

Company Registration No. 07520374 (England and Wales)

**RINKIT LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2021**

# RINKIT LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr R F Goss Mr E H Millais Mr R C Lowe Mr J D Booth Mr S Parker	(Appointed 6 May 2020)
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<b>Secretary</b>	Mrs N M Goss Mrs N L Turner
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<b>Company number</b>	07520374
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<b>Registered office</b>	Corn Exchange Baffins Lane Chichester West Sussex PO19 1BF
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<b>Auditor</b>	Carpenter Box Amelia House Crescent Road Worthing West Sussex BN11 1RL
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# **RINKIT LIMITED**

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# **RINKIT LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 28 FEBRUARY 2021**

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The directors present the strategic report for the year ended 28 February 2021.

#### **Business Review**

The business activities for the financial year ending February 2021 highlight an exceptional year for growth in top line revenue and net profit. Turnover for the year ended February 2021 was ahead of expectations showing an increase of 66% against the previous financial year.

The board of directors were pleased to report an increase in net profit in a year made challenging by increased costs because of COVID-19. The net profit margin for the year was 8% (2020 - 3%).

The board of directors are very pleased with the performance during the year and believe that the company is in a very strong position to capitalise on the opportunities within the e-commerce market in the forthcoming year. Through continued development of the Rinkit websites, fulfilment propositions, product range and innovative marketing the directors have every confidence that the financial year 2022 will be another year of continued growth.

#### **Principal risks and uncertainties**

The board of directors consider all risks and potential causes for concern on a monthly and quarterly basis. The directors, along with company department heads determine and enact policies and procedures to mitigate these risks.

The group and company reviews all major short-term risks on a weekly basis. This includes the continued impact of both COVID-19 and the impact around the UK leaving the European Union.

With the current market uncertainty, the group could be exposed to further foreign exchange risk. The directors evaluate the potential impact of this and use financial instruments to reduce its exposure.

With the current COVID-19 impact on the global supply chain the group could be exposed to risk within its supply chain. The board of directors evaluate this risk and continue to ensure they mitigate this where possible.

#### **Financial key performance indicators**

The board of directors monitor various performance indicators across the different departments of the company, they include but are not limited to the management and review of both above the line and below the line costs. Furthermore, monthly departmental meetings include the review of all key performance indicators relating to each department and its performance for the previous period.

On behalf of the board

Mr R C Lowe  
**Director**

10 September 2021

# **RINKIT LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 28 FEBRUARY 2021***

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The directors present their annual report and financial statements for the year ended 28 February 2021.

#### **Principal activities**

The principal activity of the company and group continued to be that of online retail sales.

#### **Results and dividends**

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £599,229. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R F Goss  
Mr E H Millais  
Mr R C Lowe  
Mr J D Booth  
Mr S Parker

(Appointed 6 May 2020)

#### **Financial instruments**

##### ***Liquidity risk***

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

##### ***Interest rate risk***

The group operates a number of policies to ensure there is sufficient liquidity and cash. Regular cash flow forecasts are prepared to ensure the company is able to cover its interest payments.

##### ***Foreign currency risk***

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of an import finance facility.

##### ***Credit risk***

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

##### ***Future developments***

The directors believe that there are currently no major future developments requiring disclosure.

#### **Auditor**

Carpenter Box were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a general meeting.

## **RINKIT LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 28 FEBRUARY 2021***

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#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

#### **COVID-19 assessment**

The directors have undertaken a robust assessment of the company's future trading prospects and have concluded that the company remains a going concern. See note 1.3 to the financial statements for further detail.

On behalf of the board

Mr R C Lowe

**Director**

10 September 2021

## **RINKIT LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 28 FEBRUARY 2021***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# RINKIT LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RINKIT LIMITED

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### Opinion

We have audited the financial statements of Rinkit Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 28 February 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 28 February 2021 and of the group's 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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.

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 group's and parent 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.

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

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.



## **RINKIT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RINKIT LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 parent 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.

#### **Auditor's 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 auditor's 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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Obtaining an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations;
- Obtaining an understanding of the group's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud;
- Discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud through our knowledge and understanding of the companies and our sector-specific experience.

## **RINKIT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RINKIT LIMITED**

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As a result of these procedures, we considered the opportunities and incentives that may exist within the group for fraud. We are also required to perform specific procedures to respond to the risk of management override. As a result of performing the above, we identified the following areas as those most likely to have an impact on the financial statements: health & safety, employment law, the valuation of investment properties and compliance with the UK Companies Act.

