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**RINGTONS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2013**

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**RINGTONS LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

P N H Smith  
S M Smith  
C J Smith  
J R Malton  
J D Smith  
J C Thompson (appointed 22 August 2013)

**COMPANY SECRETARY**

P N H Smith

**REGISTERED NUMBER**

00572008

**REGISTERED OFFICE**

10-22 Algernon Road  
Heaton  
Newcastle upon Tyne  
Tyne and Wear  
NE6 2YN

**INDEPENDENT AUDITOR**

UNW LLP  
Chartered Accountants and Statutory Auditors  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

**BANKERS**

Lloyds Bank Plc  
PO Box 72  
Bailey Drive  
Gillingham Business Park  
Kent  
ME8 0LS

**SOLICITORS**

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle upon Tyne  
NE1 4BF

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**RINGTONS LIMITED**

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## **RINGTONS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013**

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The directors present their report and the financial statements for the year ended 30 June 2013

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company comprises the following,

- Sourcing, blending and packing of tea and infusions for its own brand and a variety of other customers
- Retailing of its tea brand and related products directly to households via sales vans, primarily throughout north and central England

#### **BUSINESS REVIEW**

The directors were satisfied with the company's performance

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £2,447,169 (2012 £2,233,045)

Particulars of dividends paid are detailed in note 21 to the financial statements

#### **DIRECTORS**

The directors who served during the year were

P N H Smith  
S M Smith  
C J Smith  
J R Malton  
J D Smith

Subsequent to the year end, J C Thompson was appointed as a director on 22 August 2013

#### **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 commodity sourcing, production costs, selling prices and customer contracts.

#### **FINANCIAL RISK MANAGEMENT**

The directors consider the key financial risks to the business to be in relation to bad debts, fraud, payments and cash management. The directors are satisfied that these risks are sufficiently managed and controlled.

#### **KEY PERFORMANCE INDICATORS**

The company's directors use a wide range of key performance indicators to monitor the business on a regular basis. The shareholders are well informed about performance of the business.

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## **RINGTONS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013**

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#### **FUTURE DEVELOPMENTS**

The production facility is now three years into a five year investment plan to expand, improve and automate blending and packing lines as well as adding storage and office space in order to enable the business to continue to provide a wide variety of efficiently packed products to its customers

Progress in the development of all other aspects of the tea business and brand sales continues

The directors continue to be ready to invest in other ventures within the tea market as opportunities arise

#### **EMPLOYEES**

The company is committed to employment policies, which follow best practice, based on equal opportunities for all employees irrespective of sex, race, colour, disability or marital status and offers training and career development for disabled staff. If members of staff become disabled the company continues employment wherever possible and arranges retraining.

The company is committed to providing employees with information on matters of concern to them on a regular basis, so that the views of employees can be taken into account when making decisions that are likely to affect their interests. In addition, the company encourages the involvement of employees by formally publicising important developments and promoting the common interest of the company and the staff by means of regular meetings and continuous individual contact.

#### **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 that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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's auditor is aware of that information

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## RINGTONS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2013

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#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to


- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDITOR

Under section 487(2) of the Companies Act 2006, UNW LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf



**R N H Smith**  
Director

Date 6 November 2013

10-22 Algernon Road  
Heaton  
Newcastle upon Tyne  
Tyne and Wear  
NE6 2YN

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## **RINGTONS LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RINGTONS LIMITED**

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We have audited the financial statements of Ringtons Limited for the year ended 30 June 2013, set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**RINGTONS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RINGTONS LIMITED**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



