

Ringtons Limited
Directors' report and accounts
for the year ended 30 June 2006

Registered Number 572008

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Ringtons Limited

Directors' report and accounts for the year ended 30 June 2006

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Ringtons Limited

Directors and Advisors for the year ended 30 June 2006

Directors

A M Hodson* (Chairman, resigned 6 June 2006)

P N H Smith

S M Smith

C J Smith

R J Tucker* (resigned 6 June 2006)

G W Stern* (resigned 6 June 2006)

*non-executive directors

Auditors

PricewaterhouseCoopers LLP

89 Sandyford Road

Newcastle upon Tyne

NE1 8HW

Registered Office

Algernon Road

Newcastle upon Tyne

NE6 2YN

Ringtons Limited

Directors' report for the year ended 30 June 2006

The directors present their report and audited accounts for the year ended 30 June 2006.

Principal activity and business review

The principal activity of the company comprises the blending, packing and retailing of tea.

The sales for the company for the year were £29,504,000 (2005: £29,040,000) and the results for the year are detailed below:

| | Year ended 30 June 2006 | Year ended 30 June 2005 |
|--|----------------------------|----------------------------|
| | £'000 | £'000 |
| Profit for the year after tax | 1,399 | 1,831 |
| Ordinary dividend - paid during the year | (899) | (1,107) |
| Transferred to reserves | 500 | 724 |

Future outlook

The company's affairs in respect of its tea activity are considered to be satisfactory and progress in the development of the tea business continues.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks affecting the company are considered to relate to raw tea availability and pricing.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Employees

The company continues to give consideration to applications for employment made by disabled persons, depending upon the nature of vacancies arising. Company policy provides where practicable for the continued employment of persons disabled in the normal course of their employment. Training facilities are available to all employees.

The directors have maintained their practice of formally publicising important developments and of promoting the common interests of the company and the staff by means of regular meetings and continuous individual contact.

Charitable and political donations during the year

The company made donations for charitable purposes amounting to £Nil (2005: £12,749).

Directors and their interests

The directors shown on page 1 served throughout the year except where stated. None of the directors held shares in the company at 30 June 2006. Their shares in the parent company are shown in that company's accounts.

Ringtons Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2006 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware.

Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



P N H Smith
Director

10 November 2006

Ringtons Limited

Independent auditors' report to the members of Ringtons Limited

We have audited the financial statements of Ringtons Limited for the year ended 30 June 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with *International Standards on Auditing (UK and Ireland)* issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Ringtons Limited

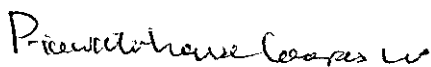
Qualified opinion arising from the omission of Retirement Benefits Information

As explained in note 19 to the financial statements, the company has not adopted Financial Reporting Standard 17 "Retirement Benefits" for the Ringtons Discretionary Retirement Plan because the scheme is in the process of being closed and the company has no further liabilities in respect of the scheme.

This is not in accordance with United Kingdom Generally Accepted Accounting Practice. The Company under Financial Reporting Standard 17 'Retirement Benefits' should have recorded the surplus/liability on the balance sheet using the projected unit credit method as at 30 June 2006 and 30 June 2005, and made a prior period adjustment on adoption of this accounting standard for the amount of the surplus/deficit as at 1 July 2004 in accordance with standard accounting practice. The company should also have charged to the profit and loss account in the years ended 30 June 2006 and 30 June 2005 the movements in the defined benefit pension scheme liability in those years except for the changes in relation to the actuarial gain or loss that should of being credited/charged to the statement of total recognised gains and losses. We are unable to quantify the affect on the current and prior year profit and loss charge before taxation, the impact on the current year or prior year taxation charge, the impact on the current year and prior year statement of total recognised gains and loss and the impact on the prior year net assets. There is no impact on the current year net assets since the company has no further liabilities to the scheme after the year end.