In addition to the above, our procedures to respond to risks identified included the following:

- Making enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board and senior management.
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Other matters which we are required to address**

The comparative figures for the year ended 29 February 2020 were not subject to audit.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Christopher Reeves FCCA (Senior Statutory Auditor)**  
**For and on behalf of Carpenter Box**  
**Chartered Accountants**  
**Statutory Auditor**  
**Worthing**

13 September 2021

**Carpenter Box is a trading name of Carpenter Box Limited**



## RINKIT LIMITED

### GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2021

		2021	2020
	Notes	£	as restated £
<b>Turnover</b>	<b>3</b>	30,173,023	18,188,323
Cost of sales		(23,696,045)	(14,801,288)
<b>Gross profit</b>		<u>6,476,978</u>	<u>3,387,035</u>
Administrative expenses		(3,183,584)	(2,536,151)
Other operating income		24,782	2,640
Exceptional item		-	(7,026)
<b>Operating profit</b>	<b>4</b>	<u>3,318,176</u>	<u>846,498</u>
Interest receivable and similar income		12,118	4,181
Interest payable and similar expenses		(76,992)	(81,668)
Fair value gains and losses on foreign exchange contracts		(111,868)	10,726
<b>Profit before taxation</b>		<u>3,141,434</u>	<u>779,737</u>
Tax on profit	<b>8</b>	(613,522)	(170,919)
<b>Profit for the financial year</b>		<u><u>2,527,912</u></u>	<u><u>608,818</u></u>

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

# RINKIT LIMITED

## GROUP BALANCE SHEET

AS AT 28 FEBRUARY 2021

		2021		2020 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		10,639		13,485
Tangible assets	11		520,543		429,053
			<u>531,182</u>		<u>442,538</u>
<b>Current assets</b>					
Stocks	15	6,291,029		4,163,997	
Debtors	16	1,568,039		656,779	
Cash at bank and in hand		1,863,968		645,507	
		<u>9,723,036</u>		<u>5,466,283</u>	
<b>Creditors: amounts falling due within one year</b>	17	(5,195,607)		(2,879,525)	
<b>Net current assets</b>			<u>4,527,429</u>		<u>2,586,758</u>
<b>Total assets less current liabilities</b>			<u>5,058,611</u>		<u>3,029,296</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(467,205)		(649,848)
<b>Provisions for liabilities</b>					
Provisions	21	298,134		-	
Deferred tax liability	22	55,200		55,200	
		<u>(353,334)</u>		<u>(55,200)</u>	
<b>Net assets</b>			<u><u>4,238,072</u></u>		<u><u>2,324,248</u></u>
<b>Capital and reserves</b>					
Called up share capital	24		106		106
Other reserves	25		(7,152)		7,707
Profit and loss reserves			<u>4,245,118</u>		<u>2,316,435</u>
<b>Total equity</b>			<u><u>4,238,072</u></u>		<u><u>2,324,248</u></u>

The financial statements were approved by the board of directors and authorised for issue on 10 September 2021 and are signed on its behalf by:

Mr R C Lowe  
Director

# RINKIT LIMITED

## COMPANY BALANCE SHEET

AS AT 28 FEBRUARY 2021

		2021		2020 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		6,517		9,917
Tangible assets	11		448,075		355,497
Investments	12		60		60
			<u>454,652</u>		<u>365,474</u>
<b>Current assets</b>					
Stocks	15	5,627,784		3,884,021	
Debtors	16	2,603,966		1,216,409	
Cash at bank and in hand		1,531,847		556,451	
		<u>9,763,597</u>		<u>5,656,881</u>	
<b>Creditors: amounts falling due within one year</b>	17	(4,998,742)		(2,780,319)	
<b>Net current assets</b>			<u>4,764,855</u>		<u>2,876,562</u>
<b>Total assets less current liabilities</b>			<u>5,219,507</u>		<u>3,242,036</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(467,205)		(649,848)
<b>Provisions for liabilities</b>					
Provisions	21	298,134		-	
Deferred tax liability	22	55,200		55,200	
		<u>(353,334)</u>		<u>(55,200)</u>	
<b>Net assets</b>			<u><u>4,398,968</u></u>		<u><u>2,536,988</u></u>
<b>Capital and reserves</b>					
Called up share capital	24		106		106
Profit and loss reserves			<u>4,398,862</u>		<u>2,536,882</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £2,461,209 (2020 - £781,796 profit).

