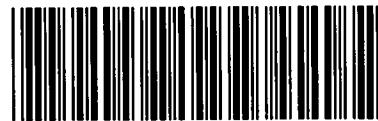


**Ringtons Limited**

**Directors' report and financial statements  
for the year ended 24 June 2016**

**Registered Number 00572008**

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# Ringtons Limited

## Directors' report and financial statements

for the year ended 24 June 2016

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# **Ringtons Limited**

## **Directors and advisers**

### **Directors**

P N H Smith

S M Smith

C J Smith

J R Malton

J D Smith

J C Thompson

D N Brown

### **Company secretary**

P N H Smith

### **Registered number**

00572008

### **Registered office**

10-22 Algernon Road

Heaton

Newcastle upon Tyne

NE6 2YN

### **Independent auditors**

PricewaterhouseCoopers LLP

Central Square South

Orchard Street

Newcastle upon Tyne

NE1 3AZ

### **Bankers**

Lloyds Bank Plc

PO Box 72

Bailey Drive

Gillingham Business Park

Kent

ME8 0LS

# **Ringtons Limited**

## **Strategic report for the year ended 24 June 2016**

### **Introduction**

The directors present their strategic report for the year ended 24 June 2016.

### **Control and ownership**

The group is a 100+ year old private, family owned and managed business.

### **Principal activities**

The principal activities of the company comprise the following:

- Sourcing, blending and packaging of tea and infusion 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 and future developments**

The directors were satisfied with the company's performance during the year.

Sales growth of 5% has been achieved with most parts of the business contributing to growth. Margins have remained at satisfactory levels.

Retained profits continue to be invested in facility improvements, efficiency improvements together with additional tea and coffee packing capacity.

The directors continue to be ready to invest in other trading ventures particularly in the tea and coffee market as opportunities arise.

### **Principal risks and uncertainties**

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks affecting the group are considered to relate to commodity sourcing, production costs, selling prices and customer contracts. These risks are minimised by implementing buying strategies to assist with commodity markets, continued investment in production equipment and processes to reduce production costs and market research for competitor activity and consumer trends to assist with customer contracts and prices.

### **Financial risk management**

The directors consider the key financial risks to the business to be in relation to bad debts, payments and cash management. The directors are satisfied that these risks are sufficiently managed and controlled by credit control management and regular cash flow forecasting to ensure requirements are within available facilities.

# Ringtons Limited

## Strategic report for the year ended 24 June 2016 (continued)

### Financial key performance indicators

The company's directors and senior managers use a wide range of key performance indicators to monitor the business' financial performance on a monthly basis.

The company's key financial and other performance indicators during the year were as follows:

	2016	2015	Changes
	£'000	£'000	%
Turnover	54,469	51,844	5.1
Gross profit	20,290	20,400	-0.5
Operating profit	4,524	4,238	6.7
Shareholders fund	21,587	19,070	13.6
Average number of employees	550	514	7

The shareholders are well informed about performance of the business, and receive a comprehensive review of the results, an update on key customer and supplier relationships, markets and future development plans, on an annual basis.

### Other key performance indicators

The directors and senior managers continually monitor the customer satisfaction levels and delivery against their expectations inclusive of, but not limited to, performance on timeliness and quality.

This report was approved by the board on 3 October 2016 and signed on its behalf of:



P N H Smith  
Director

# **Ringtons Limited**

## **Directors' report for the year ended 24 June 2016**

The directors present their report and the audited financial statements for the year ended 24 June 2016.

### **Results and dividends**

The profit for the financial year, amounted to £3,641,889 (2015: £3,646,387).

Particulars of dividends paid are detailed in note 20 to the financial statements.

### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

P N H Smith  
S M Smith  
C J Smith  
J R Malton  
J D Smith  
J C Thompson  
D N Brown (appointed 1 July 2015)

### **Charitable contributions**

The company made charitable donations of £150,400 (2015: £300,250) in the year.