Expect for the effects of accounting for its defined benefit pension scheme in the manner described above and the omission of certain information about retirement benefits, in our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Newcastle upon Tyne

10 November 2006

Ringtons Limited

Profit and loss account for the year ended 30 June 2006

| | Note | Year ended 30 June 2006 £'000 | Year ended 30 June 2005 £'000 |
|--|------|--|--|
| Turnover – continuing operations | 1 | 29,504 | 29,040 |
| Cost of sales | | (15,531) | (14,650) |
| Gross profit | | 13,973 | 14,390 |
| Distribution costs | | (9,125) | (8,687) |
| Administrative expenses | | (3,042) | (3,085) |
| Operating profit – continuing operations | | 1,806 | 2,618 |
| Profit on sale of fixed assets | | 108 | 8 |
| Interest receivable and similar income | | 148 | 136 |
| Interest payable and similar charges | 3 | (217) | (227) |
| Profit on ordinary activities before taxation | 2 | 1,845 | 2,535 |
| Tax on profit on ordinary activities | 7 | (446) | (704) |
| Profit for the financial year | | 1,399 | 1,831 |
| Dividends paid | 6 | (899) | (1,107) |
| Retained profit for the financial year | 16 | 500 | 724 |

Statement of recognised gains and losses

There are no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

Reconciliation of historical cost profits

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

Ringtons Limited

Balance sheet at 30 June 2006

| | Note | 2006 £'000 | 2005 £'000 |
|---|------|---------------|---------------|
| Fixed assets | | | |
| Investments | 8 | - | - |
| Tangible assets | 9 | 6,739 | 7,143 |
| Current assets | | | |
| Stocks | 10 | 3,432 | 3,215 |
| Debtors | 11 | 4,475 | 2,242 |
| Cash at bank and in hand | | - | 1,484 |
| | | 7,907 | 6,941 |
| Creditors: amounts falling due within one year | 12 | (2,922) | (2,795) |
| Net current assets | | 4,985 | 4,146 |
| Total assets less current liabilities | | 11,724 | 11,289 |
| Creditors: amounts falling due after one year | 13 | (3,397) | (3,397) |
| Provisions for liabilities and charges | 14 | (464) | (529) |
| Net assets | | 7,863 | 7,363 |
| Capital and reserves | | | |
| Called up share capital | 15 | 142 | 142 |
| Capital redemption reserve | 16 | 296 | 296 |
| Profit and loss account | 16 | 7,425 | 6,925 |
| Equity shareholder's funds | 17 | 7,863 | 7,363 |

The financial statements on pages 6 to 20 were approved by the board of directors on 10 November 2006 and were signed on its behalf by:



P N H Smith
Director

Ringtons Limited

Accounting policies

Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 1985 and applicable accounting standards. The principle accounting policies are set out below.

Consolidated accounts

These financial statements present information about the company as an individual undertaking and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it is included by full consolidation in the consolidated financial statements of its ultimate parent, Ringtons Holdings Limited, a company registered in England and Wales.

Turnover

Turnover represents the following:

Retail van sales – the value of sales of goods accepted by customers, excluding VAT.

Other customers – the value of sales of goods despatched and invoiced to customers, excluding VAT.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. This is with the exception of deferred taxation assets, which are only recognised if it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the year in which timing differences reverse, based on taxation rates and laws enacted at the balance sheet date.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation on tangible fixed assets is provided on a straight line basis as follows:

| | |
|--|-----------|
| Freehold and long leasehold land and buildings | 2% |
| Plant and machinery | 10% - 25% |
| Motor vehicles | 20% |
| Furniture and fittings and computer equipment | 10% - 25% |

Pensions

The directors have decided not to adopt FRS 17 in the financial statements for the year ended 30 June 2006 or 30 June 2005 since the scheme has been closed following the year end as explained in Note 19.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises expenditure directly incurred in purchasing or manufacturing stocks together with, where appropriate, attributable overheads based on normal activity levels.

Ringtons Limited

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No. 1 (revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Ringtons Holdings Limited, and its cash flows are included within the consolidated cash flow statement of that company.

Foreign currencies

Assets purchased in foreign currencies are expressed in sterling at the rates of exchange ruling at the dates of the transaction. Exchange gains or losses are taken to the profit and loss account.

Ringtons Limited

Notes to the financial statements for the year ended 30 June 2006

1 Turnover

All of the company's turnover was in the United Kingdom.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

| | Year ended 30 June 2006 £'000 | Year ended 30 June 2005 £'000 |
|---|--|--|
| Depreciation | 1,172 | 1,156 |
| Profit on sale of fixed assets | (108) | (8) |
| Auditor's remuneration | | |
| - audit | 19 | 19 |
| - non-audit | 3 | 3 |
| Interest receivable on cash balances and deposits | (148) | (136) |

3 Interest payable and similar charges

| | Year ended 30 June 2006 £'000 | Year ended 30 June 2005 £'000 |
|---------------------------------------|--|--|
| On bank loans and overdrafts | 53 | 56 |
| On amounts owed to group undertakings | 164 | 171 |
| | 217 | 227 |

Ringtons Limited

4 Directors' emoluments

| | Year ended 30 June 2006 £'000 | Year ended 30 June 2005 £'000 |
|---|--|--|
| Directors' emoluments including pension | 412 | 667 |
| Highest paid director including pension | 207 | 429 |

Two directors have benefits accruing under the Ringtons Discretionary Retirement Plan (2005: two).

