

River Cottage Stores Limited
Annual Report and Unaudited Financial Statements
Year Ended 31 March 2020

Registration number: 06206210

River Cottage Stores Limited

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River Cottage Stores Limited

Company Information

Directors Mr Hugh Fearnley-Whittingstall
Mr Stewart Dodd

Registered office Park Farm
Trinity Hill Road
Axminster
Devon
EX13 8TB

Accountants PKF Francis Clark
Centenary House
Peninsula Park
Rydon Lane
Exeter
Devon
EX2 7XE

River Cottage Stores Limited

Balance Sheet

31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>5</u>	385,447	714,505
Investments	<u>6</u>	200	12,700
		<u>385,647</u>	<u>727,205</u>
Current assets			
Stocks	<u>7</u>	12,600	68,456
Debtors	<u>8</u>	47,755	138,509
Cash at bank and in hand		7,883	79,758
		<u>68,238</u>	<u>286,723</u>
Creditors: Amounts falling due within one year	<u>9</u>	<u>(3,741,799)</u>	<u>(3,620,763)</u>
Net current liabilities		<u>(3,673,561)</u>	<u>(3,334,040)</u>
Net liabilities		<u>(3,287,914)</u>	<u>(2,606,835)</u>
Capital and reserves			
Called up share capital	<u>11</u>	1,477	1,477
Share premium reserve		1,779,810	1,779,810
Profit and loss account		<u>(5,069,201)</u>	<u>(4,388,122)</u>
Total equity		<u>(3,287,914)</u>	<u>(2,606,835)</u>

River Cottage Stores Limited

Balance Sheet

31 March 2020

For the financial year ending 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 31 March 2021 and signed on its behalf by:

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Mr Stewart Dodd

Director

Company Registration Number: 06206210

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office and principal place of business is:

Park Farm
Trinity Hill Road
Axminster
Devon
EX13 8TB

These financial statements were authorised for issue by the Board on 31 March 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' including Section 1A and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Group accounts not prepared

In the opinion of the directors, the company and its subsidiaries comprise a small group. The company has not exercised the option to prepare group accounts provided by Section 398 of the Companies Act 2006.

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2020

Going concern

The financial statements have been prepared on a going concern basis.

Approaching the end of the financial year, the Bristol restaurant ceased trading due to rising operating costs and challenging market conditions. The Bristol lease was surrendered within the financial year and represents the major write-off as stated in the financial statements.

The impact of Covid-19 has significantly impaired the future performance of the 2 remaining restaurants, consequently the Winchester restaurant ceased trading October 2020, the resulting redundancy and closure costs will be stated in the financial statements for the year ending 31st March 2021.

The Axminster restaurant will continue to trade post Covid-19 restrictions lifting, and, despite an uncertain situation, mitigating actions, specifically a comprehensive operational restructure, are in place to maximise both operational efficiencies and revenues.

The principal factors considered by the directors in preparing the accounts on a going concern basis were as follows:

- The group has prepared a revised three year forecast with the expectation of returning the group to profitability by 2022/23.

- Following the 2019/20 letter of support confirming his intention to provide further financial support to fulfil the group business plan, the major shareholder has reaffirmed his intentions, and is actively working with the Board and senior management team to support future growth initiatives.

Having duly considered the matters above, the directors are of the opinion that the company will continue to operate for the foreseeable future, therefore the financial statements have been prepared on the assumption that the going concern basis of preparation is appropriate.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

Revenue is recognised as follows:

Events income is recognised when the event takes place. Payments in advance of the event are accounted for as deferred income.

Canteen Food & Beverages and Retail sales are recognised in the period in which the goods are sold.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2020

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property	the lower of 10 years or the lease term
Fixtures and fittings	20-25% straight line
Plant and machinery	10-33% straight line
Office equipment	25% straight line

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2020

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 88 (2019 - 81).

4 Loss before tax

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	185,210	196,622
Exceptional administrative expenses	186,478	-

Exceptional costs relate to the closure of the Bristol restaurant.

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2020

5 Tangible assets

	Leasehold land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2019	1,515,849	783,303	2,299,152
Additions	-	8,353	8,353
Disposals	(481,637)	(237,864)	(719,501)
At 31 March 2020	1,034,212	553,792	1,588,004
Depreciation			
At 1 April 2019	897,969	686,678	1,584,647
Charge for the year	146,561	38,649	185,210
Eliminated on disposal	(341,485)	(225,815)	(567,300)
At 31 March 2020	703,045	499,512	1,202,557
Carrying amount			
At 31 March 2020	331,167	54,280	385,447
At 31 March 2019	617,880	96,625	714,505

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2020

6 Investments

	Investments in subsidiaries £
Cost or valuation	
At 1 April 2019	12,700
Disposals	(12,500)
	<hr/>
At 31 March 2020	200
	<hr/>
Carrying amount	
At 31 March 2020	200
	<hr/> <hr/>
At 31 March 2019	12,700
	<hr/> <hr/>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
River Cottage Canteen Bristol Limited	Park Farm Trinity Hill Road Axminster EX13 8TB	Ordinary	100%	100%
River Cottage Canteen Winchester Limited	Park Farm Trinity Hill Road Axminster EX13 8TB	Ordinary	100%	100%
River Cottage Bonds PLC	Park Farm Trinity Road Axminster EX13 8TB	Ordinary	0%	100%

River Cottage Bonds PLC was dissolved on 10 December 2019.

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2020

7 Stocks

	2020 £	2019 £
Other inventories	12,600	68,456

8 Debtors

	2020 £	2019 £
Trade debtors	-	23,502
Amounts due from group undertakings	5,000	-
Other debtors	42,755	115,007
	47,755	138,509

9 Creditors

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	10	92,512	24,168
Trade creditors		107,634	193,548
Amounts due to group undertakings		3,366,668	3,079,442
Social security and other taxes		86,535	145,008
Other creditors		9,168	31,356
Accrued expenses		79,282	147,241
		3,741,799	3,620,763

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2020

10 Loans and borrowings

	2020 £	2019 £
Current loans and borrowings		
Bank overdrafts	92,512	24,168

11 Share capital

Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
Ordinary shares of £0.01 each	122,650	1,227	122,650	1,227
Ordinary A shares of £0.01 each	25,000	250	25,000	250
	147,650	1,477	147,650	1,477

12 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £67,123 (2019 - £102,219), which represents amounts due under property operating leases.

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2020

13 Related party transactions

Summary of transactions with subsidiaries

Loans from related parties

	Subsidiary £
2020	
At start of period	991,500
Repaid	<u>(991,500)</u>
At end of period	<u>-</u>
2019	
At start of period	993,500
Repaid	(71,387)
Interest transactions	<u>69,387</u>
At end of period	<u>991,500</u>

Terms of loans from related parties

On 27 July 2014 the company received a loan from a subsidiary. The loan was fully repaid in the year. Interest had been charged at 7% on this loan.

14 Parent and ultimate parent undertaking

As of 25 April 2018 the company's immediate parent is River Cottage Holdings Limited, incorporated in England and Wales.

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.