors consider the principal risks and uncertainties to be the unknown impacts of trading with Europe following Brexit, the impact of inflation upon discretionary consumer spend and cost pressures from customers. The Directors are constantly looking for ways to address identified risks including the implementation of new technology to make improvements to business efficiency.

**Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

**Post balance sheet events**

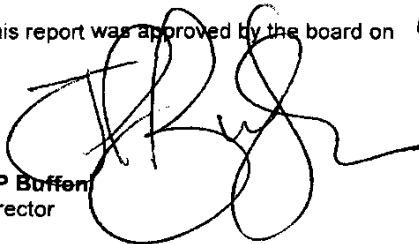
There have been no significant events affecting the Group or Company since the year end.

**Auditor**

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 4 March 2019 and signed on its behalf.

J P Buffen  
Director



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**RYEDALE GROUP LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYEDALE GROUP LIMITED**

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**Opinion**

We have audited the financial statements of Ryedale Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Change In Equity, the Consolidated 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 of the parent Company's affairs as at 30 June 2018 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 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 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.

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**RYEDALE GROUP LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYEDALE GROUP LIMITED**

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**Other information (continued)**

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 the audit:

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

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

In 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 or the Directors' Report.

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

- adequate accounting records have not been kept, 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.



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**RYEDALE GROUP LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYEDALE GROUP LIMITED**

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**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 2, 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 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 intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

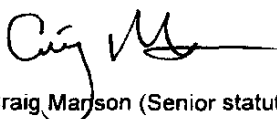
**Auditor's responsibilities for the audit of the financial statements**

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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit 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.



Craig Marison (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
5th Floor  
3 Wellington Place  
Leeds  
LS1 4AP

Date: 4 March 2019.

**RYEDALE GROUP LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 £	2017 £
Turnover	4	6,860,227	6,755,323
Cost of sales		(3,494,320)	(3,393,911)
<b>Gross profit</b>		<b>3,365,907</b>	<b>3,361,412</b>
Distribution costs		(2,033,530)	(1,944,970)
Administrative expenses		(1,294,805)	(1,321,458)
Exceptional administrative expenses	13	(35,777)	(58,023)
<b>Operating profit</b>	5	<b>1,795</b>	<b>36,961</b>
Interest receivable and similar income	9	4,234	3,513
Interest payable and expenses	10	(80,996)	(79,627)
Fair value adjustment		-	42,000
<b>(Loss)/profit before taxation</b>		<b>(74,967)</b>	<b>2,847</b>
Tax on (loss)/profit	11	72,524	(116,606)
<b>Loss for the financial year</b>		<b>(2,443)</b>	<b>(113,759)</b>
Freehold property revaluation surplus		-	750,967
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>750,967</b>
<b>Total comprehensive income for the year</b>		<b>(2,443)</b>	<b>637,208</b>
<b>Loss for the year attributable to:</b>			
Non-controlling interests		(13,420)	(19,336)
Owners of the parent Company		10,977	(94,423)
		<b>(2,443)</b>	<b>(113,759)</b>
<b>Total comprehensive income for the year attributable to:</b>			
Non-controlling interest		(13,420)	(19,336)
Owners of the parent Company		10,977	656,544
		<b>(2,443)</b>	<b>637,208</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the consolidated statement of comprehensive income.

The notes on pages 14 to 37 form part of these financial statements.

**RYEDALE GROUP LIMITED**  
**REGISTERED NUMBER: 05128618**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	15	239,785	279,750
Tangible assets	16	2,584,857	2,771,718
Investments	17	-	35,777
Investment property	18	265,000	265,000
		<u>3,089,642</u>	<u>3,352,245</u>
<b>Current assets</b>			
Stocks	19	491,430	672,348
Debtors: amounts falling due within one year	20	1,571,496	1,587,356
Cash at bank and in hand	21	264,312	204,220
		<u>2,327,238</u>	<u>2,463,924</u>
Creditors: amounts falling due within one year	22	(1,469,133)	(1,629,230)
<b>Net current assets</b>		<u>858,105</u>	<u>834,694</u>
<b>Total assets less current liabilities</b>		<u>3,947,747</u>	<u>4,186,939</u>
Creditors: amounts falling due after more than one year	23	(588,158)	(718,991)
<b>Provisions for liabilities</b>			
Deferred taxation	27	(109,749)	(185,120)
		<u>(109,749)</u>	<u>(185,120)</u>
<b>Net assets</b>		<u><u>3,249,840</u></u>	<u><u>3,282,828</u></u>
<b>Capital and reserves</b>			
Called up share capital	28	24,000	24,000
Profit and loss account	29	3,232,801	3,440,246
<b>Equity attributable to owners of the parent Company</b>		<u>3,256,801</u>	<u>3,464,246</u>
Non-controlling interests		(6,961)	(181,418)
		<u><u>3,249,840</u></u>	<u><u>3,282,828</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 March 2019.

