

Ringtons Limited

**Directors' report and financial statements
for the year ended 29 June 2018**

Registered Number 00572008



Ringtons Limited

Directors' report and financial statements for the year ended 29 June 2018

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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 29 June 2018

Introduction

The directors present their strategic report for the year ended 29 June 2018.

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 3.1% has been achieved with most parts of the business contributing to growth. Margins have reduced slightly as a result of higher raw material prices.

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 29 June 2018 (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:

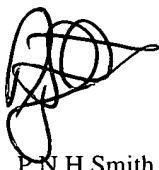
	2018	2017	Changes
	£'000	£'000	%
Turnover	60,097	58,299	3.1
Gross profit	19,995	20,767	(3.7)
Operating profit	2,862	4,279	(33.1)
Shareholders fund	26,648	24,096	10.6
Average number of employees	539	521	3.5

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 16 October 2018 and signed on its behalf of:



P N H Smith
Director

Ringtons Limited

Directors' report for the year ended 29 June 2018

The directors present their report and the audited financial statements for the year ended 29 June 2018.

Results and dividends

The profit for the financial year, amounted to £2,378,475 (2017: £3,634,288).

Particulars of dividends paid are detailed in note 19 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

Charitable contributions

The company made charitable donations of £86,186 (2017: £76,239) 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.

Matters detailed in the strategic report

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

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

Ringtons Limited

Directors' report for the year ended 29 June 2018 (continued)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

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.

Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves 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

16 October 2018

Ringtons Limited

Independent auditors' report to the members of Ringtons Limited

Opinion

In our opinion, Ringtons Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 29 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 29 June 2018; the statement of income and retained earnings for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Directors' Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Ringtons Limited

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

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 29 June 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Ringtons Limited

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

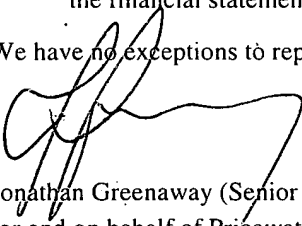
Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility:



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
16 October 2018

Ringtons Limited

Statement of income and retained earnings for the year ended 29 June 2018

	Note	Year ended 29 June 2018 £	Year ended 30 June 2017 £
Turnover	1	60,096,637	58,299,089
Cost of sales		(40,101,386)	(37,532,361)
Gross profit		19,995,251	20,766,728
Distribution costs		(12,828,941)	(12,228,767)
Administrative expenses		(4,304,091)	(4,270,749)
Other operating income	2	-	12,071
Operating profit	3	2,862,219	4,279,283
Net profit on sale of tangible fixed assets	6	273,080	82,179
Profit before interest and taxation		3,135,299	4,361,462
Interest receivable and similar income	7	11,253	13,740
Interest payable and similar expenses	8	(46,311)	(49,562)
Profit before taxation		3,100,241	4,325,640
Tax on profit	9	(721,766)	(691,353)
Profit for the financial year	18	2,378,475	3,634,288
Profit and loss account brought forward		23,657,326	21,148,038
Dividends paid	19	(1,500,000)	(1,125,000)
Profit and loss account at the end of the year		24,535,801	23,657,326

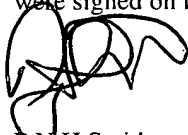
All amounts relate to continuing operations.

Ringtons Limited

Balance sheet as at 29 June 2018

		29 June 2018		30 June 2017	
	Note	£	£	£	£
Fixed assets					
Tangible assets	10		11,926,401		12,771,892
Investments	11		4,708,090		4,704,290
			16,634,491		17,476,182
Current assets					
Stocks	12	12,465,051		12,756,800	
Debtors	13	4,966,037		4,469,709	
Cash at bank and in hand		3,077,685		2,212,978	
		20,508,773		19,439,487	
Creditors: amounts falling due within one year	14	(7,154,509)		(9,567,303)	
Net current assets			13,354,264		9,872,184
Total assets less current liabilities			29,988,755		27,348,366
Creditors: amounts falling due after more than one year	15	(2,802,355)		(2,886,400)	
Provisions for liabilities	16	(538,677)		(365,853)	
Net assets			26,647,723		24,096,113
Capital and reserves					
Called up share capital	17	142,444		142,444	
Capital redemption reserve	18	1,969,478		296,343	
Profit and loss account	18	24,535,801		23,657,326	
Total shareholders' funds			26,647,723		24,096,113

The financial statements on pages 9 to 24 were approved by the board of directors on 16 October 2018 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 and registered in England. 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.

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.

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.

Ringtons Limited

Statement of accounting policies (continued)

Deferred taxation (continued)

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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

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.

