

Ringtons Limited

**Directors' report and financial statements
for the year ended 25 June 2021**

Registered Number 00572008



Ringtons Limited

Directors' report and financial statements for the year ended 25 June 2021

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Ringtons Limited

Directors and advisers

Directors

P N H Smith

S M Smith

C J Smith

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 25 June 2021

Introduction

The directors present their strategic report for the year ended 25 June 2021.

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, as shown in the table of key financial and other performance indicators below.

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 25 June 2021 (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:

	2021	2020	Changes
	£'000	£'000	%
Turnover	65,204	59,169	10.2
Gross profit	23,507	19,897	18.1
Operating profit	4,591	3,341	37.4
Total Shareholders' funds	29,619	30,049	(1.4)
Average monthly number of employees	562	549	2.4

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.

Section 172 Companies Act 2006

The directors must act in a way they consider would be most likely to promote the success of the company for the benefit of its members and in so doing must have regard to the six matters set out in Section 172(1):

- (1) Long term consequences - the company aims to secure its long term prospects and viability by seeking out strategies that provide mutual long term benefits to its supply chain. The group values long term relationships with its tea suppliers in origin and has supported them and their employees by a number of charitable projects.
- (2) Interest of employees - the company has a long history of supporting its employees for many years via its employee foundation as well as directly via the company itself. Recently it has extended this via a dedicated employee engagement and welfare manager and development of a wellness program.
- (3) Interest of other stakeholders is reported in the directors report.
- (4) Impact on community & environment - the company has supported the local North East community for many years either directly through the company or via The Ringtons Community Fund setup in 1996.
- (5) High standards of business conduct - the company, its directors and employees always aim to act to high ethical standards. Policies are in place to ensure this & align with best practice. Recent statutory improvements around Modern Slavery & Data Protection form part of this.
- (6) Act fairly between shareholders - the company has only one corporate shareholder.

Streamlined Energy and Carbon Reporting (SECR)

The company is committed to reducing its energy consumption and carbon emissions over time. The 2020-21 energy consumption and carbon emissions are detailed below. The emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The operational control approach has been used.

Ringtons Limited

Strategic report

For the year ended 25 June 2021 (continued)

Scope	Activity	Market Based tCO ₂ e
Scope 1	Site gas	174.56
	Refrigerants	22.23
	Vehicle fuel usage - cars & vans	1,035.78
	Vehicle fuel usage - trucks	257.20
Scope 1 Sub Total		1,489.77
Scope 2	Purchased electricity (generation)	223.32
Scope 2 Sub Total		223.32
Scope 3	Employee-owned car travel (grey fleet)	7.10
	Hire cars	7.84
Scope 3 Sub Total		14.94
Gross total tonnes of CO ₂ e		1,728.02
Intensity ratio: tonnes of CO ₂ e per employee		3.07
Intensity ratio: tonnes of CO ₂ e per £M turnover		26.6
Total Energy Consumption (kWh)*		7,715,056 kWh

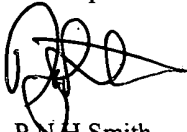
Energy Efficiency Actions

The company has several carbon efficiency initiatives in place. These include;

- A plan to convert all of our gas & electricity to green tariffs by 2022/23.
- Replace lighting in all our premises to LED's by 2022/23
- Where possible convert our van fleet to fully electric vehicles. 2 have been converted in the current year with another 2 on order

The proposed effect of these will be to save 398 tCO₂e per year by 2022/23.

This report was approved by the board on 25 October 2021 and signed on its behalf of:



P N H Smith
Director

Ringtons Limited

Directors' report for the year ended 25 June 2021

The directors present their report and the audited financial statements for the year ended 26 June 2021.

Results and dividends

The profit for the financial year, amounted to £3,569,744 (2020: £2,786,338).

Particulars of dividends paid are detailed in note 18 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 D Smith

J C Thompson

D N Brown

Charitable contributions

The company made charitable donations of £647,407 (2020: £48,361) 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.

Stakeholder engagement

Effective communication and engagement with stakeholders (shareholders, customers, suppliers and employees) is vital in maintaining the company's reputation and success.

The company is able to engage with its shareholder via its common board of directors.

The company is able to engage directly with its retail customers face to face via its loyal delivery staff together with quarterly newsletters and social media. Communication with our business customers is via an account manager. Regular meetings are encouraged albeit these have needed to be of a virtual form in recent months.