### **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 appropriate 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 also 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 awareness in relation to the financial and economic factors that affect the performance of the group by means of regular meetings and continuous individual contact.

Future developments and financial risk management are detailed within the strategic report.

### **Principal activities and financial risks**

Principal activities and financial risks are detailed in the Strategic Report.

### **Directors' responsibilities statement**

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

# Ringtons Limited

## Directors' report for the year ended 24 June 2016 (continued)

### Directors' responsibilities statement (continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

### Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

On behalf of the board



P N H Smith

Director

3 October 2016

# **Ringtons Limited**

## **Independent auditors' report to the members of Ringtons Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Ringtons Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 24 June 2016 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.

#### **What we have audited**

The financial statements comprise:

- the balance sheet as at 24 June 2016;
- the statement of income and retained earnings for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, 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.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.



## Independent auditors' report to the members of Ringtons Limited (continued)

### Responsibilities for the financial statements and the audit

#### Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 4-5, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

#### What an audit of financial statements involves

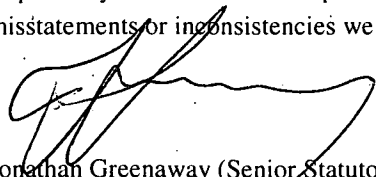
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Jonathan Greenaway (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne

3 October 2016

# Ringtons Limited

## Statement of income and retained earnings for the year ended 24 June 2016

	Note	2016 £	2015 £
<b>Turnover</b>	1	<b>54,468,752</b>	51,844,176
Cost of sales		(34,178,571)	(31,444,587)
<b>Gross profit</b>		<b>20,290,181</b>	20,399,589
Distribution costs		(11,678,249)	(11,443,183)
Administrative expenses		(4,116,300)	(4,740,418)
Other operating income	2	28,313	22,500
<b>Operating profit</b>	3	<b>4,523,945</b>	4,238,488
Net profit on sale of tangible fixed assets	6	-	207,712
<b>Profit on ordinary activities before interest</b>		<b>4,523,945</b>	4,446,200
Interest receivable and similar income	7	19,339	43,425
Interest payable and similar charges	8	(14,510)	(30,460)
<b>Profit on ordinary activities before taxation</b>		<b>4,528,774</b>	4,459,165
Tax on profit on ordinary activities	9	(886,885)	(812,778)
<b>Profit for the financial year</b>	19	<b>3,641,889</b>	3,646,387
<b>Profit and loss account brought forward</b>		<b>18,631,149</b>	16,109,762
Dividends paid		(1,125,000)	(1,125,000)
<b>Profit and loss account at the end of the year</b>		<b>21,148,038</b>	18,631,149

All amounts relate to continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalents.

# Ringtons Limited

## Balance sheet as at 24 June 2016

		2016		2015	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		12,028,348		10,930,777
Investments	11		1		1
			12,028,349		10,930,778
<b>Current assets</b>					
Stocks	12	9,852,380		8,748,183	
Debtors	13	3,752,612		3,773,489	
Cash at bank and in hand		3,921,351		4,458,864	
		17,526,343		16,980,536	
<b>Creditors: amounts falling due within one year</b>	14	(7,218,049)		(8,617,640)	
<b>Net current assets</b>			10,308,294		8,362,896
<b>Total assets less current liabilities</b>			22,336,643		19,293,674
<b>Creditors: amounts falling due after more than one year</b>	15		(554,101)		(60,714)
<b>Provisions for liabilities</b>					
Deferred tax	16	(162,434)		(83,241)	
Other provisions	17	(33,283)		(79,783)	
			(195,717)		(163,024)
<b>Net assets</b>			21,586,825		19,069,936
<b>Capital and reserves</b>					
Called up share capital	18		142,444		142,444
Capital redemption reserve	19		296,343		296,343
Profit and loss account	19		21,148,038		18,631,149
<b>Total shareholders' funds</b>			21,586,825		19,069,936

The financial statements on pages 8 to 23 were approved by the board of directors on 3 October 2016 and were signed on its behalf by:



P N H Smith  
Director

Company registered number: 00572008

# **Ringtons Limited**

## **Statement of accounting policies**

### **Company information**

Ringtons Limited is a private business, limited by shares and is incorporated in the United Kingdom. The address of its registered office is 10-22 Algernon Road, Newcastle upon Tyne, Tyne & Wear, NE6 2YN.