Ringtons Limited

Notes to the financial statements for the year ended 29 June 2018

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

	Year ended 29 June 2018	Year ended 30 June 2017
	£	£
Rent receivable	-	12,071

3 Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 29 June 2018	Year ended 30 June 2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	1,628,692	1,621,865
- held under hire purchase agreements	85,955	100,150
Operating lease rentals:		
- other operating leases	45,360	31,250
Net loss on foreign currency translation	5,473	26,145
Auditors' remuneration:		
Audit of these financial statements	15,500	15,500
Amounts receivable by the auditors and their associates in respect of:		
Other services relating to taxation	3,000	3,000

Ringtons Limited

Notes to the financial statements for the year ended 29 June 2018 (continued)

4 Staff costs

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

	Year ended 29 June 2018	Year ended 30 June 2017
	£	£
Wages and salaries	12,509,389	12,236,349
Social security costs	1,171,553	1,098,191
Other pension costs	654,230	619,708
	14,335,172	13,954,248

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

	Year ended 29 June 2018	Year ended 30 June 2017
	Number	Number
Production	125	125
Selling and distribution	372	356
Administrative	42	40
	539	521

5 Directors' remuneration and key management remuneration

	Year ended 29 June 2018	Year ended 30 June 2017
	£	£
Remuneration	926,674	941,025
Company pension contributions to defined contribution pension schemes	22,800	19,600
	949,474	960,625

Ringtons Limited

Notes to the financial statements for the year ended 29 June 2018 (continued)

5 Directors' remuneration and key management remuneration (continued)

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

The highest paid director received remuneration of £289,062 (2017: £280,724) and pension contributions to defined contribution pension of £nil (2017: £10,000).

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

6 Net profit on sale of tangible assets

	Year ended 29 June 2018	Year ended 30 June 2017
	£	£
Profit on disposal of sales offices	273,080	82,179

7 Interest receivable and similar income

	Year ended 29 June 2018	Year ended 30 June 2017
	£	£
Bank interest receivable	4,403	8,290
Other interest receivable	6,850	5,450
	11,253	13,740

8 Interest payable and similar expenses

	Year ended 29 June 2018	Year ended 30 June 2017
	£	£
Interest payable on hire purchase	8,780	14,316
Interest payable on bank borrowing	37,531	35,246
	46,311	49,562

Ringtons Limited

Notes to the financial statements for the year ended 29 June 2018 (continued)

9 Tax on profit

Analysis of tax charge in the year

	Year ended 29 June 2018	Year ended 30 June 2017
	£	£
Current tax		
UK corporation tax charge on profit for the year	550,133	847,045
Adjustments in respect of prior periods	(1,191)	(359,111)
Total current tax	548,942	487,934
Deferred tax		
Origination and reversal of timing differences	83,780	126,095
Adjustments in respect of prior periods	97,863	140,294
Effect of changes in tax rate	(8,819)	(62,970)
Total deferred tax (see note 16)	172,824	203,419
Tax on profit	721,766	691,353

Factors affecting tax charge for the year

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

	Year ended 29 June 2018	Year ended 30 June 2017
	£	£
Profit before taxation	3,100,241	4,325,640
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.75%)	589,046	854,314
<i>Effects of:</i>		
Expenses not deductible for tax purposes	58,167	118,825
Income not taxable	(13,300)	-
Adjustments to tax charge in respect of prior periods	96,672	(218,817)
Effect of changes in tax rate	(8,819)	(62,969)
Tax on profit on ordinary activities	721,766	691,353

Ringtons Limited

Notes to the financial statements for the year ended 29 June 2018 (continued)

9 Tax on profit (continued)

Factors that may affect future tax charges

The Finance (No. 2) Act 2015 was substantively enacted on 26 October 2015. This reduced the main rate of corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. A further reduction in the main corporation tax rate to 17% from 1 April 2020 was announced in the 2016 Budget and substantively enacted in the Finance Act 2016.

10 Tangible assets

	Freehold property £	Leasehold property £	Plant and machinery £	Fixtures, fittings and other assets £	Total £
Cost					
At 1 July 2017	6,351,132	947,227	11,060,662	6,302,520	24,661,541
Additions	358,541	-	265,971	1,371,108	1,995,620
Disposals	(118,700)	-	(2,102,833)	(1,115,787)	(3,337,320)
At 29 June 2018	6,590,973	947,227	9,223,800	6,557,841	23,319,841
Accumulated depreciation					
At 1 July 2017	1,735,142	193,199	6,398,818	3,562,490	11,889,649
Charge for the year	122,004	18,944	651,351	922,348	1,714,647
On disposals	(77,399)	-	(1,116,372)	(1,017,085)	(2,210,856)
At 29 June 2018	1,779,747	212,143	5,933,797	3,467,753	11,393,440
Net book value					
At 29 June 2018	4,811,226	735,084	3,290,003	3,090,088	11,926,401
At 30 June 2017	4,615,990	754,028	4,661,844	2,740,030	12,771,892

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

	2018 £	2017 £
Plant and machinery	550,303	740,803

Ringtons Limited

Notes to the financial statements for the year ended 29 June 2018 (continued)