J P Buffoni  
Director

The notes on pages 14 to 37 form part of these financial statements.

RYEDALE GROUP LIMITED  
REGISTERED NUMBER: 05128618

**COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	17	24,052	24,052
Investment property	18	1,665,000	1,665,000
		<u>1,689,052</u>	<u>1,689,052</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	20	1,051,122	1,098,895
Cash at bank and in hand	21	1,113	440
		<u>1,052,235</u>	<u>1,099,335</u>
Creditors: amounts falling due within one year	22	(43,646)	(37,989)
<b>Net current assets</b>		<u>1,008,589</u>	<u>1,061,346</u>
<b>Total assets less current liabilities</b>		<u>2,697,641</u>	<u>2,750,398</u>
Creditors: amounts falling due after more than one year	23	(435,194)	(469,540)
<b>Provisions for liabilities</b>			
Deferred taxation	27	(81,931)	(134,804)
		<u>(81,931)</u>	<u>(134,804)</u>
<b>Net assets</b>		<u>2,180,516</u>	<u>2,146,054</u>
<b>Capital and reserves</b>			
Called up share capital	28	24,000	24,000
Profit and loss account brought forward		2,122,054	1,313,387
Profit for the year		65,007	808,667
Dividends paid		<u>(30,545)</u>	<u>-</u>
Profit and loss account carried forward		<u>2,156,516</u>	<u>2,122,054</u>
		<u>2,180,516</u>	<u>2,146,054</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 March 2019.

J P Buffoni  
Director

The notes on pages 14 to 37 form part of these financial statements.

**RYEDALE GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£
At 1 July 2017	24,000	3,440,246	3,464,246	(181,418)	3,282,828
<b>Comprehensive income for the year</b>					
Profit for the year	-	10,977	10,977	(13,420)	2,443
Movement on non-controlling interest	-	(187,877)	(187,877)	187,877	-
<b>Total comprehensive income for the year</b>	-	(176,900)	(176,900)	174,457	(2,443)
<b>Contributions by and distributions to owners</b>					
Dividends on equity capital	-	(30,545)	(30,545)	-	(30,545)
<b>At 30 June 2018</b>	<b>24,000</b>	<b>3,232,801</b>	<b>3,256,801</b>	<b>(6,961)</b>	<b>3,249,840</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017**

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£
At 1 July 2016	24,000	2,783,702	2,807,702	(162,082)	2,645,620
<b>Comprehensive income for the year</b>					
Loss for the year	-	(94,423)	(94,423)	(19,336)	(113,759)
Freehold property revaluation surplus	-	750,967	750,967	-	750,967
<b>Total comprehensive income for the year</b>	-	656,544	656,544	(19,336)	637,208
<b>At 30 June 2017</b>	<b>24,000</b>	<b>3,440,246</b>	<b>3,464,246</b>	<b>(181,418)</b>	<b>3,282,828</b>

The notes on pages 14 to 37 form part of these financial statements.

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**RYEDALE GROUP LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 July 2017	24,000	2,122,054	2,146,054
<b>Comprehensive income for the year</b>			
Profit for the year	-	65,007	65,007
<b>Contributions by and distributions to owners</b>			
Dividends on equity capital	-	(30,545)	(30,545)
<b>At 30 June 2018</b>	<b>24,000</b>	<b>2,156,516</b>	<b>2,180,516</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2017**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 July 2016	24,000	1,313,387	1,337,387
<b>Comprehensive income for the year</b>			
Profit for the year	-	808,667	808,667
<b>At 30 June 2017</b>	<b>24,000</b>	<b>2,122,054</b>	<b>2,146,054</b>

The notes on pages 14 to 37 form part of these financial statements.