The highest paid director had an accrued pension at the end of the year of £106,100 (2005: £44,947).

5 Staff costs

Staff costs comprise:

| | Year ended 30 June 2006 £'000 | Year ended 30 June 2005 £'000 |
|-----------------------|--|--|
| Wages and salaries | 8,486 | 8,221 |
| Social security costs | 739 | 712 |
| Other pension costs | 557 | 647 |
| | 9,782 | 9,580 |

The average number of persons employed by the company was 570 (2005: 575).

6 Dividends paid

| | Year ended 30 June 2006 £'000 | Year ended 30 June 2005 £'000 |
|---|--|--|
| Equity – ordinary | | |
| Interim of £6.33 (2005: £7.80) per £1 share | 899 | 1,107 |

Ringtons Limited

7 Taxation

Tax on profit on ordinary activities

| | Year ended 30 June 2006 £'000 | Year ended 30 June 2005 £'000 |
|--|--|--|
| Current tax | | |
| UK corporation tax on profits of the year | 532 | 777 |
| Adjustment in respect of previous years | (21) | (138) |
| Total current tax | 511 | 639 |
| Deferred tax | | |
| Origination and reversal of timing differences (ACA and other) | (26) | 5 |
| Adjustment in respect of previous years | (39) | 60 |
| Total deferred tax (Note 14) | (65) | 65 |
| Tax on profit on ordinary activities | 446 | 704 |

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

| | Year ended 30 June 2006 £'000 | Year ended 30 June 2005 £'000 |
|--|--|--|
| Profit on ordinary activities before tax | 1,845 | 2,535 |
| Profit on ordinary activities multiplied by standard rate in the UK 30% (2005: 30%) | 554 | 760 |
| Effects of: | | |
| (Income not chargeable)/expenses not deductible for tax purposes | (16) | 35 |
| Accelerated capital allowances/other timing differences | 26 | (5) |
| Group relief claimed not paid | (32) | (13) |
| Adjustments in respect of previous years | (21) | (138) |
| Current tax charge for the year | 511 | 639 |

Factors that may effect future tax charges:

There are no factors which are expected to materially affect future tax charges.

Ringtons Limited

8 Investments

Details of subsidiary and associated undertakings, all of which are registered in England are as follows:

| Trading companies | Effective % shareholding of ordinary share capital | Activity |
|---|---|-------------------------|
| Ringtons Stores Limited (formerly The Bus Consultancy Company Limited) | 100% | Tea and coffee retailer |
| The Perfectly Picked and Packed Company Limited | 100% | Dormant |

The directors do not consider the fair value of the investments to be less than their carrying value in the financial statements.

| | £'000 |
|-------------------------|-------|
| Balance at 1 July 2005 | - |
| Additions | - |
| Balance at 30 June 2006 | - |

Ringtons Limited

9 Tangible fixed assets

| | Freehold land and buildings | Long leasehold land & buildings | Plant and machinery | Motor vehicles | Fixtures & fittings | Computer equipment | Total |
|-------------------------------------|-----------------------------------|--|------------------------|-------------------|------------------------|-----------------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | | | |
| At 1 July 2005 | 4,191 | 184 | 4,319 | 2,400 | 1,329 | 963 | 13,386 |
| Additions | 11 | - | 192 | 576 | 127 | 24 | 930 |
| Disposals | (10) | - | (12) | (434) | (9) | - | (465) |
| At 30 June 2006 | 4,192 | 184 | 4,499 | 2,542 | 1,447 | 987 | 13,851 |
| Accumulated depreciation | | | | | | | |
| At 1 July 2005 | 1,003 | 58 | 2,888 | 757 | 815 | 722 | 6,243 |
| Charge for the year | 77 | 4 | 314 | 481 | 150 | 146 | 1,172 |
| Disposals | (8) | - | (11) | (278) | (6) | - | (303) |
| At 30 June 2006 | 1,072 | 62 | 3,191 | 960 | 959 | 868 | 7,112 |
| Net book amount | | | | | | | |
| At 30 June 2006 | 3,120 | 122 | 1,308 | 1,582 | 488 | 119 | 6,739 |
| At 30 June 2005 | 3,188 | 126 | 1,431 | 1,643 | 514 | 241 | 7,143 |

At 30 June 2006 the company had no capital commitments (2005: £Nil).

