

RHS ENTERPRISES LIMITED

Annual Report and Accounts

31 January 2019

Company Number 01211648



RHS ENTERPRISES LIMITED

Annual Report and Accounts 2018/2019

Company Number: 01211648

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DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements for the year ended 31 January 2019.

Directors

Sir N Bacon
Ms S Biggs

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report and Directors' 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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MATTERS COVERED IN STRATEGIC REPORT

Information on the future of the business has been included in the Strategic Report

By order of the Board



Moira Malcolm
Company Secretary

80 Vincent Square
London SW1P 2PE

Date: 30 April 2019

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STRATEGIC REPORT

RHS Enterprises Limited ("RHSE") provides the following services under licence from the Royal Horticultural Society ("RHS"):

- Operates plant centres and shops at RHS Gardens: Harlow Carr, Hyde Hall, Rosemoor and Wisley
- Operates an online and mail order retail business
- Secures sponsorship for RHS activities and events
- Licenses use of the RHS brand and images
- Lets holiday accommodation at RHS Rosemoor
- Lets event and exhibition space at the RHS Horticultural Halls
- Publishes books and periodicals
- Sells advertising in its publications, and on-line

Principal Risks and Uncertainties

RHS Enterprises Ltd has analysed the following risks to its business:

- a) **Extreme Weather:** Adverse weather can significantly reduce the number of visitors to our gardens, impacting sales performance. The uncertainty of climate change is a risk that the Company is working hard to address, making full use of the expertise of the RHS in science and gardening to position its offer both as sustainable and helpful to gardeners facing changing conditions. Commercial measures have been put in place to reduce the impact of adverse weather including the growth of online sales.
- b) **Competition:** Each of the Company's business units is susceptible to competition; and operate in particularly competitive markets. The Company manages this risk by focusing on its sources of competitive advantage, notably product differentiation, quality, authority and expertise (retail), convenience and value (Royal Horticultural Halls) and high quality and quantity circulation (publishing).
- c) **Economic conditions:** Expenditure on gardening, gardening related products and venue hire is discretionary and therefore susceptible to changes in personal, public sector and corporate disposable income and confidence. Our focus is to reach wider markets, offering a differentiated product that offers high quality, value for money products and services. In all areas of the Company, staff costs are being carefully managed and more flexible and efficient working practices introduced to protect margins.
- d) **Delays:** Delays to major projects creates the risk of visitor numbers being reduced and therefore trading figures fall. This risk is managed by the active participation of the RHS Director General and Executive Leadership Team in significant RHS projects with the potential to impact on the Company's trading performance. The RHS employs appropriate project management disciplines and these are supported by RHSE management.

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Results

The Company's turnover for the year was £20.64m (2018: £22.05m).

Profit on ordinary activities was £6.05m (2018: £7.36m).

The Company pays all its taxable profits to its parent charity, the Royal Horticultural Society under Gift Aid. In 2019 this was £6.05m (2018: £7.36m).

Financial overview

The Board of RHS Enterprises uses the following Key Performance Indicators (KPIs) to measure the performance of its business:

	2019	2018
	£'000	£'000
Turnover	20,643	22,054
Costs	(15,110)	(15,348)
Operating Income and Interest Receivable	519	652
Profit on ordinary activities before tax	6,052	7,358

In the light of general trading conditions during the period, the overall Company results are satisfactory.

Dividend

No dividend will be paid for the year (2018: £nil)

Review of the business

The general trading climate continued to be demanding in line with prevailing economic conditions, with pressure on all areas of the business. The overall profit of the business fell year-on-year by £1.31m (17.7%) to £6.05m.

The Retail trading environment was challenging, particularly at Wisley where the under performance reflected the impact of the disruption caused whilst the new Welcome building is constructed. Retail turnover fell by £304k (2.5%) over the prior year to £12.06m.

Media turnover has seen a fall year on year of £220k (7.0%) to £2.92m with reduced income from Ad Sales due to market changes as advertising shifts away from print.