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**RYEDALE GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018**

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	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(2,443)	(113,759)
<b>Adjustments for:</b>		
Amortisation of intangible assets	39,965	39,965
Depreciation of tangible assets	205,027	204,664
Loss on disposal of tangible assets	17,431	2,357
Interest paid	80,996	79,627
Interest received	(4,234)	(3,512)
Taxation charge	(72,524)	116,606
Decrease/(increase) in stocks	180,918	(2,979)
Decrease in debtors	1,064	228,033
Decrease in creditors	(94,108)	(51,092)
Corporation tax received/(paid)	6,909	(15,968)
<b>Net cash generated from operating activities</b>	<b>359,001</b>	<b>483,942</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(48,097)	(400,606)
Sale of tangible fixed assets	12,500	32,128
Interest received	4,234	3,512
Hire purchase interest paid	(10,918)	(7,641)
<b>Net cash from investing activities</b>	<b>(42,281)</b>	<b>(372,607)</b>

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**RYEDALE GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2018**

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	2018 £	2017 £
<b>Cash flows from financing activities</b>		
Repayment of loans	(32,700)	(30,913)
Repayment (of) /new finance leases	(157,904)	207,564
Dividends paid	(30,545)	-
Interest paid	(70,078)	(71,986)
<b>Net cash used in financing activities</b>	<b>(291,227)</b>	<b>104,665</b>
<b>Net increase in cash and cash equivalents</b>	<b>25,493</b>	<b>216,000</b>
Cash and cash equivalents at beginning of year	(18,379)	(234,378)
<b>Cash and cash equivalents at the end of year</b>	<b>7,114</b>	<b>(18,378)</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	264,312	204,220
Bank overdrafts	(257,198)	(222,598)
	<b>7,114</b>	<b>(18,378)</b>

The notes on pages 14 to 37 form part of these financial statements.



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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**1. General information**

Ryedale Group Limited ("the company") is a private company which is limited by shares and incorporated in England and Wales with registration number 05128618. The address of its registered office is Ryedale Group, Kirkdale Road, Kirkbymoorside, North Yorkshire, YO62 6YB.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

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

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

**2.3 Going concern**

In the opinion of the Directors the Group and parent Company have sufficient financial resources together with clearly defined performance objectives. The Group and parent Company have the strong support of its bankers, shareholders and other providers of funds in working towards meeting its financial objectives. As a consequence, the Directors believe that the Group and parent Company are well placed to manage their business risks successfully.

The Directors have a reasonable expectation that the Group and parent Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt a going concern basis of accounting in preparing the financial statements.

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**2.4 Revenue**

Rental income from commercial and residential lettings is recognised on a monthly basis in accordance with the lease agreements.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.5 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Computer software is being depreciated over ten years on a straight line basis. Amortisation is charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

**2.6 Tangible fixed assets**

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Freehold property is held under the revaluation model and carried at a fair value determined by external valuers. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)****2.6 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives under both straight line and reducing balance bases as outlined below.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Plant & machinery	- 15% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures & fittings	- 20% straight line

**2.7 Investment property**

Investment property is carried at fair value determined by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

**2.8 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares where market value cannot be reliably determined are stated at historic cost less impairment.

**2.9 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

**2.10 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**2.12 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.13 Financial instruments**

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like other debtors and creditors, loans from banks and other third parties and loans to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

**2.14 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**2.15 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.16 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.17 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**2.18 Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.19 Borrowing costs**

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

**2.20 Operating leases**

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**2.21 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

**2.22 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)****2.23 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.24 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on either a straight line basis over their useful economic life or reducing balance basis dependent upon asset category.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.25 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In applying the Group and parent Company's accounting policies, the directors are required to make judgments, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgments, estimates and assumptions are based on the most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgments, estimates and assumptions, the actual results and outcomes may differ.

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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

**Judgements in applying the accounting policies**

The judgements that the directors have made in the process of applying the Group and parent Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are discussed below:

**(i) Assessing indicators of impairment**

In assessing whether there have been any indicators of impairment associated with tangible and intangible fixed assets, the directors have considered both external and internal sources of information such as market values, changes in technological, economic and legal environments and economic performance. During the year the Directors considered the carrying value of investments were impaired and an impairment of £35,777 was charged to the Consolidated Statement of Comprehensive Income.

**Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty, that could affect the future carrying amounts of assets and liabilities within the next financial year are discussed below:

**(ii) Determining useful economic lives and residual values of plant and equipment**

The Group and parent Company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, such as technological advancements.

Judgement is applied by management when determining the residual values for plant and equipment. When determining the residual value management aim to assess the amount that the Group and parent Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market price.

**(iii) Recoverability of trade and other receivables**

The Group and parent Company establishes a provision for trade and other receivables that are deemed not to be recoverable. When assessing recoverability the directors have considered factors such as the ageing of the receivables, past experience of recoverability, financial position of the other party and the credit profile of individual or groups of customers. Any provision is recognised in the Consolidated Statement of Comprehensive Income.



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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**3. Judgements in applying accounting policies (continued)****(iv) Provisions for obsolete and slow moving stock**

The Group and parent Company establishes a stock provision for slow moving and obsolete stock. When assessing whether a provision is required the Group and parent Company assesses external market conditions, past trends in sales activity and the forward order book. Any provision is recognised in the Consolidated Statement of Comprehensive Income.

**4. Turnover**

The whole of the turnover arose within the United Kingdom and is incurred either in colour and lithographic printing together with the production and sales of horticultural labels or the rental of residential property.

**5. Operating profit**

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	205,027	204,663
Amortisation of intangible assets	39,965	39,965
Exchange differences	(265)	25,664
Defined contribution pension cost	36,814	39,401
	<u>281,541</u>	<u>309,693</u>

**6. Auditor's remuneration**

	2018 £	2017 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	8,500	8,250
	<u>8,500</u>	<u>8,250</u>
<b>Fees payable to the Group's auditor in respect of:</b>		
Taxation compliance services	2,600	2,500
Other services relating to taxation	-	6,443
All other services	6,820	6,940
	<u>9,420</u>	<u>15,883</u>

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**7. Employees**

Staff costs, including Directors' remuneration, were as follows:

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Wages and salaries	1,987,937	1,906,214	-	-
Social security costs	194,368	182,888	-	-
Cost of defined contribution scheme	36,814	39,401	-	-
	<u>2,219,119</u>	<u>2,128,503</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2018 No.</b>	<b>2017 No.</b>
Management	6	6
Administration	10	10
Production	69	68
	<u>85</u>	<u>84</u>

**8. Directors' remuneration**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Directors' emoluments	243,536	228,254
Company contributions to defined contribution pension schemes	6,997	11,497
	<u>250,533</u>	<u>239,751</u>

During the year retirement benefits were accruing to 2 Directors (2017 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £72,175 (2017 - £74,868).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,150 (2017 - £3,211).

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**9. Interest receivable**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Interest receivable	4,233	1,695
Other interest receivable	1	1,818
	<u>4,234</u>	<u>3,513</u>

**10. Interest payable and similar expenses**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Bank interest payable	7,841	8,307
Mortgage interest payable	24,055	25,842
Finance leases and hire purchase contracts	10,918	7,641
Other interest payable	38,182	37,837
	<u>80,996</u>	<u>79,627</u>

**11. Taxation**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
<b>Corporation tax</b>		
Current tax on profits for the year	2,847	3,736
Adjustments in respect of previous periods	-	(14,793)
<b>Total current tax</b>	<u>2,847</u>	<u>(11,057)</u>
<b>Deferred tax</b>		
Upon fair value movement of investment property	(52,874)	134,804
Origination and reversal of timing differences	(22,497)	(7,141)
<b>Total deferred tax</b>	<u>(75,371)</u>	<u>127,663</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(72,524)</u>	<u>116,606</u>

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.75%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	(74,967)	2,847
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.75%)	(14,243)	562
<b>Effects of:</b>		
Expenses not deductible for tax purposes	6,910	456
Fixed asset differences	(3,776)	-
Deferred tax movement on revalued property	(52,874)	134,804
Research and development claim	(17,732)	(14,793)
Other differences leading to an increase in the tax charge	9,191	(4,423)
<b>Total tax charge for the year</b>	<b>(72,524)</b>	<b>116,606</b>

**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 19% and to 17% (effective from 1 April 2020) was substantively enacted in March 2016 and has therefore been considered when calculating deferred tax at the reporting date. Deferred tax balances at the reporting date are measured at 17% (2017 - 17%).