The company values long term relationships with its suppliers and encourages management to work closely with them to ensure we provide a high level of service for our customers and agree fair commercial terms.

The company engages with its employees via an employee forum, regular business updates and Q&A sessions.

Ringtons Limited

Directors' report for the year ended 25 June 2021 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the directors' 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, 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 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 also 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

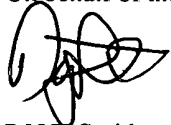
In the case of each director in office at the date the directors' report is approved:

- 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.

Independent auditors

During the year PricewaterhouseCoopers LLP were re-appointed as auditors of the Company.

On behalf of the board



P N H Smith

Director

25 October 2021

Independent auditors' report to the members of Ringtons Limited

Report on the audit of the financial statements

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 25 June 2021 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: balance sheet as at 25 June 2021; statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report 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.

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

Reporting on other information (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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 25 June 2021 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK employment law, UK tax legislation as well as compliance with the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to increase revenue, cash and tangible assets, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

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

Auditors' responsibilities for the audit of the financial statements (continued)

- Discussions with management including those charged with governance, inquiring specifically as to whether there was any known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of board minutes;
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulations;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations impacting revenue, cash and tangible assets; and
- Challenging assumptions and judgements made by management in their key accounting estimates, and consideration of the impact of COVID-19 on going concern.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

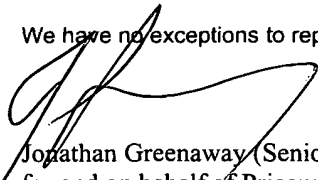
Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained 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
25 October 2021

Ringtons Limited

Statement of income and retained earnings for the year ended 25 June 2021

	Note	Year ended 25 June 2021 £	Year ended 26 June 2020 £
Turnover	1	65,203,949	59,169,189
Cost of sales		(41,697,336)	(39,271,779)
Gross profit		23,506,613	19,897,410
Distribution costs		(13,962,440)	(12,669,818)
Administrative expenses		(5,453,248)	(6,261,867)
Dividends received from subsidiaries	2	500,000	2,375,000
Operating profit	2	4,590,925	3,340,725
Net profit on sale of tangible fixed assets	5	-	123,403
Profit before interest and taxation		4,590,925	3,464,128
Interest receivable and similar income	6	3,917	24,170
Interest payable and similar expenses	7	(12,947)	(55,027)
Profit before taxation		4,581,895	3,433,271
Tax on profit	8	(1,012,151)	(646,933)
Profit for the financial year	17	3,569,744	2,786,338
Profit and loss account brought forward		27,937,309	26,309,971
Dividends paid	18	(4,000,000)	(1,159,000)
Profit and loss account at the end of the year		27,507,053	27,937,309

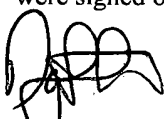
All amounts relate to continuing operations.

Ringtons Limited

Balance sheet as at 25 June 2021

		25 June 2021		26 June 2020	
	Note	£	£	£	£
Fixed assets					
Tangible assets	9	12,557,013		12,632,700	
Investments	10	2,343,165		2,708,090	
		14,900,178		15,340,790	
Current assets					
Stocks	11	13,591,420		13,262,342	
Debtors	12	5,043,875		3,887,661	
Cash at bank and in hand		4,333,684		5,922,940	
		22,968,979		23,072,943	
Creditors: amounts falling due within one year	13	(7,640,649)		(5,502,683)	
Net current assets		15,328,330		17,570,260	
Total assets less current liabilities		30,228,508		32,911,050	
Creditors: amounts falling due after more than one year	14	(13,914)		(2,180,882)	
Provisions for liabilities	15	(595,619)		(680,937)	
Net assets		29,618,975		30,049,231	
Capital and reserves					
Called up share capital	16	142,444		142,444	
Capital redemption reserve	17	1,969,478		1,969,478	
Profit and loss account	17	27,507,053		27,937,309	
Total shareholders' funds		29,618,975		30,049,231	

The financial statements on pages 10 to 25 were approved by the board of directors on 25 October 2021 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.

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

Statement of accounting policies (continued)

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.

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.

Ringtons Limited

Statement of accounting policies (continued)

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 25 June 2021

1 Turnover

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

All turnover arose within the United Kingdom.