The financial statements were approved by the board of directors and authorised for issue on 10 September 2021 and are signed on its behalf by:

Mr R C Lowe  
Director

Company Registration No. 07520374

# RINKIT LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2021

		Share capital	Other reserves	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 March 2019</b>		106	1,205	2,129,766	2,131,077
<b>Year ended 29 February 2020:</b>					
Profit and total comprehensive income for the year		-	-	608,818	608,818
Dividends	9	-	-	(422,149)	(422,149)
Other movements		-	6,502	-	6,502
<b>Balance at 29 February 2020</b>		106	7,707	2,316,435	2,324,248
<b>Year ended 28 February 2021:</b>					
Profit and total comprehensive income for the year		-	-	2,527,912	2,527,912
Dividends	9	-	-	(599,229)	(599,229)
Other movements		-	(14,859)	-	(14,859)
<b>Balance at 28 February 2021</b>		106	(7,152)	4,245,118	4,238,072

## RINKIT LIMITED

### COMPANY STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 28 FEBRUARY 2021*

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 March 2019</b>		106	2,177,235	2,177,341
<b>Year ended 29 February 2020:</b>				
Profit and total comprehensive income for the year		-	781,796	781,796
Dividends	9	-	(422,149)	(422,149)
<b>Balance at 29 February 2020</b>		106	2,536,882	2,536,988
<b>Year ended 28 February 2021:</b>				
Profit and total comprehensive income for the year		-	2,461,209	2,461,209
Dividends	9	-	(599,229)	(599,229)
<b>Balance at 28 February 2021</b>		106	4,398,862	4,398,968

# RINKIT LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2021

		2021	2020
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	30	2,633,325	1,386,966
Interest paid		(76,992)	(81,668)
Income taxes paid		(373,522)	(118,365)
<b>Net cash inflow from operating activities</b>		2,182,811	1,186,933
<b>Investing activities</b>			
Purchase of intangible assets		(2,106)	(4,711)
Purchase of tangible fixed assets		(250,218)	(105,168)
Proceeds on disposal of tangible fixed assets		19,740	12,626
Interest received		12,118	4,181
<b>Net cash used in investing activities</b>		(220,466)	(93,072)
<b>Financing activities</b>			
Repayment of bank loans		(80,495)	(76,994)
Payment of finance leases obligations		(49,769)	(40,603)
Dividends paid to equity shareholders		(599,229)	(422,149)
<b>Net cash used in financing activities</b>		(729,493)	(539,746)
<b>Net increase in cash and cash equivalents</b>		1,232,852	554,115
Cash and cash equivalents at beginning of year		560,841	6,726
<b>Cash and cash equivalents at end of year</b>		1,793,693	560,841
<b>Relating to:</b>			
Cash at bank and in hand		1,863,968	645,507
Bank overdrafts included in creditors payable within one year		(70,275)	(84,666)



# RINKIT LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 28 FEBRUARY 2021**

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### **1 Accounting policies**

#### **Company information**

Rinkit Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Corn Exchange, Baffins Lane, Chichester, West Sussex, PO19 1BF.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The consolidated financial statements incorporate those of Rinkit Limited and its subsidiary (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 29 February 2021. All intra-group transactions, balances and unrealised gains on transactions between the two group companies are eliminated on consolidation.

#### **1.3 Going concern**

The financial statements have been prepared on a going concern basis. The directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. COVID-19 has inevitably introduced uncertainties over the future but the performance of the group's sales remains strong. The pandemic and the ensuing economic shutdown has also had a significant impact on the group's operations but they have been able to continue with certain measures introduced as required for social distancing. In response to the COVID-19 pandemic, the directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact. The company is also reliant on its import finance facility provided by the bank which is due for renewal in December 2021 - the directors are confident that the bank will renew this facility.

