

River Cottage Stores Limited
Annual Report and Unaudited Financial Statements
Year Ended 31 March 2018

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 2018

	Note	2018 £	(As restated) 2017 £
Fixed assets			
Tangible assets	<u>4</u>	892,724	1,046,967
Investments	<u>5</u>	12,700	12,700
		<u>905,424</u>	<u>1,059,667</u>
Current assets			
Stocks	<u>6</u>	113,850	129,816
Debtors	<u>7</u>	197,435	161,511
Cash at bank and in hand		54,409	53,440
		<u>365,694</u>	<u>344,767</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(2,317,837)</u>	<u>(1,632,582)</u>
Net current liabilities		<u>(1,952,143)</u>	<u>(1,287,815)</u>
Total assets less current liabilities		<u>(1,046,719)</u>	<u>(228,148)</u>
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(993,500)</u>	<u>(1,002,115)</u>
Net liabilities		<u>(2,040,219)</u>	<u>(1,230,263)</u>
Capital and reserves			
Called up share capital		1,477	1,477
Share premium reserve		1,779,810	1,779,810
Profit and loss account		<u>(3,821,506)</u>	<u>(3,011,550)</u>
Total equity		<u>(2,040,219)</u>	<u>(1,230,263)</u>

The notes on pages 4 to 12 form an integral part of these financial statements.

River Cottage Stores Limited

Balance Sheet

31 March 2018

For the financial year ending 31 March 2018 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 20 December 2018 and signed on its behalf by:

.....

Mr Stewart Dodd

Director

Company Registration Number: 06206210

The notes on pages 4 to 12 form an integral part of these financial statements.

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2018

1 General information

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

The address of its registered office is:

Park Farm
Trinity Hill Road
Axminster
Devon
EX13 8TB

These financial statements were authorised for issue by the Board on 20 December 2018.

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, except as stated in Note 14.

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 2018

Going concern

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

Since the year end there has been a group reconstruction in which the River Cottage Stores Limited group has become part of the River Cottage Holdings Limited group.

The principal factors considered by the directors when adopting the going concern basis were:

- the group has prepared a three year forecast with the expectation of returning the new group to profitability.
- additional funds of £400,000 have been invested into the new group since the year end.
- certain key shareholders and investors have provided a letter of comfort to the directors to confirm that it is their current intention to make funds available as required to ensure liabilities can be paid when they fall due for payment.

Having duly considered the matters above, the directors are of the opinion that it will continue to operate for the foreseeable future and 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.

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:

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2018

Asset class

Leasehold property
Fixtures and fittings
Plant and machinery
Office equipment

Depreciation method and rate

the lower of 10 years or the lease term
20-25% straight line
10-33% straight line
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. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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 2018

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.

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2018

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 85 (2017 - 118).

4 Tangible assets

	Leasehold land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2017	2,061,471	1,002,610	3,064,081
Additions	7,807	73,175	80,982
Disposals	(555,753)	(302,928)	(858,681)
At 31 March 2018	1,513,525	772,857	2,286,382
Depreciation			
At 1 April 2017	1,162,118	854,996	2,017,114
Charge for the year	137,196	86,869	224,065
Eliminated on disposal	(547,066)	(300,455)	(847,521)
At 31 March 2018	752,248	641,410	1,393,658
Carrying amount			
At 31 March 2018	761,277	131,447	892,724
At 31 March 2017	899,353	147,614	1,046,967

Impairment

Land and buildings

On 27th March 2017, the directors took the decision to close one of the Company's restaurants. As a result an impairment provision was made in the prior year to reduce the net book value of leasehold land and buildings by £257,755. The amount of impairment loss included in profit or loss is £Nil (2017 - £257,755). The impairment loss was included in administrative expenses. The assets impaired in the prior year have been treated as disposals in the current year.

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2018

5 Investments

	Investments in subsidiaries £
Cost or valuation	
At 1 April 2017	12,800
Disposals	(100)
At 31 March 2018	12,700
Provision	
At 1 April 2017	100
Eliminated on disposals	(100)
At 31 March 2018	-
Carrying amount	
At 31 March 2018	12,700
At 31 March 2017	12,700

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking			Registered office	Holding	Proportion of voting rights and shares held	
					2018	2017
Subsidiary undertakings						
River Cottage Bristol Limited	Canteen		Park Farm Trinity Hill Road Axminster EX13 8TB	Ordinary	100%	100%
River Cottage Winchester Limited	Canteen		Park Farm Trinity Hill Road Axminster EX13 8TB	Ordinary	100%	100%
River Cottage Bonds PLC			Park Farm Trinity Road Axminster EX13 8TB	Ordinary	100%	100%

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2018

6 Stocks

	2018 £	2017 £
Other inventories	113,850	129,816

7 Debtors

	2018 £	(As restated) 2017 £
Trade debtors	75,211	8,707
Other debtors	122,224	152,804
	197,435	161,511

8 Creditors

	Note	2018 £	(As restated) 2017 £
Due within one year			
Loans and borrowings	9	124,252	246,959
Trade creditors		569,742	586,188
Amounts due to group undertakings	12	49,360	48,393
Social security and other taxes		108,679	119,763
Other creditors		1,330,509	398,650
Accrued expenses		135,295	232,629
		2,317,837	1,632,582

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	9	993,500	1,002,115

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2018

9 Loans and borrowings

	Note	2018 £	2017 £
Loans and borrowings due after one year			
Finance lease liabilities		-	8,615
Amounts due from group undertakings	12	993,500	993,500
		<u>993,500</u>	<u>1,002,115</u>

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	-	20,053
Bank overdrafts	124,252	199,406
Finance lease liabilities	-	27,500
	<u>124,252</u>	<u>246,959</u>

10 Share capital

Allotted, called up and fully paid shares

	No.	2018 £	No.	2017 £
Ordinary shares of £0.01 each	122,650	1,226.50	122,650	1,226.50
Ordinary A shares of £0.01 each	25,000	250.00	25,000	250.00
	<u>147,650</u>	<u>1,477</u>	<u>147,650</u>	<u>1,477</u>

11 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 £137,219 (2017 - £172,219), which represents amounts due under operating leases.

River Cottage Stores Limited

Notes to the Financial Statements

Year Ended 31 March 2018

12 Related party transactions

Summary of transactions with subsidiaries

On 27 July 2014 the company received a loan of £993,500 from a subsidiary. The loan is repayable in full on 31 July 2019. Interest has been charged at 7% on this loan.

Loans from related parties

	Subsidiary £
2018	
At start of period	993,500
Repaid	(69,545)
Interest transactions	<u>69,545</u>
At end of period	<u><u>993,500</u></u>
	Subsidiary £
2017	
At start of period	993,500
Repaid	(69,405)
Interest transactions	<u>69,405</u>
At end of period	<u><u>993,500</u></u>

13 Non adjusting events after the financial period

On 9 April 2018 the company became a wholly owned subsidiary of River Cottage Holdings Limited.

14 Prior year adjustment

The comparative figures in these accounts have been restated to reflect the following:

In the financial statements for the year ended 31 March 2017 trade debtors totalling £219, trade creditors totalling £126,363 and other creditors totalling £390,000 were erroneously included in the amounts owed to group undertakings. Consequently, the comparative figure for amounts owed to group undertakings has decreased by £516,144 to £48,393 and the comparative figure for trade debtors, trade creditors and other creditors have increased to £8,707, £586,188 and £398,650 respectively.

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