2 Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 25 June 2021	Year ended 26 June 2020
	£	£
Depreciation of tangible fixed assets:		
owned by the company	1,757,860	1,532,781
held under hire purchase agreements	109,302	260,974
Operating lease rentals:		
other operating leases	33,700	45,866
Net gain on foreign currency translation	(22,971)	(5,642)
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
Dividends received from subsidiaries	500,000	2,375,000

Ringtons Limited

Notes to the financial statements for the year ended 25 June 2021 (continued)

3 Staff costs

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

	Year ended 25 June 2021	Year ended 26 June 2020
	£	£
Wages and salaries	13,952,204	12,217,397
Social security costs	1,342,265	1,160,057
Other pension costs	862,573	793,419
	16,157,042	14,170,873

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

	Year ended 25 June 2021	Year ended 26 June 2020
	Number	Number
Production	143	131
Selling and distribution	372	374
Administrative	47	44
	562	549

4 Directors' remuneration and key management remuneration

	Year ended 25 June 2021	Year ended 26 June 2020
	£	£
Remuneration	775,018	715,945
Company pension contributions to defined contribution pension schemes	28,800	50,657
	803,818	766,602

Ringtons Limited

Notes to the financial statements for the year ended 25 June 2021 (continued)

4 Directors' remuneration and key management remuneration (continued)

During the year retirement benefits were accruing to 1 director (2020: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £341,584 (2020: £295,190) and pension contributions to defined contribution pension of £nil (2020: £nil).

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

5 Net profit on sale of tangible fixed assets

	Year ended 25 June 2021	Year ended 26 June 2020
	£	£
Profit on disposal of sales offices	-	123,403

6 Interest receivable and similar income

	Year ended 25 June 2021	Year ended 26 June 2020
	£	£
Bank interest receivable	495	15,117
Other interest receivable	3,422	9,053
	3,917	24,170

7 Interest payable and similar expenses

	Year ended 25 June 2021	Year ended 26 June 2020
	£	£
Interest payable on hire purchase	5,201	18,123
Interest payable on bank borrowing	7,746	36,904
	12,947	55,027

Ringtons Limited

Notes to the financial statements for the year ended 25 June 2021 (continued)

8 Tax on profit

Analysis of tax charge in the year

	Year ended 25 June 2021	Year ended 26 June 2020
	£	£
Current tax		
UK corporation tax charge on profit for the year	1,098,176	498,452
Adjustments in respect of prior periods	(707)	11,253
Total current tax	1,097,469	509,705
Deferred tax		
Origination and reversal of timing differences	(228,725)	122,738
Adjustments in respect of prior periods	459	14,490
Effect of changes in tax rate	142,948	-
Total deferred tax (see note 15)	(85,318)	137,228
Tax on profit	1,012,151	646,933

Factors affecting tax charge for the year

The tax assessed for the year is higher (2020: lower) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	Year ended 25 June 2021	Year ended 26 June 2020
	£	£
Profit before taxation	4,581,895	3,433,271
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	870,560	652,321
<i>Effects of:</i>		
Expenses not deductible for tax purposes	94,999	380,869
Income not taxable	(96,107)	(477,580)
Adjustments to tax charge in respect of prior periods	(248)	25,743
Effect of changes in tax rate	142,947	65,580
Tax on profit	1,012,151	646,933

Ringtons Limited

Notes to the financial statements for the year ended 25 June 2021 (continued)

8 Tax on profit (continued)

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. The proposed increase in the corporation tax rate was substantively enacted on 24 May 2021 and therefore a corporation tax rate of 25% has been used to measure deferred tax assets and liabilities where applicable.

9 Tangible assets

	Freehold property £	Leasehold property £	Plant and machinery £	Fixtures, fittings and other assets £	Total £
Cost					
At 27 June 2020	6,806,769	947,227	10,973,117	7,272,193	25,999,306
Additions	-	-	1,545,696	265,113	1,810,809
Disposals	-	-	(38,737)	(275,421)	(314,158)
At 25 June 2021	6,806,769	947,227	12,480,076	7,261,885	27,495,957
Accumulated depreciation					
At 27 June 2020	1,986,688	250,032	6,940,848	4,189,038	13,366,606
Charge for the year	129,294	18,944	681,081	1,037,843	1,867,162
On disposals	-	-	(36,109)	(258,715)	(294,824)
At 25 June 2021	2,115,982	268,976	7,585,820	4,968,166	14,938,944
Net book value					
At 25 June 2021	4,690,787	678,251	4,894,256	2,293,719	12,557,013
At 26 June 2020	4,820,081	697,195	4,032,269	3,083,155	12,632,700