# RINKIT LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

### 1 Accounting policies

(Continued)

Based on these assessments and having regard to the resources available to the entity, the directors have concluded that there is no material uncertainty in relation to the appropriateness of continuing to adopt the going concern basis in preparing the annual report and accounts.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% per annum on a straight line basis
Patents	20% per annum on a straight line basis

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings leasehold	20% per annum straight line basis
Plant and machinery	25% per annum diminishing balance basis
Fixtures, fittings and computer equipment	25% diminishing balance and 33.3% straight line basis per annum
Motor vehicles	25% per annum diminishing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

#### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## **RINKIT LIMITED**

### **NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 28 FEBRUARY 2021**

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#### **1 Accounting policies**

**(Continued)**

##### **1.9 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, on a first in first out basis. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### **1.10 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### **1.11 Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

The group enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities including trade and other accounts receivable and payable, loans from banks and loans from related parties.

Debt instruments including loans and other accounts receivable and payable are initially measured at transaction price and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles and carried out by a third party.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity. Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

##### **1.12 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

##### **1.13 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year.

## **RINKIT LIMITED**

### **NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 28 FEBRUARY 2021**

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#### **1 Accounting policies**

**(Continued)**

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### **1.14 Provisions**

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

A refund provision has been included for the amount of refunds expected to be paid after the year end for goods sold during the year.

A dilapidation provision has been included, for the estimated repair costs of the usage and alterations made to properties to the year end date, in relation to the group's operating leases.

##### **1.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

##### **1.16 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.17 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### **1.18 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

##### **1.19 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

## RINKIT LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

#### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### Stock provision

The directors have not included a provision against stock items held at the end of the current or comparative reporting period as they do not believe any potential figure would be material to the financial statements.

#### 3 Turnover and other revenue

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Sale of goods	30,173,023	18,188,323
	<u>30,173,023</u>	<u>18,188,323</u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	25,465,078	15,205,217
Rest of world	4,707,945	2,983,106
	<u>30,173,023</u>	<u>18,188,323</u>

#### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(41,394)	55,815
Government grants	(22,586)	-
Depreciation of owned tangible fixed assets	114,334	88,686
Depreciation of tangible fixed assets held under finance leases	30,017	37,022
Loss/(profit) on disposal of tangible fixed assets	1,185	(2,681)
Amortisation of intangible assets	5,269	4,543
Operating lease charges	685,012	756,574
	<u>685,012</u>	<u>756,574</u>

# RINKIT LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

### 5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	11,000	-
Audit of the financial statements of the company's subsidiaries	4,500	-
	<u>15,500</u>	<u>-</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Directors	5	4	5	4
Office and warehouse	64	48	58	46
Total	<u>69</u>	<u>52</u>	<u>63</u>	<u>50</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	1,772,975	1,183,236	1,682,747	1,150,582
Social security costs	155,471	105,342	155,471	105,342
Pension costs	45,099	23,364	29,559	19,489
	<u>1,973,545</u>	<u>1,311,942</u>	<u>1,867,777</u>	<u>1,275,413</u>

### 7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	247,489	152,528
Company pension contributions to defined contribution schemes	19,543	7,709
	<u>267,032</u>	<u>160,237</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 2).

## RINKIT LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

#### 7 Directors' remuneration

(Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	67,500	n/a
Company pension contributions to defined contribution schemes	3,375	n/a

The highest paid director disclosure has not been included for the comparative period as directors remuneration for the group was under £200,000.

The directors are considered the only key management personnel of the group.

#### 8 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	610,000	180,000
Adjustments in respect of prior periods	3,522	(58)
Total current tax	613,522	179,942
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(9,023)
Total tax charge	613,522	170,919

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	3,141,434	779,737
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	596,872	148,150
Tax effect of expenses that are not deductible in determining taxable profit	36,422	4,669
Tax effect of utilisation of tax losses not previously recognised	(12,674)	-
Unutilised tax losses carried forward	-	39,211
Under/(over) provided in prior years	3,522	(58)
Other timing differences	(10,620)	(21,053)
Taxation charge	613,522	170,919

# RINKIT LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

### 8 Taxation

(Continued)

The group has estimated trading losses totalling £110,000 (2020 - £170,000) available to carry forward against future trading profit.