**12. Dividends**

	2018 £	2017 £
Interim dividends	30,545	-

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**13. Exceptional items**

	2018 £	2017 £
Bad debt provision	-	24,520
Impairment to investments	35,777	33,503
	<u>35,777</u>	<u>58,023</u>

**14. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £65,007 (2017 - £808,667).

**15. Intangible assets****Group**

	Computer software £	Goodwill £	Total £
<b>Cost</b>			
At 1 July 2017	399,645	26,285	425,930
At 30 June 2018	<u>399,645</u>	<u>26,285</u>	<u>425,930</u>
<b>Amortisation</b>			
At 1 July 2017	119,895	26,285	146,180
Charge for the year	39,965	-	39,965
At 30 June 2018	<u>159,860</u>	<u>26,285</u>	<u>186,145</u>
<b>Net book value</b>			
At 30 June 2018	<u>239,785</u>	<u>-</u>	<u>239,785</u>
At 30 June 2017	<u>279,750</u>	<u>-</u>	<u>279,750</u>

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**16. Tangible fixed assets**

**Group**

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings and office equipment £	Leasehold improvements £	Total £
<b>Cost or valuation</b>						
At 1 July 2017	1,400,000	4,311,775	68,438	54,023	271,263	6,105,499
Additions	-	48,097	-	-	-	48,097
Disposals	-	(525,226)	(16,700)	-	-	(541,926)
At 30 June 2018	1,400,000	3,834,646	51,738	54,023	271,263	5,611,670
<b>Depreciation</b>						
At 1 July 2017	14,000	3,204,862	35,836	54,023	25,060	3,333,781
Charge for the year on owned assets	14,000	124,284	1,363	-	4,911	144,558
Charge for the year on financed assets	-	56,355	4,114	-	-	60,469
Disposals	-	(498,427)	(13,568)	-	-	(511,995)
At 30 June 2018	28,000	2,887,074	27,745	54,023	29,971	3,026,813
<b>Net book value</b>						
At 30 June 2018	1,372,000	947,572	23,993	-	241,292	2,584,857
At 30 June 2017	1,386,000	1,106,913	32,602	-	246,203	2,771,718

The net book value of freehold property includes land, which is not depreciated, with a value of £400,000 (2017 - £400,000).

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**16. Tangible fixed assets (continued)**

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Plant and machinery	320,378	376,733
Motor vehicles	12,386	16,500
	<u>332,764</u>	<u>393,233</u>

**17. Fixed asset investments****Group**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 July 2017	<u>69,280</u>
At 30 June 2018	<u>69,280</u>
<b>Impairment</b>	
At 1 July 2017	33,503
Charge for the period	<u>35,777</u>
At 30 June 2018	<u>69,280</u>
At 30 June 2018	<u>-</u>
At 30 June 2017	<u>35,777</u>

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**17. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Ryedale Printing Works Limited	Ordinary	100 %	Printing services
Buffoni Hemmingfield Ryedale Limited	Ordinary	51 %	Dormant
Ryedale Design and Build Limited	Ordinary	100 %	Dormant
The Bingo Ticket Company	Ordinary	100 %	Dormant
Ryedale Office Supplies Limited	Ordinary	50 %	Dormant
Hortipak Limited	Ordinary	75 %	Dormant

The registered office of all subsidiaries is Kirkdale Road, Kirkbymoorside, North Yorkshire, YO62 6YB.

Both Buffoni Hemmingfield Ryedale Limited and Hortipak Limited were exempt from the requirements relating to the audit of individual accounts by virtue of section 479A of the Companies Act 2006.

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 July 2017	24,052
At 30 June 2018	24,052
<b>Net book value</b>	
At 30 June 2018	24,052
At 30 June 2017	24,052



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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**18. Investment property****Group**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 July 2017	265,000
<b>At 30 June 2018</b>	<u>265,000</u>
<b>Comprising</b>	
Cost	223,000
Fair value surplus 2017	42,000
<b>At 30 June 2018</b>	<u>265,000</u>

The 2018 valuations were made by Charterfields Chartered Surveyors, on a fair value basis in accordance with RICS VPS 4, 1.5.1(a) and IVS300 Valuations for Financial Reporting.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	<b>2018 £</b>	<b>2017 £</b>
Historic cost	223,000	223,000
Accumulated depreciation and impairments	(40,140)	(35,680)
	<u>182,860</u>	<u>187,320</u>

**Company**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 July 2017	1,665,000
<b>At 30 June 2018</b>	<u>1,665,000</u>

The valuation of the freehold investment property includes a cost price of £872,033 and a fair value surplus of £792,967.