10 Stocks

| | 2006 | 2005 |
|----------------|--------------|--------------|
| | £'000 | £'000 |
| Raw materials | 2,406 | 1,835 |
| Finished goods | 1,026 | 1,380 |
| | 3,432 | 3,215 |

Ringtons Limited

11 Debtors

| | 2006 | 2005 |
|--|-------|-------|
| | £'000 | £'000 |
| Amounts falling due within one year | | |
| Trade debtors | 1,134 | 1,121 |
| Amounts due from group undertakings | 2,972 | 765 |
| Other debtors | 99 | 95 |
| Prepayments and accrued income | 270 | 261 |
| | 4,475 | 2,242 |

12 Creditors – Amounts falling due within one year

| | 2006 | 2005 |
|------------------------------------|-------|-------|
| | £'000 | £'000 |
| Bank overdraft | 130 | - |
| Trade creditors | 1,279 | 1,426 |
| Corporation tax | 97 | - |
| Other taxation and social security | 247 | 212 |
| Other creditors | - | 147 |
| Accruals and deferred income | 1,169 | 1,010 |
| | 2,922 | 2,795 |

13 Creditors – Amounts falling due after one year

| | 2006 | 2005 |
|------------------------------------|-------|-------|
| | £'000 | £'000 |
| Amounts owed to group undertakings | 3,397 | 3,397 |

Ringtons Limited

14 Provision for liabilities and charges

Provisions for liabilities and charges comprise:

| | Deferred tax provision £'000 |
|--|------------------------------------|
| At 1 July 2005 | 529 |
| Credited to the profit and loss account (Note 7) | (65) |
| At 30 June 2006 | 464 |

| Provision for deferred tax | 2006 £'000 | 2005 £'000 |
|---|---------------|---------------|
| Accelerated capital allowances | 500 | 527 |
| Short term timing differences | (36) | (32) |
| Other timing differences | - | 34 |
| Total provision for deferred tax | 464 | 529 |

15 Share capital

| | 2006 | | 2005 | |
|----------------------------|------------|----------------------------|------------|----------------------------|
| | £'000 | | £'000 | |
| | Authorised | Allotted and fully paid | Authorised | Allotted and fully paid |
| | £'000 | £'000 | £'000 | £'000 |
| Ordinary shares of £1 each | 2,076 | 142 | 2,076 | 142 |

Ringtons Limited

16 Reserves

| | Capital redemption reserve £'000 | Profit and loss reserve £'000 |
|--|---|--|
| At 1 July 2005 | 296 | 6,925 |
| Retained profit for the financial year | - | 500 |
| As at 30 June 2006 | 296 | 7,425 |

17 Reconciliation of movements in equity shareholder's funds

| | 2006 £'000 | 2005 £'000 |
|--|---------------|---------------|
| Profit on ordinary activities after taxation | 1,399 | 1,831 |
| Dividends | (899) | (1,107) |
| Net addition in shareholders' funds | 500 | 724 |
| Shareholders' funds at beginning of year | 7,363 | 6,639 |
| Shareholders' funds at 30 June | 7,863 | 7,363 |

18 Contingent liability

The company has no contingent liabilities at 30 June 2006 (2005: £Nil).

19 Pension commitments

The company participates in the Ringtons Discretionary Retirement Plan and the Ringtons Limited 1998 Pension Plan.

Ringtons Limited 1998 Pension Plan

The Ringtons Limited 1998 Pension Plan is a contracted out money purchase scheme. The company's contributions to the Ringtons Limited 1998 Pensions Plan are charged to the profit and loss account in the year in which they are payable. The cost of contributions to the scheme in the year amount to £467,000 (2005: £484,000). An amount of £50,614 (2005: £46,250) is due to the scheme at the year end.

Ringtons Limited

Ringtons Discretionary Retirement Plan

The company is a participating company of a Group defined benefit pension scheme called Ringtons Discretionary Retirement Plan. The scheme plan was valued as at 1 December 2002 by a qualified actuary employed by Standard Life Assurance Company. The valuation has been performed using the Attained Age Method.