### 9 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Final paid	599,229	422,149

### 10 Intangible fixed assets

Group	Goodwill £	Software £	Patents £	Total £
<b>Cost</b>				
At 1 March 2020	52,560	21,711	1,200	75,471
Additions	-	2,106	-	2,106
Exchange adjustments	-	419	-	419
At 28 February 2021	52,560	24,236	1,200	77,996
<b>Amortisation and impairment</b>				
At 1 March 2020	52,560	8,226	1,200	61,986
Amortisation charged for the year	-	5,269	-	5,269
Exchange adjustments	-	102	-	102
At 28 February 2021	52,560	13,597	1,200	67,357
<b>Carrying amount</b>				
At 28 February 2021	-	10,639	-	10,639
At 29 February 2020	-	13,485	-	13,485
<b>Company</b>				
<b>Goodwill</b>				
At 1 March 2020 and 28 February 2021	52,560	17,000	1,200	70,760
<b>Amortisation and impairment</b>				
At 1 March 2020	52,560	7,083	1,200	60,843
Amortisation charged for the year	-	3,400	-	3,400
At 28 February 2021	52,560	10,483	1,200	64,243



# RINKIT LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

### 10 Intangible fixed assets

(Continued)

#### Carrying amount

At 28 February 2021	-	6,517	-	6,517
At 29 February 2020	-	9,917	-	9,917

### 11 Tangible fixed assets

Group	Land and buildings leasehold	Plant and machinery	Fixtures, fittings and computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 March 2020	73,474	158,745	393,441	40,943	666,603
Additions	13,931	4,471	129,833	101,983	250,218
Disposals	-	-	(6,753)	(37,963)	(44,716)
Exchange adjustments	-	3,132	2,873	1,714	7,719
At 28 February 2021	87,405	166,348	519,394	106,677	879,824
<b>Depreciation and impairment</b>					
At 1 March 2020	16,809	46,223	157,811	16,707	237,550
Depreciation charged in the year	9,717	29,646	85,299	19,689	144,351
Eliminated in respect of disposals	-	-	(5,876)	(17,915)	(23,791)
Exchange adjustments	-	-	921	250	1,171
At 28 February 2021	26,526	75,869	238,155	18,731	359,281
<b>Carrying amount</b>					
At 28 February 2021	60,879	90,479	281,239	87,946	520,543
At 29 February 2020	56,665	112,522	235,630	24,236	429,053

# RINKIT LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

### 11 Tangible fixed assets

(Continued)

Company	Land and buildings leasehold	Plant and machinery	Fixtures, fittings and computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 March 2020	73,474	123,563	361,169	21,685	579,891
Additions	13,931	3,518	122,078	78,825	218,352
Disposals	-	-	(6,753)	(16,990)	(23,743)
At 28 February 2021	87,405	127,081	476,494	83,520	774,500
<b>Depreciation and impairment</b>					
At 1 March 2020	16,809	38,901	154,785	13,899	224,394
Depreciation charged in the year	9,717	21,972	76,210	13,372	121,271
Eliminated in respect of disposals	-	-	(5,876)	(13,364)	(19,240)
At 28 February 2021	26,526	60,873	225,119	13,907	326,425
<b>Carrying amount</b>					
At 28 February 2021	60,879	66,208	251,375	69,613	448,075
At 29 February 2020	56,665	84,662	206,384	7,786	355,497

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Plant and machinery	39,657	52,875	39,657	52,875
Fixtures, fittings and computer equipment	50,393	60,285	50,393	60,285
	90,050	113,160	90,050	113,160

### 12 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	13	-	-	60	60

# RINKIT LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

### 12 Fixed asset investments (Continued)

<b>Movements in fixed asset investments</b>	
<b>Company</b>	<b>Shares in subsidiaries £</b>
<b>Cost or valuation</b>	
At 1 March 2020 and 28 February 2021	60
<b>Carrying amount</b>	
At 28 February 2021	60
At 29 February 2020	60

### 13 Subsidiaries

Details of the company's subsidiaries at 28 February 2021 are as follows:

<b>Name of undertaking</b>	<b>Registered office</b>	<b>Class of shares held</b>	<b>% Held Direct</b>
Rinkit Pty Ltd	2/19 Southeast Boulevard, Pakenham, VIC, 3810	Ordinary shares	100.00

### 14 Financial instruments

	<b>Group 2021 £</b>	<b>2020 £</b>	<b>Company 2021 £</b>	<b>2020 £</b>
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	-	10,726	-	10,726
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	102,240	-	101,141	-

The company purchases forward foreign currency contracts to manage currency exposure on future commitments. The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices. At the statement of financial position date the company has agreed forward contracts totalling £2,551,648 (2020 - £1,240,033) for the purchase of foreign currency.