Andrew Wilson BA FCA (Senior Statutory Auditor)

for and on behalf of  
**UNW LLP**

Chartered Accountants and Statutory Auditors

Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JE

Date 6 November 2013



# RINGTONS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 £	2012 £
<b>TURNOVER</b>	1,2	<b>46,211,255</b>	39,950,690
Cost of sales		<b>(29,105,505)</b>	(24,014,197)
<b>GROSS PROFIT</b>		<b>17,105,750</b>	15,936,493
Distribution costs		<b>(10,518,485)</b>	(10,246,122)
Administrative expenses		<b>(3,577,681)</b>	(3,133,915)
Other operating income	3	<b>70,375</b>	79,929
<b>OPERATING PROFIT</b>	4	<b>3,079,959</b>	2,636,385
Net profit on sale of tangible fixed assets		-	304,174
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>3,079,959</b>	2,940,559
Interest receivable and similar income		<b>24,855</b>	24,312
Interest payable and similar charges	9	<b>(30,558)</b>	(19,203)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>3,074,256</b>	2,945,668
Tax on profit on ordinary activities	10	<b>(627,087)</b>	(712,623)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	20	<b>2,447,169</b>	2,233,045

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account

The notes on pages 8 to 17 form part of these financial statements

**RINGTONS LIMITED**  
**REGISTERED NUMBER. 00572008**

**BALANCE SHEET**  
**AS AT 30 JUNE 2013**

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	11		8,297,252		7,275,913
Investments	12		1		1
			<u>8,297,253</u>		<u>7,275,914</u>
<b>CURRENT ASSETS</b>					
Stocks	13	9,021,398		6,817,332	
Debtors	14	4,263,873		3,670,998	
Cash at bank and in hand		1,898,923		1,758,753	
		<u>15,184,194</u>		<u>12,247,083</u>	
<b>CREDITORS</b> Amounts falling due within one year	15	(8,418,758)		(6,966,983)	
<b>NET CURRENT ASSETS</b>			<u>6,765,436</u>		<u>5,280,100</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>15,062,689</u>		<u>12,556,014</u>
<b>CREDITORS</b> Amounts falling due after more than one year	16		(695,344)		-
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred taxation	17	(124,740)		(10,578)	
Other provisions	18	(31,893)		(31,893)	
			<u>(156,633)</u>		<u>(42,471)</u>
<b>NET ASSETS</b>			<u>14,210,712</u>		<u>12,513,543</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		142,444		142,444
Capital redemption reserve	20		296,343		296,343
Profit and loss account	20		13,771,925		12,074,756
<b>SHAREHOLDERS' FUNDS</b>	21		<u>14,210,712</u>		<u>12,513,543</u>

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



**R N H Smith**  
Director

Date 6 November 2013

The notes on pages 8 to 17 form part of these financial statements

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## RINGTONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of the financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Under the provision of section 400 of the Companies Act 2006, the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity. The ultimate parent company, Ringtons Holding Limited, prepares and delivers group accounts to Companies House which include this company and its subsidiaries

##### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

##### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Retail van sales - the value of sales of goods accepted by customers, excluding value added tax

Other customers - the value of sales of goods despatched to customers, excluding value added tax

##### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2% Straight line
Leasehold Property	-	2% Straight line
Plant and machinery	-	10% - 25% Straight line
Motor vehicles	-	10% - 25% Straight line
Fixtures and fittings	-	10% - 25% Straight line
Equipment	-	10% - 25% Straight line

##### 1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment

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## RINGTONS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

##### 1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

##### 1.9 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### 1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at the agreed contractual rate.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

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**RINGTONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

**1.12 Reclassification of prior year balances**

Certain prior year comparatives have been reclassified to conform to the current year's presentation, which the directors consider to present a better understanding of financial position and performance

**2. TURNOVER**

The whole of the turnover and profit before tax are attributable to the one principal activity of the company

All turnover arose within the United Kingdom

**3. OTHER OPERATING INCOME**

	2013 £	2012 £
Rent receivable	<u>70,375</u>	<u>79,929</u>

**4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	1,095,983	1,207,135
- held under hire purchase agreements	139,973	-
Operating lease rentals		
- other operating leases	69,000	93,749
Net loss on foreign currency translation	17,557	1,437
Profit on disposal of fixed assets	<u>(131,959)</u>	<u>(56,455)</u>