The valuation showed that the actuarial value of the assets at 1 December 2002 represented 88% of the actuarial value of the accrued benefits.

The total pension charge for the year was £90,000 (2005: £163,000).

FRS 17 Retirement Benefits

The directors have obtained the necessary information from the group's actuary to value the scheme on a FRS 17 basis, however the valuation results in a surplus in the scheme of between £664,000 and £1,223,000 depending on the assumptions adopted. The scheme is in the process of being closed and the company has no liability to make any payments to the scheme following the year end. Cash equivalent transfer values for the members have been transferred into SIPPS in September and October 2006. The scheme has received written confirmation on 27 September 2006 from all the members that they have no further claim on the Trustees and that they have relinquished their rights to any further contributions from the company into the Scheme.

The directors have decided to not adopt FRS 17 in the financial statements for the year ended 30 June 2006 or 30 June 2005 since the scheme has closed following the year end and the company has no further liabilities.

The company is required to comply with FRS 17 in its financial statements for the year ended 30 June 2006 and 30 June 2005. The impact upon the financial statements of FRS17 could be significant as it would require the company to include any current surplus/(deficit) in the defined benefit schemes as a separate asset/(liability) on its balance sheet in respect of the Company's share of the defined benefit scheme.

FRS17 requires the following additional disclosures and adjustments to be made in these financial statements on adoption of this change in accounting policy.

1. Assumptions

Each of the main financial assumptions used at the beginning of the period and at the balance sheet date should be disclosed. They should be disclosed as separate individual figures, not combined or netted. The main financial assumptions include:

- a) the inflation assumption;
- b) the rate of increase of salaries;
- c) the rate of increase for pensions in payment and deferred pensions; and
- d) the rate used to discount scheme liabilities

Ringtons Limited

2. Fair value and expected return on assets

The fair value of the assets held by the pension scheme at the beginning and end of the period should be analysed into the following classes and disclosed together with the expected rate of return assumed for each class for the period and the subsequent period:

- a) equities
- b) bonds; and
- c) other (subanalysed if material)

3. Components of the defined benefit cost

The following amounts should be included within operating profit (or capitalised with the relevant employee remuneration) in the financial statements:

- a) the current service costs;
- b) any past service costs;
- c) any previously unrecognised surplus deducted from the past service costs;
- d) gains and losses on any settlements or curtailments; and
- e) any previously unrecognised surplus deducted from the settlement or curtailment losses.

Any gains and losses on settlements or curtailments (and any previously unrecognised surplus deducted from the losses) should be included within a separate item after operating profit in the financial statements.

The following amounts included as other finance costs (or income) should be included within a separate item after operating profit in the financial statements.

- a) the interest cost, and
- b) the expected return on assets in the scheme

The following amounts should be included within the statement of total recognised gains and losses in the financial statements:

- a) the difference between the expected and actual return on assets;
- b) experience gains and losses arising on the scheme liabilities; and
- c) the effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities.

4. History of amounts recognised in the statement of total recognised gains and losses

The notes to the financial statements should disclose, for the current accounting period and previous for periods:

- a) the difference between the expected and actual return on assets expressed as (i) an amount and (ii) a percentage of the scheme assets at the balance sheet date;
- b) the experience gains and losses arising on the scheme liabilities expressed as (i) an amount and (ii) a percentage of the present value of the scheme liabilities at the balance sheet date; and
- c) the total actuarial gain or loss expressed as (i) an amount and (ii) a percentage of the present value of the scheme liabilities at the balance sheet date.

Ringtons Limited

5. Reconciliation to the balance sheet

The fair value of the scheme assets, the present value of the scheme liabilities based on the accounting assumptions and the resulting surplus should be included in the financial statements. Where the asset or liability in the balance sheet differs from the surplus or deficit in the scheme, an explanation of the difference should be given. An analysis of the investments during the period in the surplus or deficit in the scheme should be given.

6. Analysis of reserves

The analysis of reserves in the notes to the financial statements should distinguish the amount relating to the defined benefit asset or liability net of the related deferred tax.

20 Ultimate parent undertaking and related party transactions

The immediate and ultimate parent undertaking, and the ultimate controlling party is Ringtons Holdings Limited, a company registered in England. The group accounts of that company are available from Algernon Road, Newcastle upon Tyne, NE6 2YN.

Transactions with other companies within the Ringtons Group which are eliminated on consolidation are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard No 8 "Related Party Disclosures".