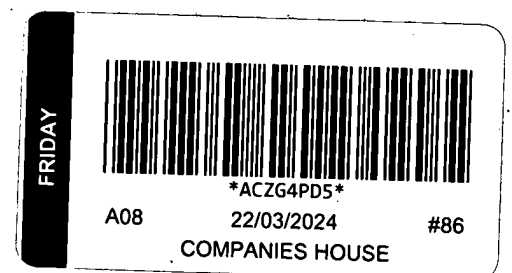


**Ringtons Limited**

**Directors' report and financial statements  
for the 52 week period ended 23 June 2023**

**Registered Number 00572008**



# Ringtons Limited

## Directors' report and financial statements for the 52 week period ended 23 June 2023

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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

N L Johnson (appointed 1 July 2023)

B E Keatings (appointed 1 July 2023)

E J Smith (appointed 1 July 2023)

T D Smith (appointed 1 July 2023)

### **Company secretary**

P N H Smith (resigned 16 August 2023)

K J Worrall (appointed 16 August 2023)

### **Registered number**

00572008

### **Registered office**

10-22 Algernon Road

Heaton

Newcastle upon Tyne

Tyne & Wear

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 52 week period ended 23 June 2023**

### **Introduction**

The directors present their strategic report for the 52 week period ended 23 June 2023.

### **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 52 week period ended 23 June 2023 (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:

	2023	2022	Changes
	£'000	£'000	%
Turnover	80,618	70,595	14.2
Gross profit	25,197	23,945	5.2
Operating profit	2,786	4,574	-39.1
Total Shareholders' funds	33,066	31,480	5.0
Average monthly number of employees	562	555	1.3

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

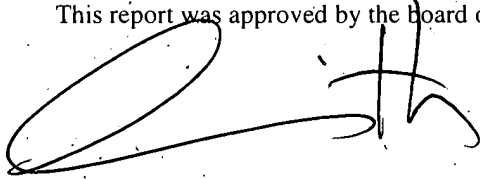
The directors must act in a way they consider would be most likely to promote the success of the company for the benefit of its members and in so doing must have regard to the six matters set out in Section 172(1):

- (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 we have launched the Ringtons way which embodies who we are and where we are going including our Ringtons values.
- (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.

# **Ringtons Limited**

## **Strategic report for the 52 week period ended 23 June 2023 (continued)**

This report was approved by the board on 26 October 2023 and signed on its behalf of:

A handwritten signature in black ink, appearing to be 'S M Smith', written over a horizontal line.

**S M Smith  
Director**

# **Ringtons Limited**

## **Directors' report for the 52 week period ended 23 June 2023**

The directors present their report and the audited financial statements for the 52 week period ended 23 June 2023.

### **Results and dividends**

The profit for the financial year, amounted to £1,986,366 (2022: £3,660,587).

Particulars of dividends paid are detailed in note 17 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

N L Johnson (appointed 1 July 2023)

B E Keatings (appointed 1 July 2023)

E J Smith (appointed 1 July 2023)

T D Smith (appointed 1 July 2023)

### **Charitable contributions**

The company made charitable donations of £156,344 (2022: £266,547) 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 all 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, for example a new business wide staff advisory board has been introduced. In addition, the company encourages the involvement of employees by formally publicising important developments and promoting the common awareness in relation to the financial and economic factors that affect the performance of the group by means of regular meetings and continuous individual contact.

### **Matters detailed in the strategic report**

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

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

# Ringtons Limited

## Directors' report for the 52 week period ended 23 June 2023 (continued)

### 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.

### Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' report and financial statements for the 52 week period ending 23 June 2023 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.



# Ringtons Limited

## Directors' report for the 52 week period ended 23 June 2023 (continued)

### 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.

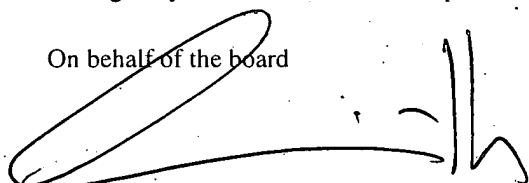
### Streamlined Energy and Carbon Reporting (SECR)

Ringtons Limited does not have to report on SECR as this is included in the group SECR statement within the consolidated Ringtons Holdings Limited accounts.

### Independent auditors

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

On behalf of the board



S M Smith

Director

26 October 2023

# **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 23 June 2023 and of its profit for the 52 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 23 June 2023; statement of income and retained earnings for the period then ended for the period then ended; the Statement of accounting policies; and the notes to the financial statements.