11 Investments

	Investments in subsidiary companies £
Cost	
At 30 June 2017	4,704,290
Additions	3,800
At 29 June 2018	4,708,090
Net book value	
At 29 June 2018	4,708,090
At 30 June 2017	4,704,290

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

Subsidiary undertakings

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

Name	Country of incorporation	Class of shares	Holding	Principal activity	Registered office
Infusion GB Holdings Limited	United Kingdom	Ordinary	50.1%	Holding company	Unit 5, The IO Centre, Hurricane Road, Gloucester Business Park, Gloucester, GL3 4AQ
Infusion GB Limited	United Kingdom	Ordinary	50.1%*	Tea and herbal drink packaging	Unit 5, The IO Centre, Hurricane Road, Gloucester Business Park,, Gloucester, GL3 4AQ
The Perfectly Picked and Packed Company Limited	United Kingdom	Ordinary	50.1%*	Dormant	PO Box 3, Algernon Road, Newcastle upon Tyne, NE6 2YN

*Indirect holding

Ringtons Limited

Notes to the financial statements for the year ended 29 June 2018 (continued)

12 Stocks

	29 June 2018	30 June 2017
	£	£
Raw materials	8,375,890	7,913,867
Finished goods and goods for resale	4,089,161	4,842,933
	12,465,051	12,756,800

The amount of stock recognised within cost of sales in the year is £39,451,265 (2017: £37,614,617).

13 Debtors

	29 June 2018	30 June 2017
	£	£
Trade debtors	3,978,598	3,756,983
Amounts owed by group undertakings	30,203	61,159
Other debtors	494,591	452,801
VAT recoverable	246,789	-
Prepayments and accrued income	215,856	198,766
	4,966,037	4,469,709

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 29 June 2018 (continued)

14 Creditors: amounts falling due within one year

	29 June 2017	30 June 2017
	£	£
Net obligations under hire purchase contracts	190,962	167,701
Trade creditors	1,910,775	2,178,896
Amounts owed to group undertakings	12,761	2,184,709
Corporation tax	325,133	27,354
Other taxation and social security	369,073	379,458
Accruals and deferred income	4,345,805	4,629,185
	7,154,509	9,567,303

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

	29 June 2017	30 June 2017
	£	£
Bank loans and overdrafts	2,500,000	2,500,000
Net obligation under finance leases and hire purchase contracts	302,355	386,400
	2,802,355	2,886,400

The bank loan represents full draw down on a revolving credit facility with Lloyds Bank. Interest is charged at LIBOR plus a fixed margin. The bank loan is secured via an unlimited debenture from Ringtons Limited and a cross guarantee between Lloyds Bank, Ringtons Holdings Limited and Ringtons Limited.

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

	29 June 2018	30 June 2017
	£	£
Between two and five years	302,355	386,400

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

Ringtons Limited

Notes to the financial statements for the year ended 29 June 2018 (continued)

16 Deferred tax

	29 June 2018	30 June 2017
	£	£
At 1 July 2017	365,853	162,434
Charge for/(released during) year	74,961	63,125
Adjustment in respect of prior years	97,863	140,294
At 29 June 2018	538,677	365,853

The provision for deferred taxation is made up as follows:

	29 June 2018	30 June 2017
	£	£
Fixed asset timing differences	552,917	411,618
Short term timing differences	(14,240)	(45,765)
	538,677	365,853

Ringtons Limited

Notes to the financial statements for the year ended 29 June 2018 (continued)

17 Called up share capital

	29 June 2018	30 June 2017
	£	£
Authorised		
2,076,000 (2017: 2,076,000) ordinary shares of £1 each	2,076,000	2,076,000
Allotted, called up and fully paid		
142,444 (2017: 142,444) ordinary shares of £1 each	142,444	142,444

18 Reserves

	Capital redemption reserve	Profit and loss account
	£	£
At 30 June 2017	296,343	23,657,326
Profit for the financial year	-	2,378,475
Dividends: Equity capital	-	(1,500,000)
Movement	1,673,135	-
At 29 June 2018	1,969,478	24,535,801

19 Dividends

	29 June 2018	30 June 2017
	£	£
Dividends paid on equity capital	1,500,000	1,125,000

Dividends paid at £10.53 (2017: £7.90) per share.

Ringtons Limited

Notes to the financial statements for the year ended 29 June 2018 (continued)

20 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 £654,230 (2017: £619,708). An amount of £83,765 (2017: £75,654) is due to the scheme at the year end.

21 Operating lease commitments

At 29 June 2018 and 30 June 2017 the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	29 June 2018	30 June 2017
	£	£
Operating leases which expire:		
Within one year	-	30,702
One to five years	150,427	125,467

22 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 29 June 2018. The consolidated financial statements of Ringtons Holdings Limited are available from 10-22 Algernon Road, Heaton, Newcastle upon Tyne, NE6 2YN.