The principal activities of the company comprise the following:

- Sourcing, blending and packaging of tea and infusion 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.

### **Statement of compliance**

The financial statements of Ringtons Limited have been prepared in compliance with the applicable United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The Group and Company have not early adopted the amendments to FRS 102 which were issued in July 2015. Details of the transition to FRS102 are disclosed in note 25.

### **Basis of preparation of financial statements**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

As the company is a wholly owned subsidiary of Ringtons Holdings Limited and is included in the consolidated financial statements of Ringtons Holdings Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies' Act 2006.

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company Ringtons Holdings Limited includes the company's cash flow in its own consolidated financial statements.

The company has taken advantage of the exemption under Section 33.1A of FRS102 from disclosing transactions with other group companies on grounds that it is a wholly owned subsidiary of a group headed by Ringtons Holdings Limited which are publicly available. There are no other related party transactions requiring disclosure.

### **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.

# Ringtons Limited

## Statement of accounting policies (continued)

### Stocks

Stocks are valued at the lower of cost and fair value less costs to sell after make due allowance for obsolete and slow moving stocks.

### 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
Fixtures, fittings and other assets	- 10%-25% straight line

Depreciation is not charged on land or assets under construction.

### Finance leases

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.

### Operating leases

Rental under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

### Investments

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

# **Ringtons Limited**

## **Statement of accounting policies (continued)**

### **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.

### **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 statement of income and retained earnings.

### **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.

### **Critical accounting judgements and key source of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

# Ringtons Limited

## Notes to the financial statements for the year ended 24 June 2016

### 1 Turnover

The whole of the turnover and profit on ordinary activities before taxation are attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

### 2 Other operating income

	2016	2015
	£	£
Rent receivable	28,313	22,500

### 3 Operating profit

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

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	1,429,957	1,188,468
- held under hire purchase agreements	145,654	273,816
Operating lease rentals:		
- other operating leases	55,487	69,000
Net loss/(profit) on foreign currency translation	27,187	(3,291)
Profit on disposal of fixed assets	(165,527)	(243,924)
Auditors' remuneration:		
Audit of these financial statements	17,500	14,500
Amounts receivable by the auditors and their associates in respect of:		
Other services relating to taxation	3,000	2,500

# Ringtons Limited

## Notes to the financial statements for the year ended 24 June 2016 (continued)

### 4 Staff costs

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

	2016	2015
	£	£
Wages and salaries	11,855,483	11,527,695
Social security costs	1,047,303	1,029,839
Other pension costs	598,017	542,475
	13,500,803	13,100,009

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

	2016	2015
	Number	Number
Production	123	115
Selling and distribution	370	361
Administrative	42	38
	536	514

### 5 Directors' remuneration and key management remuneration

	2016	2015
	£	£
Remuneration	928,466	804,293
Company pension contributions to defined contribution pension schemes	24,100	16,000
	952,566	820,293

During the year retirement benefits were accruing to 2 director (2015: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £311,781 (2015: £267,347) and pension contributions to defined contribution pension of £nil (2015: £nil).

The key management personnel within the company are considered to be the directors.