### **Basis for opinion**

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

### **Independence**

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

### **Conclusions relating to going concern**

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 period ended 23 June 2023 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 Statement of directors' responsibilities in respect of the financial statements, 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 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 profit. Audit procedures performed by the engagement team included:

- 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;

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

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

- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations impacting profit; and
- Challenging assumptions and judgements made by management in their key accounting estimates.

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](http://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.

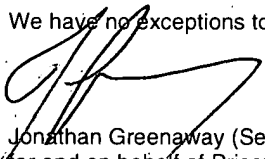
## Other required reporting

### **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 upon Tyne  
26 October 2023

# Ringtons Limited

## Statement of income and retained earnings for the 52 week period ended 23 June 2023

	Note	52 week period ended 23 June 2023 £	52 week period ended 24 June 2022 £
<b>Turnover</b>	1	<b>80,618,471</b>	70,594,577
Cost of sales		(55,421,488)	(46,650,012)
<b>Gross profit</b>		<b>25,196,983</b>	23,944,565
Distribution costs		(17,203,572)	(15,133,101)
Administrative expenses		(5,207,381)	(4,488,306)
Income from shares in Group undertakings	2	-	250,500
<b>Operating profit</b>	2	<b>2,786,030</b>	4,573,658
Interest receivable and similar income	5	4,461	1,326
Interest payable and similar expenses	6	(33,974)	(9,648)
<b>Profit before taxation</b>		<b>2,756,517</b>	4,565,336
Tax on profit	7	(770,151)	(904,749)
<b>Profit for the financial year</b>	16	<b>1,986,366</b>	3,660,587
<b>Profit and loss account brought forward</b>		<b>29,367,640</b>	27,507,053
Dividends paid	17	(400,000)	(1,800,000)
<b>Profit and loss account at the end of the year</b>		<b>30,954,006</b>	29,367,640

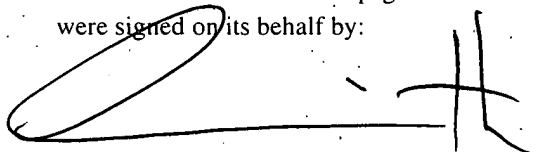
All amounts relate to continuing operations.

# Ringtons Limited

## Balance sheet as at 23 June 2023

		23 June 2023		24 June 2022	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		13,726,447		13,751,470
Investments	9		2,343,165		2,343,165
			16,069,612		16,094,635
<b>Current assets</b>					
Stocks	10	18,884,151		15,154,389	
Debtors	11	7,130,495		6,214,362	
Cash at bank and in hand		3,661,887		3,274,562	
		29,676,533		24,643,313	
<b>Creditors: amounts falling due within one year</b>	12	(11,171,381)		(8,273,919)	
<b>Net current assets</b>			18,505,152		16,369,394
<b>Total assets less current liabilities</b>			34,574,764		32,464,029
<b>Creditors: amounts falling due after more than one year</b>	13		(385,916)		-
Provisions for liabilities	14		(1,122,920)		(984,467)
<b>Net assets</b>			33,065,928		31,479,562
<b>Capital and reserves</b>					
Called up share capital	15		142,444		142,444
Capital redemption reserve	16		1,969,478		1,969,478
Profit and loss account	16		30,954,006		29,367,640
<b>Total shareholders' funds</b>			33,065,928		31,479,562

The financial statements on pages 11 to 26 were approved by the board of directors on 26 October 2023 and were signed on its behalf by:



S M 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, Heaton, 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 making 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.

### Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments:

#### (i) *Financial assets*

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### (ii) *Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

# Ringtons Limited

## Statement of accounting policies (continued)

### Financial instruments (continued)

#### (ii) *Financial liabilities (continued)*

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

### 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 making due allowance for obsolete and slow moving stocks.

# Ringtons Limited

## Notes to the financial statements for the 52 week period ended 23 June 2023

### 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):

	52 week period ended 23 June 2023	52 week period ended 24 June 2022
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	1,889,659	1,830,123
- held under hire purchase agreements	186,784	109,302
Operating lease rentals:		
- other operating leases	144,979	104,580
Net loss/(gain) on foreign currency translation	32,571	(22,982)
Auditors' remuneration:		
Audit of these financial statements	24,000	20,000
Amounts receivable by the auditors and their associates in respect of:		
Other services relating to taxation	3,000	3,000
Income from shares in Group undertakings	-	(250,500)

# Ringtons Limited

## Notes to the financial statements for the 52 week period ended 23 June 2023 (continued)

### 3 Staff costs

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

	52 week period ended 23 June 2023	52 week period ended 24 June 2022
	£	£
Wages and salaries	16,000,497	14,842,780
Social security costs	1,574,393	1,435,424
Other pension costs	952,494	879,598
	<b>18,527,384</b>	<b>17,157,802</b>