### 15 Stocks

	<b>Group 2021 £</b>	<b>2020 £</b>	<b>Company 2021 £</b>	<b>2020 £</b>
Finished goods and goods for resale	6,291,029	4,163,997	5,627,784	3,884,021

# RINKIT LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

### 16 Debtors

	Group 2021	2020	Company 2021	2020
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	835,194	232,438	793,742	223,395
Amounts owed by group undertakings	-	-	1,084,916	546,951
Derivative financial instruments	-	10,726	-	10,726
Other debtors	574,456	283,873	574,456	283,859
Prepayments and accrued income	158,389	129,742	126,771	122,779
	<u>1,568,039</u>	<u>656,779</u>	<u>2,579,885</u>	<u>1,187,710</u>
<b>Amounts falling due after more than one year:</b>				
Amounts owed by group undertakings	-	-	24,081	28,699
	<u>-</u>	<u>-</u>	<u>24,081</u>	<u>28,699</u>
<b>Total debtors</b>	<u>1,568,039</u>	<u>656,779</u>	<u>2,603,966</u>	<u>1,216,409</u>

Amounts owed by group undertakings in the company have no terms and are therefore repayable on demand. Whilst the classification as current assets reflects the contractual nature of the loans, the company will not seek repayment of these loans until the subsidiary is financially able to do so. This may be more than 12 months from the reporting date, as part of the company's ongoing financial support to the rest of the group.

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

		Group 2021	2020 as restated	Company 2021	2020 as restated
	Notes	£	£	£	£
Bank loans and overdrafts	19	144,533	165,176	74,258	80,510
Obligations under finance leases	20	41,896	49,769	41,896	49,769
Other borrowings	19	2,167,418	1,115,423	2,167,418	1,115,423
Trade creditors		1,923,998	764,798	1,878,743	727,612
Corporation tax payable		310,000	70,000	310,000	70,000
Other taxation and social security		181,535	361,727	165,848	356,516
Derivative financial instruments		102,240	-	101,141	-
Other creditors		96,446	81,027	43,012	76,884
Accruals and deferred income		227,541	271,605	216,426	303,605
		<u>5,195,607</u>	<u>2,879,525</u>	<u>4,998,742</u>	<u>2,780,319</u>

# RINKIT LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

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

		Group 2021	2020 as restated	Company 2021	2020 as restated
	Notes	£	£	£	£
Bank loans and overdrafts	19	95,008	169,251	95,008	169,251
Obligations under finance leases	20	50,531	92,427	50,531	92,427
Accruals and deferred income		321,666	388,170	321,666	388,170
		<u>467,205</u>	<u>649,848</u>	<u>467,205</u>	<u>649,848</u>

### 19 Loans and overdrafts

		Group 2021	2020	Company 2021	2020
		£	£	£	£
Bank loans		169,266	249,761	169,266	249,761
Bank overdrafts		70,275	84,666	-	-
Other loans		<u>2,167,418</u>	<u>1,115,423</u>	<u>2,167,418</u>	<u>1,115,423</u>
		<u>2,406,959</u>	<u>1,449,850</u>	<u>2,336,684</u>	<u>1,365,184</u>
Payable within one year		2,311,951	1,280,599	2,241,676	1,195,933
Payable after one year		<u>95,008</u>	<u>169,251</u>	<u>95,008</u>	<u>169,251</u>

Included within other loans is an import finance facility of £2,167,418 (2020 - £1,115,423) which is secured by way of a fixed and floating charge over all assets of the company, a general letter of pledge as well as a guarantee from The Dordevic Family Trust for AUD\$53,053.

There is a debenture on the bank loans and overdrafts, including a fixed and floating charge, secured over all assets of the company. The bank loans are subject to a rate of interest of 4% per annum.