# Ringtons Limited

## Notes to the financial statements for the year ended 24 June 2016 (continued)

### 6 Net profit on sale of tangible assets

	2016	2015
	£	£
Profit on disposal of sales offices	-	207,712

### 7 Interest receivable and similar income

	2016	2015
	£	£
Bank interest receivable	14,545	40,047
Other interest receivable	4,794	3,378
	19,339	43,425

### 8 Interest payable and similar charges

	2016	2015
	£	£
Interest payable on bank borrowing	14,510	14,883
On loans from group undertakings	-	15,577
	14,510	30,460

# Ringtons Limited

## Notes to the financial statements for the year ended 24 June 2016 (continued)

### 9 Tax on profit on ordinary activities

#### Analysis of tax charge in the year

	2016	2015
	£	£
Current tax (see note below)		
UK corporation tax charge on profit for the year	885,480	767,568
Adjustments in respect of prior periods	(77,786)	(4,246)
<b>Total current tax</b>	<b>807,692</b>	<b>763,322</b>
Deferred tax		
Origination and reversal of timing differences	30,742	53,240
Adjustments in respect of prior periods	48,451	(262)
Effect of changes in tax rate	-	(3,522)
<b>Total deferred tax (see note 16)</b>	<b>79,193</b>	<b>49,456</b>
<b>Tax on profit on ordinary activities</b>	<b>886,885</b>	<b>812,778</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 20.75%). The differences are explained below:

	2016	2015
	£	£
Profit on ordinary activities before taxation	4,528,774	4,459,165
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.75%)	905,755	925,277
<i>Effects of:</i>		
Expenses/(income) not deductible for tax purposes	41,012	(69,424)
Adjustments to tax charge in respect of prior periods	(29,337)	(4,508)
Effect of changes in tax rate	-	(3,492)
Group relief claimed without payment	(30,545)	(35,075)
<b>Tax on profit on ordinary activities</b>	<b>886,885</b>	<b>763,322</b>

# Ringtons Limited

## Notes to the financial statements for the year ended 24 June 2016 (continued)

### 9 Tax on profit on ordinary activities (continued)

#### Factors that may affect future tax charges

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

### 10 Tangible assets

	Freehold property £	Leasehold property £	Plant and machinery £	Fixtures, fittings and other assets £	Assets under construction £	Total £
<b>Cost</b>						
At 27 June 2015	3,943,216	947,227	9,468,446	5,446,271	1,321,675	21,126,835
Additions	972,334	-	765,347	1,031,048	-	2,768,729
Disposals	-	-	(229,255)	(631,761)	-	(861,016)
Transfers	1,321,675	-	-	-	(1,321,675)	-
<b>At 24 June 2016</b>	<b>6,237,225</b>	<b>947,227</b>	<b>10,004,538</b>	<b>5,845,558</b>	<b>-</b>	<b>23,034,548</b>
<b>Accumulated depreciation</b>						
At 27 June 2015	1,577,069	155,311	5,282,722	3,180,956	-	10,196,058
Charge for the year	76,163	18,944	621,373	859,131	-	1,575,611
On disposals	-	-	(213,074)	(552,395)	-	(765,469)
<b>At 24 June 2016</b>	<b>1,653,232</b>	<b>174,255</b>	<b>5,691,021</b>	<b>3,487,692</b>	<b>-</b>	<b>11,006,200</b>
<b>Net book value</b>						
<b>At 24 June 2016</b>	<b>4,583,993</b>	<b>772,972</b>	<b>4,313,517</b>	<b>2,357,866</b>	<b>-</b>	<b>12,028,348</b>
At 26 June 2015	2,366,147	791,916	4,185,724	2,265,315	1,321,675	10,930,777

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

	2016 £	2015 £
Plant and machinery	1,218,544	823,145
Motor vehicles	-	385,378
	<b>1,218,544</b>	<b>1,208,523</b>

# Ringtons Limited

## Notes to the financial statements for the year ended 24 June 2016 (continued)

### 11 Investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 27 June 2015 and 24 June 2016	1
<b>Net book value</b>	
At 24 June 2016	1
At 26 June 2015	1

The directors believe that the carrying value of the investments is supported by their underlying net assets.

#### 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 year.

### 12 Stocks

	2016 £	2015 £
Raw materials	6,319,765	5,321,633
Finished goods and goods for resale	3,532,615	3,426,550
	<b>9,852,380</b>	<b>8,748,183</b>

The amount of stock recognised within cost of sales in the year is £34,060,133.