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

	25 June 2021 £	26 June 2020 £
Plant and machinery	303,678	724,869

Ringtons Limited

Notes to the financial statements for the year ended 25 June 2021 (continued)

10 Investments

	Investments in subsidiary companies £
Cost	
At 27 June 2020	4,708,090
Additions	135,075
At 25 June 2021	4,843,165
Provision for impairment	
At 27 th June 2020	2,000,000
Charge for the year	500,000
At 25 June 2021	2,500,000
Net book value	
At 25 June 2021	2,343,165
At 26 June 2020	2,708,090

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 25 June 2021 (continued)

11 Stocks

	25 June 2021	26 June 2020
	£	£
Raw materials	8,913,458	9,824,408
Finished goods and goods for resale	4,677,962	3,437,934
	13,591,420	13,262,342

The amount of stock recognised within cost of sales in the year is £42,026,414 (26 June 2020: £38,926,786).

12 Debtors

	25 June 2021	26 June 2020
	£	£
Trade debtors	4,344,812	3,264,260
Other debtors	176,910	196,106
VAT recoverable	289,459	137,490
Prepayments and accrued income	232,694	289,805
	5,043,875	3,887,661

Ringtons Limited

Notes to the financial statements for the year ended 25 June 2021 (continued)

13 Creditors: amounts falling due within one year

	25 June 2021	26 June 2020
	£	£
Net obligations under hire purchase contracts	166,968	276,338
Trade creditors	2,314,337	2,016,507
Amounts owed to group undertakings	7,028	27,765
Corporation tax	634,920	328,248
Other taxation and social security	466,571	350,704
Accruals and deferred income	4,050,825	2,503,121
	7,640,649	5,502,683

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.

14 Creditors: amounts falling due after more than one year

	25 June 2021	26 June 2020
	£	£
Bank loans and overdrafts	-	2,000,000
Net obligation under finance leases and hire purchase contracts	13,914	180,882
	13,914	2,180,882

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:

	25 June 2021	26 June 2020
	£	£
Between two and five years	13,914	180,882

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

Ringtons Limited

Notes to the financial statements for the year ended 25 June 2021 (continued)

15 Provision for liabilities

	Year ended 2021	Year ended 2020
	£	£
At the beginning of the year	680,937	543,709
(Credit)/charge	(85,777)	122,738
Adjustment in respect of prior years	459	14,490
At the end of the year	595,619	680,937

The provision for deferred taxation is made up as follows:

	25 June 2021	26 June 2020
	£	£
Fixed asset timing differences	624,839	700,923
Short term timing differences	(29,220)	(19,986)
	595,619	680,937

16 Called up share capital

	25 June 2021	26 June 2020
	£	£
Authorised		
2,076,000 (26 June 2020: 2,076,000) ordinary shares of £1 each	2,076,000	2,076,000
Allotted, called up and fully paid		
142,444 (26 June 2020: 142,444) ordinary shares of £1 each	142,444	142,444

Ringtons Limited

Notes to the financial statements for the year ended 25 June 2021 (continued)

17 Reserves

	Capital redemption reserve	Profit and loss account
	£	£
At 27 June 2020	1,969,478	27,937,309
Profit for the financial year	-	3,569,744
Dividends: Equity capital	-	(4,000,000)
At 25 June 2021	1,969,478	27,507,053

18 Dividends paid

	Year ended 2021	Year ended 2020
	£	£
Dividends paid on equity capital	4,000,000	1,159,000

Dividends paid at £28.08 (2020: £8.14) per share.

19 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 £862,573 (2020: £793,419). An amount of £71,207 (26 June 2020: £102,803) is due to the scheme at the year end.

Ringtons Limited

Notes to the financial statements for the year ended 25 June 2021 (continued)

20 Operating lease commitments

At 25 June 2021 and 26 June 2020 the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	25 June 2021	26 June 2020
	£	£
Operating leases which expire:		
Within one year	25,700	8,587
Two to five years	-	51,487

21 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 25 June 2021. The consolidated financial statements of Ringtons Holdings Limited are available from 10-22 Algernon Road, Heaton, Newcastle upon Tyne, NE6 2YN.