An increased number of events held in the Horticultural Halls resulted in an increase in income of £95k (5.5%) over the prior year to £1.83m.

Sponsorship income represents show sponsorship with full year income of £2.12m, a decrease of £1.03m (32.8%).

Royalty and commission income increased by £235k (15.9%) to £1.71m continuing again to see growth with existing licensees as well as new licensees coming on board during the year.

Interest receivable relates to interest paid by the Royal Horticultural Society for an intercompany loan where interest is charged at 2% above the Bank of England base rate.

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Outlook

The start of the year has been mixed with initial retail trading for 2019/20 challenging with weather affecting garden visitors and hence retail performance. It is too early to predict the impact on the full year as we have seen in previous years that weather patterns unpredictably change and this early impact can be offset by other areas of the business.

By order of the Board



Moira Malcolm
Company Secretary

80 Vincent Square
London SW1P 2PE

Date: 30 April 2019

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RHS ENTERPRISES LIMITED

Opinion

We have audited the financial statements of RHS Enterprises Limited for the year ended 31 January 2019 which comprise statement of profit and loss, balance sheet, statement of changes in equity 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 January 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

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Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- 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
- 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 directors' responsibilities statement set out on page 2, 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: frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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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.

N. Hashemi
Naziar Hashemi
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

3/5/19

RHS ENTERPRISES LIMITED**Annual Report and Accounts 2018/2019****Company Number: 01211648**

PROFIT AND LOSS

	Notes	2019 £'000	2018 £'000
TURNOVER	3	20,643	22,054
Cost of Sales		<u>(8,234)</u>	<u>(8,375)</u>
GROSS PROFIT		12,409	13,679
Administrative Expenses		<u>(6,876)</u>	(6,973)
Other operating income		<u>414</u>	<u>622</u>
OPERATING PROFIT		5,947	7,328
Interest receivable		<u>105</u>	<u>30</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		6,052	7,358
Taxation	5	<u>(1,150)</u>	<u>(1,410)</u>
PROFIT FOR THE YEAR		<u>4,902</u>	<u>5,948</u>

All recognised gains and losses are included in the profit and loss and statement of changes in equity.

The notes on pages 13-20 form part of the financial statements.

All transactions are derived from continuing activities.

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BALANCE SHEET

	Notes	2019		2018	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	7		15		32
CURRENT ASSETS					
Stocks	8	1,817		1,514	
Debtors	9	5,366		4,997	
Cash at bank and in hand		934		874	
		<u>8,117</u>		<u>7,385</u>	
CREDITORS: Amounts falling due within one year	10	<u>(7,953)</u>		<u>(7,253)</u>	
NET CURRENT ASSETS			<u>164</u>		<u>132</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>179</u>		<u>164</u>
CREDITORS: Amounts falling due after more than one year	11		<u>(23)</u>		<u>(8)</u>
NET ASSETS			<u><u>156</u></u>		<u><u>156</u></u>
CAPITAL AND RESERVES					
Called up equity share capital	13		100		100
Profit and loss account			56		56
EQUITY SHAREHOLDERS' FUNDS			<u><u>156</u></u>		<u><u>156</u></u>

The notes on pages 13-20 form part of the financial statements:

These accounts were approved by the Board and authorised for issue on 30 April 2019.

Sue Biggs
Director

RHS ENTERPRISES LIMITED**Annual Report and Accounts 2018/2019****Company Number: 01211648****STATEMENT OF CHANGES IN EQUITY**

	Called-up share capital £'000	Profit and Loss account £'000	Total £'000
Balance as at 1 February 2017	100	56	156
Profit and total comprehensive income for the year	-	5,948	5,948
Donation to the parent charity made under the gift aid scheme	-	(7,358)	(7,358)
Tax relief obtained on gift aid payment	-	1,410	1,410
At 31 January 2018	100	56	156
Balance as at 31 January 2018	100	56	156
Profit and total comprehensive income for the year	-	4,902	4,902
Donation to the parent charity made under the gift aid scheme	-	(6,052)	(6,052)
Tax relief obtained on gift aid payment	-	1,150	1,150
At 31 January 2019	100	56	156

The notes on pages 13-20 form part of the financial statements.