**5. AUDITOR'S REMUNERATION**

	2013 £	2012 £
Auditor's remuneration as auditor	11,600	11,000
Auditor's remuneration for other services	4,655	4,650
	<u>16,255</u>	<u>15,650</u>

# RINGTONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### 6. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	10,054,890	9,552,493
Social security costs	882,314	852,749
Staff pension costs	460,530	421,129
	<u>11,397,734</u>	<u>10,826,371</u>

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

	2013 No	2012 No
Number of production staff	111	96
Number of selling and distribution staff	352	353
Number of administrative staff	34	30
	<u>497</u>	<u>479</u>

### 7. DIRECTORS' REMUNERATION

	2013 £	2012 £
Remuneration	<u>551,953</u>	<u>495,433</u>
Company pension contributions to defined contribution pension schemes	<u>16,000</u>	<u>16,000</u>

During the year retirement benefits were accruing to 1 director (2012: 1) in respect of defined contribution pension schemes

The highest paid director received remuneration inclusive of Benefits in Kind, of £201,320 (2012: £182,943)

### 8. INTEREST RECEIVABLE

	2013 £	2012 £
Bank interest receivable	22,662	23,169
Other interest receivable	2,193	1,143
	<u>24,855</u>	<u>24,312</u>

# RINGTONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### 9. INTEREST PAYABLE

	2013 £	2012 £
Interest payable on bank borrowing	<u>30,558</u>	<u>19,203</u>

### 10. TAXATION

	2013 £	2012 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	607,999	821,581
Adjustments in respect of prior periods	(95,075)	26,555
<b>Total current tax</b>	<u>512,924</u>	<u>848,136</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	36,181	(36,235)
Other	77,982	(99,278)
<b>Total deferred tax</b> (see note 17)	<u>114,163</u>	<u>(135,513)</u>
<b>Tax on profit on ordinary activities</b>	<u>627,087</u>	<u>712,623</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 higher than) the standard rate of corporation tax in the UK of 24% (2012 26%). The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>3,074,256</u>	<u>2,945,668</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 26%)	730,157	765,874
<b>Effects of</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	27,228	29,324
Capital allowances for year in excess of depreciation	(37,330)	134,855
Profit on disposal of properties	-	(67,352)
Adjustments to tax charge in respect of prior periods	(95,075)	26,555
Short term timing difference leading to an increase (decrease) in taxation	1,148	-
Group relief claimed without payment	(113,204)	(25,062)
Tax chargeable at lower rates	-	(16,058)
<b>Current tax charge for the year</b> (see note above)	<u>512,924</u>	<u>848,136</u>

**RINGTONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

**10. TAXATION (continued)**

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges

**11. TANGIBLE FIXED ASSETS**

	Freehold property £	Leasehold Property £	Plant and machinery £	Fixtures and fittings £	Other assets £	Total £
<b>Cost</b>						
At 1 July 2012	3,983,238	777,701	6,731,875	1,600,943	3,310,242	16,403,999
Additions	-	-	1,173,628	239,120	917,056	2,329,804
Disposals	-	-	(153,661)	(92,721)	(704,182)	(950,564)
At 30 June 2013	3,983,238	777,701	7,751,842	1,747,342	3,523,116	17,783,239
<b>Depreciation</b>						
At 1 July 2012	1,432,058	107,100	4,649,289	1,255,444	1,684,195	9,128,086
Charge for the year	72,818	15,554	385,741	131,014	630,829	1,235,956
On disposals	-	-	(149,308)	(69,198)	(659,549)	(878,055)
At 30 June 2013	1,504,876	122,654	4,885,722	1,317,260	1,655,475	9,485,987
<b>Net book value</b>						
At 30 June 2013	2,478,362	655,047	2,866,120	430,082	1,867,641	8,297,252
At 30 June 2012	2,551,180	670,601	2,082,586	345,499	1,626,047	7,275,913

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

	2013 £	2012 £
Plant and machinery	584,230	-
Motor vehicles	720,673	-
	<u>1,304,903</u>	<u>-</u>



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**RINGTONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