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**18. Investment property (continued)**

The 2018 valuations were made by Charterfields Chartered Surveyors, on a fair value basis in accordance with RICS VPS 4, 1.5.1(a) and IVS300 Valuations for Financial Reporting.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured with a historic cost of £872,033 (2017 - £872,033) and accumulated depreciation of £131,121 (2017 - £126,171).

**19. Stocks**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Raw materials and consumables	154,787	333,064
Work in progress	28,546	37,770
Finished goods and goods for resale	308,097	301,514
	<u>491,430</u>	<u>672,348</u>

Stock recognised in cost of sales during the year as an expense was £2,746,296 (2017 - £2,493,844).

An impairment loss of £94,444 (2017 - £12,277) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**20. Debtors**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Trade debtors	1,431,424	1,428,251	-	-
Amounts owed by group undertakings	-	-	1,051,122	1,098,545
Other debtors	39,139	69,962	-	-
Prepayments and accrued income	88,194	72,257	-	350
Tax recoverable	12,739	16,886	-	-
	<u>1,571,496</u>	<u>1,587,356</u>	<u>1,051,122</u>	<u>1,098,895</u>

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**RYEDALE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**21. Cash and cash equivalents**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Cash at bank and in hand	264,312	204,220	1,113	440
Less: bank overdrafts	(257,198)	(222,599)	-	-

Bank overdrafts totalling £257,198 (2017 - £222,599) are secured by a debenture dated 6 March 2014 incorporating a fixed and floating charge over the assets of the company and first legal charges over 39 Weighbridge Close, Kirkbymoorside, North Yorkshire, YO62 6FD and the land and buildings lying to the west of Ings Lane, Kirkbymoorside, North Yorkshire, YO62 6FD both dated 7 February 2014.

**22. Creditors: Amounts falling due within one year**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Bank overdrafts	257,198	222,599	-	-
Bank loan	34,346	32,701	34,346	32,701
Trade creditors	600,329	826,296	-	-
Corporation tax	2,847	3,736	2,847	3,736
Other taxation and social security	207,142	173,653	-	-
Obligations under hire purchase contracts	96,832	158,249	-	-
Other creditors	37,237	30,227	3,703	52
Accruals and deferred income	233,202	181,769	2,750	1,500
	<u>1,469,133</u>	<u>1,629,230</u>	<u>43,646</u>	<u>37,989</u>

Bank overdrafts totalling £257,198 (2017 - £222,599) are secured by a debenture dated 6 March 2014 incorporating a fixed and floating charge over the assets of the company and first legal charges over 39 Weighbridge Close, Kirkbymoorside, North Yorkshire, YO62 6FD and the land and buildings lying to the west of Ings Lane, Kirkbymoorside, North Yorkshire, YO62 6FD both dated 7 February 2014.

Hire purchase liabilities totalling £96,832 (2017 - £158,249) are secured upon the asset to which the finance relates.

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**23. Creditors: Amounts falling due after more than one year**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Bank loan	435,194	469,540	435,194	469,540
Net obligations under hire purchase contracts	152,964	249,451	-	-
	<u>588,158</u>	<u>718,991</u>	<u>435,194</u>	<u>469,540</u>

Hire purchase liabilities totalling £152,964 (2017 - £249,451) are secured upon the asset to which the finance relates.

**24. Loans**

Analysis of the maturity of loans is given below:

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
<b>Amounts falling due within one year</b>				
Bank loans	34,346	32,701	34,346	32,701
<b>Amounts falling due 1-2 years</b>				
Bank loans	35,959	34,346	35,959	34,346
<b>Amounts falling due 2-5 years</b>				
Bank loans	119,283	113,552	119,283	113,552
<b>Amounts falling due after more than 5 years</b>				
Bank loans	279,952	321,642	279,952	321,642
	<u>469,540</u>	<u>502,241</u>	<u>469,540</u>	<u>502,241</u>

The loan is repayable in monthly instalments ending February 2029. The principal of the loan attracts interest at a rate of 4.95% per annum.