### 13 Debtors

	2016 £	2015 £
Trade debtors	3,351,054	3,093,651
Amounts owed by group undertakings	36,915	56,874
Other debtors	203,264	343,699
Prepayments and accrued income	161,379	279,265
	<b>3,752,612</b>	<b>3,773,489</b>

The amounts owed by group undertakings are unsecured, interest free and have no fixed repayment date.

# Ringtons Limited

## Notes to the financial statements for the year ended 24 June 2016 (continued)

### 14 Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	-	1,087,477
Net obligations under hire purchase contracts	224,213	404,640
Trade creditors	2,216,638	1,294,513
Amounts owed to group undertakings	6,326	15,398
Corporation tax	103,564	206,322
Other taxation and social security	386,889	396,104
Accruals and deferred income	4,280,419	5,213,186
	<b>7,218,049</b>	<b>8,617,640</b>

The amounts owed to group undertakings are unsecured, interest free and have no fixed repayment date.

Hire purchase liabilities are secured over the assets to which they relate.

### 15 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Net obligation under finance leases and hire purchase contracts	554,101	60,714

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

	2016	2015
	£	£
Between two and five years	554,101	60,714

Hire purchase liabilities are secured over the assets to which they relate.

# Ringtons Limited

## Notes to the financial statements for the year ended 24 June 2016 (continued)

### 16 Deferred tax

	2016	2015
	£	£
At 27 June 2015/1 July 2014	83,241	33,785
Charge for/(released during) year	48,451	49,718
Adjustment in respect of prior years	30,752	(262)
<b>At 24 June 2016/26 June 2015</b>	<b>162,434</b>	<b>83,241</b>

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Fixed asset timing differences	271,408	195,618
Short term timing differences	(108,974)	(112,377)
	<b>162,434</b>	<b>83,241</b>

### 17 Other provisions

	Onerous lease provision
	£
At 27 June 2015	79,783
Released during the year	(46,500)
<b>At 24 June 2016</b>	<b>33,283</b>

# Ringtons Limited

## Notes to the financial statements for the year ended 24 June 2016 (continued)

### 18 Called up share capital

	2016	2015
	£	£
<b>Authorised</b>		
2,076,000 (2015: 2,076,000) ordinary shares of £1 each	<b>2,076,000</b>	2,076,000
<b>Allotted, called up and fully paid</b>		
142,444 (2015: 142,444) ordinary shares of £1 each	<b>142,444</b>	142,444

### 19 Reserves

	Capital redemption reserve	Profit and loss account
	£	£
At 27 June 2015	296,343	18,631,149
Profit for the financial year	-	3,641,889
Dividends: Equity capital	-	(1,125,000)
<b>At 24 June 2016</b>	<b>296,343</b>	<b>21,148,038</b>

### 20 Dividends

	2016	2015
	£	£
Dividends paid on equity capital	<b>1,125,000</b>	1,125,000

Dividends paid at £7.90 (2015: £7.90) per share.

# Ringtons Limited

## Notes to the financial statements for the year ended 24 June 2016 (continued)

### 21 Capital commitments

At the year end the company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	172,765	670,684

### 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 £598,017 (2015: £542,475). An amount of £75,654 (2015: £68,697) is due to the scheme at the year end.

### 23 Operating lease commitments

At 24 June 2016 and 26 June 2015 the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016 £	2015 £
Operating leases which expire:		
Within one year	55,487	69,000
One to five years	7,333	46,250



# **Ringtons Limited**

## **Notes to the financial statements for the year ended 24 June 2016 (continued)**

### **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 24 June 2016. The consolidated financial statements of Ringtons Holdings Limited are available from 10-22 Algernon Road, Heaton, Newcastle upon Tyne, NE6 2YN.

### **25 Transition to FRS 102**

This is the first year that the Group and Company have presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 26 June 2015. The date of transition to FRS 102 was 1 July 2014. The Group and Company has not early adopted the amendments to FRS 102 (issued in July 2015). No adjustments have been noted upon transition.