

River Cottage Bonds PLC

Annual Report and Financial Statements Year Ended 31 March 2018

Registration number: 09079870



River Cottage Bonds PLC

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River Cottage Bonds PLC

Company Information

Directors Mr Hugh Fearnley-Whittingstall
Mr Stewart Dodd

Company secretary Mr James Houston

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

Auditors PKF Francis Clark
Statutory Auditor
Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

River Cottage Bonds PLC

Strategic Report

Year Ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

Principal activity

The principal activity of the company is the provision of long term development funding to River Cottage Stores Limited.

Fair review of the business

The company was incorporated on 10 June 2014 for the purpose of issuing bonds and lending the proceeds to River Cottage Stores Limited to facilitate the opening of Winchester Canteen.

On 27 June 2014 the company issued £993,000 7% fixed rate bonds redeemable on 31 July 2019. As the company is not trading there are no specific key performance indicators.

As explained in Note 11, following a group reconstruction on 9 April 2018 the company's parent, River Cottage Stores Limited, became a wholly-owned subsidiary of River Cottage Holdings Limited.

Principal risks and uncertainties

The company has lent the full amount of loans it has borrowed, thus it has assets to fully offset its liabilities and interest receivable to offset its interest payable. Consideration of the recoverability of the loan due from the parent company has been outlined in the going concern section in accounting policies.

Approved by the Board on 27th Sept '18 and signed on its behalf by:



Mr Stewart Dodd
Director

River Cottage Bonds PLC

Directors' Report

Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors of the company

The directors who held office during the year were as follows:

Mr Hugh Fearnley-Whittingstall

Mr Robert Love (resigned 9 April 2018)

Mr Robert Greacen (resigned 30 November 2017)

The following director was appointed after the year end:

Mr Stewart Dodd (appointed 9 April 2018)

Financial instruments

Objectives and policies

Cash balances within the company are retained on a deposit to maximise returns.

Price risk, credit risk, liquidity risk and cash flow risk

The company is not trading and therefore is not subject to price risk.

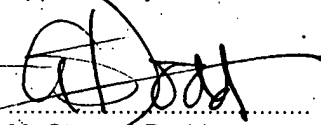
There is credit risk associated with the loan to the parent company. Consideration of this risk is outlined in the going concern section in accounting policies.

Cash flow risk is minimised by all payment obligations under the bond issue having a guarantee by River Cottage Stores Limited, the company's holding company.

Disclosure of information to the auditors

Each director has 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. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 27/9/18 and signed on its behalf by:



Mr Stewart Dodd
Director

River Cottage Bonds PLC

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; 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 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

River Cottage Bonds PLC

Independent Auditor's Report to the Members of River Cottage Bonds PLC

Opinion

We have audited the financial statements of River Cottage Bonds PLC (the 'company') for the year ended 31 March 2018, which comprise the Profit and Loss Account and Statement of Retained Earnings, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 company's affairs as at 31 March 2018 and of its loss 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

River Cottage Bonds PLC

Independent Auditor's Report to the Members of River Cottage Bonds PLC

Opinion on other matter prescribed by the Companies Act 2006

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 Statement of Directors' Responsibilities set out on page 4, 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 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.

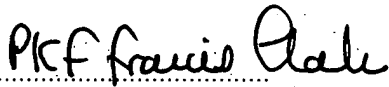
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

River Cottage Bonds PLC

Independent Auditor's Report to the Members of River Cottage Bonds PLC

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.



Stephanie Henshaw (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date: 28/9/18

River Cottage Bonds PLC

Statement of Income and Retained Earnings

Year Ended 31 March 2018

	Note	2018 £	2017 £
Turnover		-	-
Administrative expenses		(4,968)	(5,968)
Other operating income	3	<u>4,967</u>	<u>5,961</u>
Operating loss		<u>(1)</u>	<u>(7)</u>
Other interest receivable and similar income	4	69,398	69,405
Interest payable and similar charges	5	<u>(69,398)</u>	<u>(69,481)</u>
		-	(76)
Loss before tax		<u>(1)</u>	<u>(83)</u>
Loss for the financial year		(1)	(83)
Retained earnings brought forward		<u>(88)</u>	<u>(5)</u>
Retained earnings carried forward		<u><u>(89)</u></u>	<u><u>(88)</u></u>


River Cottage Bonds PLC

Balance Sheet

31 March 2018

	Note	2018 £	2017 £
Current assets			
Debtors	6	1,014,845	1,002,845
Cash at bank and in hand		<u>639</u>	<u>12,640</u>
		1,015,484	1,015,485
Creditors: Amounts falling due within one year	7	<u>(12,073)</u>	<u>(12,073)</u>
Total assets less current liabilities		1,003,411	1,003,412
Creditors: Amounts falling due after more than one year	7	<u>(991,000)</u>	<u>(991,000)</u>
Net assets		<u>12,411</u>	<u>12,412</u>
Capital and reserves			
Called up share capital	9	12,500	12,500
Profit and loss account		<u>(89)</u>	<u>(88)</u>
Total equity		<u>12,411</u>	<u>12,412</u>

Approved and authorised by the Board on 27/9/18 and signed on its behalf by:


Mr Stewart Dodd
Director

Company Registration Number: 09079870

River Cottage Bonds PLC

Statement of Cash Flows

Year Ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Loss for the year		(1)	(83)
Adjustments to cash flows from non-cash items			
Finance income	4	(69,398)	(69,405)
Finance costs	5	<u>69,398</u>	<u>69,481</u>
		(1)	(7)
Working capital adjustments			
(Increase)/decrease in trade debtors	6	(12,000)	9,200
Decrease in trade creditors	7	<u>-</u>	<u>(6,972)</u>
Net cash flow from operating activities		<u>(12,001)</u>	<u>2,221</u>
Cash flows from investing activities			
Interest received	4	69,398	69,405
Cash flows from financing activities			
Interest paid		(69,398)	(69,481)
Proceeds from bank borrowing draw downs		<u>-</u>	<u>(2,000)</u>
Net cash flows from financing activities		<u>(69,398)</u>	<u>(71,481)</u>
Net (decrease)/increase in cash and cash equivalents		(12,001)	145
Cash and cash equivalents at 1 April		<u>12,640</u>	<u>12,495</u>
Cash and cash equivalents at 31 March		<u><u>639</u></u>	<u><u>12,640</u></u>

River Cottage Bonds PLC

Notes to the Financial Statements

Year Ended 31 March 2018

1 General information

The company is a public 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

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, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. There were no material departures from FRS 102.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

River Cottage Bonds PLC

Notes to the Financial Statements

Year Ended 31 March 2018

Going concern

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

The principal factors considered by the directors of River Cottage Stores Limited when adopting the going concern basis were:

- since the year end there has been a group reconstruction in which the the River Cottage Stores Limited group has become part of the River Cottage Holdings Limited group.
- the group has prepared a three year forecast with the expectation of returning the new group to profitability.
- the company is dependent on its immediate parent company, River Cottage Stores Limited to provide its working capital.
- additional funds of £400,000 have been invested into the new group since the year end.
- the directors of the group have plans in place to enable to the repayment of the issued bonds in full on their repayment date of 31 July 2019.
- negotiations for a temporary extension of the group's overdraft facilities are in progress. Whilst there can be no certainty as to the outcome, the bank continues to be supportive and the directors anticipate that suitable arrangements will be confirmed.
- certain key shareholders have provided a guarantee to the group to make funds available as required to enable the repayment of the bonds in issue when they fall due for payment on 31 July 2019.

Having duly considered the matter above, the directors of River Cottage Stores Limited 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.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors; and
- Cash and bank balances.
- Borrowings - secured debentures

All financial instruments are classified as basic.

Recognition and measurement

Short term 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.([>)]

River Cottage Bonds PLC

Notes to the Financial Statements

Year Ended 31 March 2018

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

3 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2018 £	2017 £
Miscellaneous other operating income	<u>4,967</u>	<u>5,961</u>

4 Other interest receivable and similar income

	2018 £	2017 £
Other finance income	<u>69,398</u>	<u>69,405</u>

5 Interest payable and similar expenses

	2018 £	2017 £
Interest expense on secured debentures	<u>69,398</u>	<u>69,481</u>

6 Debtors

	Note	2018 £	2017 £
Amounts due from group undertakings	10	<u>1,014,845</u>	<u>1,002,845</u>
		<u>1,014,845</u>	<u>1,002,845</u>

River Cottage Bonds PLC

Notes to the Financial Statements

Year Ended 31 March 2018

7 Creditors

	Note	2018 £	2017 £
Due within one year			
Other creditors		-	500
Accrued expenses		12,073	11,573
		<u>12,073</u>	<u>12,073</u>
Due after one year			
Loans and borrowings	8	<u>991,000</u>	<u>991,000</u>

8 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Secured debentures	<u>991,000</u>	<u>991,000</u>

Other borrowings

Fixed rate bonds with a carrying value of £991,000 (2017 - £991,000) are denominated in £ with a nominal interest rate of 7%, and the final instalment is due on 31 July 2019.

River Cottage Stores Limited, the company's parent company, has provided a full guarantee for all payment obligations under the bond issue.

9 Share capital

Allotted shares (25% called up)

	No.	2018 £	No.	2017 £
Ordinary shares of £0.25 each	<u>50,000</u>	<u>12,500</u>	<u>50,000</u>	<u>12,500</u>

River Cottage Bonds PLC

Notes to the Financial Statements

Year Ended 31 March 2018

10 Related party transactions

Summary of transactions with parent

On 27 July 2014, the company loaned £993,500 to its parent company. The loan is repayable in full on 31 July 2019. Interest has been charged at 7% on this loan.

Loans to related parties

	Parent £
2018	
At start of period	993,000
Repaid	(69,398)
Interest transactions	69,398
At end of period	<u>993,000</u>
2017	
At start of period	993,000
Repaid	(69,405)
Interest transactions	69,405
At end of period	<u>993,000</u>

11 Parent and ultimate parent undertaking

At the balance sheet date the company's immediate parent was River Cottage Stores Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements for the year ended 31 March 2018 was River Cottage Stores Limited. These financial statements are available upon request from Park Farm, Trinity Hill Road, Axminster, Devon EX13 8TB.

On 9 April 2018 there was a group reconstruction. At that date the company's parent company, River Cottage Stores Limited, became a 100% subsidiary of River Cottage Holdings Limited and hence River Cottage Holdings Limited is the ultimate controlling parent from that date.

The ultimate controlling party is Mr Guy Baring.