**25. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Within one year	96,847	158,249
Between 1-5 years	72,455	96,487
Over 5 years	80,509	152,964
	<u>249,811</u>	<u>407,700</u>

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**26. Financial instruments**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
<b>Financial assets</b>				
Cash and cash equivalents	264,312	204,220	1,113	440
Financial assets that are debt instruments measured at amortised cost	<u>1,474,617</u>	<u>1,498,213</u>	<u>1,051,122</u>	<u>1,098,545</u>
	<u><u>1,738,929</u></u>	<u><u>1,702,433</u></u>	<u><u>1,052,235</u></u>	<u><u>1,098,985</u></u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>(1,843,651)</u>	<u>(2,170,832)</u>	<u>(472,342)</u>	<u>(507,529)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors including accrued income and amounts owed by group undertakings but excluding prepayments and amounts relating to tax recoverable.

Financial liabilities that are measured at amortised cost comprise trade and other creditors, amounts owed to group undertakings, accruals and deferred income and obligations under finance leases, hire purchase contracts and bank loans including amounts due after more than one year but excluding amounts due in respect of taxation and social security.

**27. Deferred taxation****Group**

	<b>2018 £</b>
At beginning of year	(185,120)
Charged to profit or loss	<u>75,371</u>
<b>At end of year</b>	<u><u>(109,749)</u></u>

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**27. Deferred taxation (continued)****Company**

	2018 £
At beginning of year	(134,804)
Charged to profit or loss	52,873
<b>At end of year</b>	<b>(81,931)</b>

The provision for deferred taxation is made up as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
On fair value of investment property	(81,931)	(134,804)	(81,931)	(134,804)
Tax losses carried forward	52,657	43,672	-	-
Accelerated capital allowances	(81,410)	(99,045)	-	-
Other timing differences	935	5,057	-	-
	<b>(109,749)</b>	<b>(185,120)</b>	<b>(81,931)</b>	<b>(134,804)</b>

**28. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
24,000 (2017 - 24,000) Ordinary shares of £1.00 each	24,000	24,000

The parent Company has one class of Ordinary share which carries voting rights but no rights to fixed income.

**29. Reserves****Profit & loss account**

The profit and loss account represents the brought forward accumulated profits plus or minus the profit or loss for the financial period less any dividends paid during the financial period.

The profit and loss account is available for immediate distribution with the exception of £750,967 relating to the freehold property revaluation surplus which becomes distributable on the sale of the asset to which it relates.

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**30. Pension commitments**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £36,814 (2017 - £39,401). Contributions totalling £2,876 (2017 - £3,876) were payable to the fund at the balance sheet date and are included in creditors.

**31. Commitments under operating leases**

At 30 June 2018 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Not later than 1 year	11,382	1,412
Later than 1 year and not later than 5 years	35,538	3,882
	<u>46,920</u>	<u>5,294</u>

Operating lease rentals of £6,812 (2017 - £3,696) were charged through the Consolidated Statement of Comprehensive Income during the year.

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**32. Related party transactions**

The parent Company has taken the exemption permitted by Section 33 of Financial Reporting Standard 102 'Related Party Disclosures' not to provide disclosures of transactions entered into with wholly owned subsidiaries.

Hortipak Limited is a related party by virtue of the parent Company owning 75% of its authorised and allotted share capital. During the year the entirety of the balance (£144,999) owed by the parent Company to the subsidiary was waived.

Buffoni Hemmingfield Ryedale Limited is a related party by virtue of the parent Company owning 51% of its authorised and allotted share capital. During the year the parent Company made net advances to the related party of £12,187 (2017 - £27,680). The cumulative outstanding balance of £445,776 (2017 - £445,776) was provided in full at the year-end including a provision of £nil (2017 - £77,498) charged during the period.

During the year the Group advanced funds to the Directors totalling £13,328 (2017 - £12,761). The maximum amount outstanding during the year was £59,370 (2017 - £54,467).

During the year the Group paid key management personnel compensation of £243,536 (2017 - £228,254).

The amounts owed (to)/from related parties at the year-end are as follows:

	2018 £	2018 £
Hortipak Limited	-	(144,999)
Directors of the Group	33,891	54,467
	<u>33,891</u>	<u>(90,532)</u>

**33. Controlling party**

The ultimate controlling party is J P Buffoni by virtue of his majority shareholding.