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**12. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 July 2012 and 30 June 2013	1
<b>Net book value</b>	
At 30 June 2013	1
At 30 June 2012	1

**Subsidiary undertakings**

The company owns 100% of the issued share capital of The Perfectly Picked and Packed Company Limited, a company registered in England and Wales, which has remained dormant throughout the period

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

**13. STOCKS**

	2013 £	2012 £
Raw materials	5,962,697	4,411,682
Finished goods and goods for resale	3,058,701	2,405,650
	<u>9,021,398</u>	<u>6,817,332</u>

**14. DEBTORS**

	2013 £	2012 £
Trade debtors	3,144,234	2,683,607
Amounts owed by group undertakings	49,819	22,839
Other debtors	571,414	462,145
Prepayments and accrued income	498,406	502,407
	<u>4,263,873</u>	<u>3,670,998</u>

# RINGTONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### 15. CREDITORS:

Amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts	12,188	3,489
Net obligations under hire purchase contracts	406,866	-
Trade creditors	1,885,000	1,158,399
Amounts owed to group undertakings	2,483,039	2,894,787
Corporation tax	113,925	404,003
Other taxation and social security	287,220	279,072
Accruals and deferred income	3,230,520	2,227,233
	<u>8,418,758</u>	<u>6,966,983</u>

### 16. CREDITORS

Amounts falling due after more than one year

	2013 £	2012 £
Net obligations under finance leases and hire purchase contracts	<u>695,344</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2013 £	2012 £
Between two and five years	<u>695,344</u>	<u>-</u>

### 17. DEFERRED TAXATION

	2013 £	2012 £
At 1 July 2012	10,578	146,091
Charge for/(released during) year	36,181	(135,513)
Under provision in prior year	77,981	-
	<u>124,740</u>	<u>10,578</u>
At 30 June 2013		

# RINGTONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### 17. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows

	2013 £	2012 £
Accelerated capital allowances	138,440	122,538
Other timing differences	(13,700)	(111,960)
	<u>124,740</u>	<u>10,578</u>

### 18. PROVISIONS

	Onerous Lease Provision £
At 1 July 2012 and 30 June 2013	<u>31,893</u>

### 19. SHARE CAPITAL

	2013 £	2012 £
<b>Authorised</b>		
2,076,000 Ordinary shares shares of £1 each	<u>2,076,000</u>	<u>2,076,000</u>
<b>Allotted, called up and fully paid</b>		
142,444 Ordinary shares shares of £1 each	<u>142,444</u>	<u>142,444</u>

### 20. RESERVES

	Capital redemption reserve £	Profit and loss account £
At 1 July 2012	296,343	12,074,756
Profit for the financial year	-	2,447,169
Dividends Equity capital	-	(750,000)
At 30 June 2013	<u>296,343</u>	<u>13,771,925</u>

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**RINGTONS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2013**

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**21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2013 £	2012 £
Opening shareholders' funds	12,513,543	11,030,498
Profit for the financial year	2,447,169	2,233,045
Dividends	(750,000)	(750,000)
Closing shareholders' funds	<u>14,210,712</u>	<u>12,513,543</u>

**22. PENSION COMMITMENTS**

The company's pension contributions 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 £460,530 (2012 £421,129). An amount of £59,445 (2012 £54,727) is due to the scheme at the year end.

**23. OPERATING LEASE COMMITMENTS**

At 30 June 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2013 £	2012 £
<b>Expiry date</b>		
Within 1 year	-	30,000
Between 2 and 5 years	<u>69,000</u>	<u>69,000</u>

**24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate and ultimate parent undertaking, and controlling party is Ringtons Holdings Limited, a company registered in the United Kingdom.

Ringtons Holdings Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 June 2013. The consolidated financial statements of Ringtons Holdings Limited are available from 10-22 Algernon Road, Heaton, Newcastle upon Tyne, NE6 2YN.

Transactions with other group companies within the Ringtons Group which are eliminated on consolidation are not disclosed as the company has taken advantage of the exemption available under FRS 8 "Related Party Disclosures".