### 20 Finance lease obligations

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	41,896	49,769	41,896	49,769
In two to five years	<u>50,531</u>	<u>92,427</u>	<u>50,531</u>	<u>92,427</u>
	<u>92,427</u>	<u>142,196</u>	<u>92,427</u>	<u>142,196</u>

Finance lease payments represent rentals payable by the company or group for certain items of property, plant and equipment. The average lease term is five years and all leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

## RINKIT LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2021

#### 21 Provisions for liabilities

	Group 2021 £	2020 £	Company 2021 £	2020 £
Refunds provision	66,740	-	66,740	-
Dilapidations provision	231,394	-	231,394	-
	<u>298,134</u>	<u>-</u>	<u>298,134</u>	<u>-</u>

Movements on provisions:

	Refunds provision £	Dilapidations provision £	Total £
<b>Group</b>			
Additional provisions in the year	<u>66,740</u>	<u>231,394</u>	<u>298,134</u>
<b>Company</b>	£	£	Total £
Additional provisions in the year	<u>66,740</u>	<u>231,394</u>	<u>298,134</u>

In the prior year both a refund provision of £37,609 and a dilapidations provision of £65,000 were included within accruals and deferred income in current liabilities of the group and company. These balances have not been restated on the basis that they are not material to the financial statements.

#### 22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
<b>Group</b>		
Accelerated capital allowances	<u>55,200</u>	<u>55,200</u>
<b>Company</b>	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	<u>55,200</u>	<u>55,200</u>

There were no deferred tax movements in the year.

# RINKIT LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

### 23 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	45,099	23,364

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 24 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 0.01p each	1,060,000	1,060,000	106	106

The ordinary shares have attached to them full voting rights, dividend and capital distribution rights (including on winding up) but they do not confer any rights of redemption.

### 25 Reserves

#### Other reserves

Other reserves represents cumulative differences arising on the annual translation of Rinkit Pty Ltd financial statements from Australian dollars to sterling. These amounts relate to the group only and are non-distributable.

### 26 Financial commitments, guarantees and contingent liabilities

The company has provided a multilateral guarantee dated 15 February 2021 on behalf of Rinkit Pty Ltd to secure import financing facilities. The extent of the contingent liability to the company itself at the year end amounted to £ 70,288 (2020 - £Nil).

### 27 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	610,968	733,383	610,968	733,383
Between two and five years	2,260,632	2,305,904	2,260,632	2,305,904
In over five years	1,328,404	1,868,083	1,328,404	1,868,083
	4,200,004	4,907,370	4,200,004	4,907,370

## RINKIT LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2021

#### 28 Events after the reporting date

Since the year end date, dividends have been declared by the company totalling £1,040,000.

#### 29 Related party transactions

At the balance sheet date, the group and company owed Mr R Goss, a director, £19,212 (2020 - £Nil). No interest was charge on this balance and it is included within creditors due within one year.

#### 30 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	2,527,912	608,818
<b>Adjustments for:</b>		
Taxation charged	613,522	170,919
Finance costs	76,992	81,668
Investment income	(12,118)	(4,181)
Loss/(gain) on disposal of tangible fixed assets	1,185	(2,681)
Fair value loss/(gain) on foreign exchange contracts	111,868	(10,726)
Amortisation and impairment of intangible assets	5,269	4,543
Depreciation and impairment of tangible fixed assets	144,351	125,708
Increase in provisions	298,134	-
<b>Movements in working capital:</b>		
Increase in stocks	(2,127,032)	(177,300)
Increase in debtors	(921,986)	(47,287)
Increase in creditors	1,915,228	637,485
<b>Cash generated from operations</b>	<b>2,633,325</b>	<b>1,386,966</b>

#### 31 Analysis of changes in net funds - group

	1 March 2020 £	Cash flows £	28 February 2021 £
Cash at bank and in hand	645,507	1,218,461	1,863,968
Bank overdrafts	(84,666)	14,391	(70,275)
	560,841	1,232,852	1,793,693
Borrowings excluding overdrafts	(249,761)	80,495	(169,266)
Obligations under finance leases	(142,196)	49,769	(92,427)
	168,884	1,363,116	1,532,000



## **RINKIT LIMITED**

### **NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 28 FEBRUARY 2021***

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#### **32 Prior period adjustment**

During the current year, the group and company have recognised advertising costs, relating directly to the sale of goods, within cost of sales. In the prior period these costs were recognised in administrative expenses and have therefore been restated in the financial statements. The net impact on the prior period profits is nil, however costs of sales have increased by £546,671 and administrative expenses have decreased by the same amount in the comparative figures as a result of this change.

The financial statements for the group and company have been restated to incorporate the impact of a misclassification of a long term rent accrual from current liabilities to non-current liabilities in the prior year. The net impact on the prior period profits is nil, however current liabilities have decreased by £388,170 and non-current liabilities have increased by the same amount in the comparative figures as a result of this change.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.