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

	52 week period ended 23 June 2023	52 week period ended 24 June 2022
	Number	Number
Production	138	140
Selling and distribution	379	366
Administrative	45	49
	<b>562</b>	<b>555</b>

### 4 Directors' remuneration and key management remuneration

	52 week period ended 23 June 2023	52 week period ended 24 June 2022
	£	£
Remuneration	739,618	730,087
Company pension contributions to defined contribution pension schemes	28,800	28,800
	<b>768,418</b>	<b>758,887</b>

# Ringtons Limited

## Notes to the financial statements for the 52 week period ended 23 June 2023 (continued)

### 4 Directors' remuneration and key management remuneration (continued)

During the year retirement benefits were accruing to 1 director (2022: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £331,021 (2022: £325,932) and pension contributions to defined contribution pension of £nil (2022: £nil).

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

### 5 Interest receivable and similar income

	52 week period ended 23 June 2023	52 week period ended 24 June 2022
	£	£
Bank interest receivable	4,396	518
Other interest receivable	65	808
	4,461	1,326

### 6 Interest payable and similar expenses

	52 week period ended 23 June 2023	52 week period ended 24 June 2022
	£	£
Interest payable on hire purchase	33,777	1,663
Interest payable on bank borrowing	197	7,985
	33,974	9,648

# Ringtons Limited

## Notes to the financial statements for the 52 week period ended 23 June 2023 (continued)

### 7 Tax on profit

#### Analysis of tax charge in the year

	52 week period ended 23 June 2023 £	52 week period ended 24 June 2022 £
<b>Current tax</b>		
UK corporation tax charge on profit for the year	761,289	774,581
Adjustments in respect of prior periods	(129,591)	(258,680)
<b>Total current tax</b>	<b>631,698</b>	<b>515,901</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(66,894)	36,862
Adjustments in respect of prior periods	205,347	340,346
Effect of changes in tax rate	-	11,640
<b>Total deferred tax (see note 14)</b>	<b>138,453</b>	<b>388,848</b>
<b>Tax on profit</b>	<b>770,151</b>	<b>904,749</b>

#### Factors affecting tax charge for the 52 week period ended 23 June 2023

The tax assessed for the year is higher (2022: higher) than the standard rate of corporation tax in the UK of 20.5% (52 week period ended 24 June 2022: 19%). The differences are explained below:

	52 week period ended 23 June 2023 £	52 week period ended 24 June 2022 £
Profit before taxation	2,756,517	4,565,336
Profit before taxation multiplied by standard rate of corporation tax in the UK of 20.5% (52 week period ended 24 June 2022: 19%)	564,973	867,414
<i>Effects of:</i>		
Expenses not deductible for tax purposes	141,473	-
Income not taxable	-	(55,972)
Adjustments in respect of prior periods	75,756	81,666
Effect of changes in tax rate	(12,051)	11,641
<b>Tax on profit</b>	<b>770,151</b>	<b>904,749</b>

# Ringtons Limited

## Notes to the financial statements for the 52 week period ended 23 June 2023 (continued)

### 8 Tangible assets

	Freehold property £	Leasehold property £	Plant and machinery £	Fixtures, fittings and other assets £	Total £
<b>Cost</b>					
At 24 June 2022	7,209,961	947,227	13,432,311	8,143,386	29,732,885
Additions	-	-	302,172	1,799,871	2,102,043
Disposals	-	-	(284,437)	(1,186,140)	(1,470,577)
<b>At 23 June 2023</b>	<b>7,209,961</b>	<b>947,227</b>	<b>13,450,046</b>	<b>8,757,117</b>	<b>30,364,351</b>
<b>Accumulated depreciation</b>					
At 24 June 2022	2,249,393	287,920	7,960,701	5,483,401	15,981,415
Charge for the year	143,350	18,944	824,412	1,089,737	2,076,443
On disposals	-	-	(248,359)	(1,171,595)	(1,419,954)
<b>At 23 June 2023</b>	<b>2,392,743</b>	<b>306,864</b>	<b>8,536,754</b>	<b>5,401,543</b>	<b>16,637,904</b>
<b>Net book value</b>					
<b>At 23 June 2023</b>	<b>4,817,218</b>	<b>640,363</b>	<b>4,913,292</b>	<b>3,355,574</b>	<b>13,726,447</b>
At 24 June 2022	4,960,568	659,307	5,471,610	2,659,985	13,751,470

Plant and machinery includes assets under construction of £52,951 (2022: £902,138).

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

	23 June 2023 £	24 June 2022 £
Fixtures, fittings and other assets	794,799	194,376

# Ringtons Limited

## Notes to the financial statements for the 52 week period ended 23 June 2023 (continued)

### 9 Investments

	Investments in subsidiary companies £
<b>Cost</b>	
<b>At 23 June 2023</b>	<b>4,843,165</b>
<b>Provision for impairment</b>	
At 24 June 2022	2,500,000
Charge for the year	
<b>At 23 June 2023</b>	<b>2,500,000</b>
<b>Net book value</b>	
<b>At 23 June 2023</b>	<b>2,343,165</b>
At 24 June 2022	2,343,165

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
London Infusions Limited	United Kingdom	Ordinary	50.1%*	Tea and herbal drink retailer	Unit 5, The IO Centre, Hurricane Road, Gloucester Business Park, Gloucester, GL3 4AQ

\*Indirect holding



# Ringtons Limited

## Notes to the financial statements for the 52 week period ended 23 June 2023 (continued)

### 10 Stocks

	23 June 2023	24 June 2022
	£	£
Raw materials	12,857,675	10,266,512
Finished goods and goods for resale	6,026,476	4,887,877
	18,884,151	15,154,389

### 11 Debtors

	23 June 2023	24 June 2022
	£	£
Trade debtors	6,316,057	5,339,032
Amounts owed by group undertaking	65,940	10,596
Other debtors	166,686	106,657
VAT recoverable	288,100	513,913
Prepayments and accrued income	293,712	244,164
	7,130,495	6,214,362

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

	23 June 2023	24 June 2022
	£	£
Trade creditors	4,732,040	4,334,385
Net obligations under hire purchase contracts	312,491	13,914
Corporation tax	483,268	268,571
Other taxation and social security	509,786	518,390
Accruals and deferred income	5,133,796	3,138,659
	11,171,381	8,273,919

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.

# Ringtons Limited

## Notes to the financial statements for the 52 week period ended 23 June 2023 (continued)

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

	23 June 2023	24 June 2022
	£	£
Net obligation under finance leases and hire purchase contracts	385,916	-

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

	23 June 2023	24 June 2022
	£	£
Between two and five years	385,916	-

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

### 14 Provisions for liabilities

	52 week period ended 23 June 2023	52 week period ended 24 June 2022
	£	£
At the beginning of the year	984,467	595,619
(Credit)/charge	(66,894)	48,502
Adjustment in respect of prior years	205,347	340,346
<b>At the end of the year</b>	<b>1,122,920</b>	<b>984,467</b>

The provision for deferred taxation is made up as follows:

	23 June 2023	24 June 2022
	£	£
Fixed asset timing differences	1,209,930	1,002,016
Short term timing differences	(87,010)	(17,549)
	1,122,920	984,467

# Ringtons Limited

## Notes to the financial statements for the 52 week period ended 23 June 2023 (continued)

### 15 Called up share capital

	23 June 2023	24 June 2022
	£	£
<b>Authorised</b>		
2,076,000 (24 June 2022: 2,076,000) ordinary shares of £1 each	2,076,000	2,076,000
<b>Allotted, called up and fully paid</b>		
142,444 (24 June 2022: 142,444) ordinary shares of £1 each	142,444	142,444

### 16 Reserves

	Capital redemption reserve	Profit and loss account
	£	£
At 25 June 2022	1,969,478	29,367,640
Profit for the financial year	-	1,986,366
Dividends: Equity capital	-	(400,000)
<b>At 23 June 2023</b>	<b>1,969,478</b>	<b>30,954,006</b>

### 17 Dividends paid

	52 week period ended 23 June 2023	52 week period ended 24 June 2022
	£	£
Dividends paid on equity capital	400,000	1,800,000

Dividends paid at £2.81 (2022: £12.64) per share.

# Ringtons Limited

## Notes to the financial statements for the 52 week period ended 23 June 2023 (continued)

### 18 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 £952,494 (2022: £879,598). An amount of £81,491 (2022: £75,106) is due to the scheme at the year end.

### 19 Operating lease commitments

At 23 June 2023 and 24 June 2022 the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	23 June 2023	24 June 2022
	£	£
Operating leases which expire:		
Within one year	145,330	145,330
Two to five years	323,993	469,323

### 20 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 23 June 2023. The consolidated financial statements of Ringtons Holdings Limited are available from 10-22 Algernon Road, Heaton, Newcastle upon Tyne, NE6 2YN.