RHS ENTERPRISES LIMITED

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NOTES TO THE ACCOUNTS

1. COMPANY INFORMATION

RHS Enterprises Ltd (01211648) is a private company limited by shares and is incorporated in England and Wales. The company is registered in England. The company's registered address is 80 Vincent Square, London SW1P 2PE.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis and in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

RHS Enterprises Ltd is part of a public benefit entity group.

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

All turnover and operating profit is derived from the provision of goods and services which fall within the company's ordinary activities. Turnover consists entirely of sales made in the United Kingdom.

The financial statements are prepared in sterling.

Under FRS 102 the company is exempt from the requirements to prepare a cash flow statement and disclosure of financial instruments on the grounds that it is a qualifying entity due to its parent undertaking (The Royal Horticultural Society) including the company in its published consolidated financial statements, which are available on the RHS website (rhs.org.uk).

As the company is a subsidiary undertaking of the Royal Horticultural Society, the company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with wholly owned entities which form part of the group.

The accounting policy in respect of payments made under Gift Aid is set out below.

Payment to parent under Gift Aid

The company has adopted a policy of paying all its taxable profits to its parent charity, the Royal Horticultural Society under Gift Aid. These gift aid payments are recognised as distributions through equity rather than as an expense through the profit and loss, and therefore an operating profit exists at the balance sheet date, on which a tax liability arises.

A Deed of Covenant exists between the company and its parent charity, the Royal Horticultural Society. This creates a legally binding obligation for the company to pay any profit before taxation to its parent and as such this amount has been included as a distribution in the Statement of Changes in Equity.

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Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Retail	Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the purchaser.
Lettings	Turnover is recognised on the date of the event.
Media	Turnover is recognised in the month the publication is published and released on general sale.
Sponsorship	Turnover is recognised in the month the sponsored event takes place.
Royalties/commission	Turnover is recognised in the month after royalties/commission is earned.

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Fixed Assets

Fixed assets are stated at cost or donated value.

Depreciation

Depreciation is calculated to write off the cost of the fixed assets in equal annual instalments over their expected useful economic lives. Depreciation was charged on the following basis:

Fixtures and fittings	10%
-----------------------	-----

Stock

Stocks are valued at the lower of cost and net realisable value.

Debtors

Short term debtors are measured at the transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

Pension scheme

The Company does not have any employees, all staff are contracted to the Royal Horticultural Society with costs recharged to RHS Enterprises Ltd. The Society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme by the Company in respect of the accounting period.

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Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Taxation

The company recognises a corporation tax liability in the same period that it accrues its profits. The liability is reversed on the donation to the parent charity.

Judgements and estimates

There are no material judgements or estimates applied in the preparation of these financial statements.

Changes to accounting estimates

There have been no changes to accounting estimates in the year.

3. TURNOVER

The turnover is attributable to the principal activity of retail trading, net of value added tax.

<u>Turnover</u>	2019	2018
	£'000	£'000
Retail	12,064	12,368
Letting of Lindley Hall	1,828	1,733
Media	2,924	3,144
Sponsorship	2,115	3,146
Royalties/Commission	1,712	1,477
RHS Garden Holidays	-	186
	<u>20,643</u>	<u>22,054</u>

The decision was taken in 2017/18 to close the RHS Garden Holidays business.

4. PROFIT ON ORDINARY ACTIVITIES

	2019	2018
The profit on ordinary activities is stated after charging:	£'000	£'000
Depreciation of owned assets	17	22
Fees to auditors: - Statutory audit	12	15
Fees to auditors: - Tax services	-	3
Operating lease rentals in respect of property	1,477	1,458
Interest receivable from group entities	105	30
	<u>1,611</u>	<u>1,528</u>

The charges relating to operating lease rentals in respect of property comprises of the fixed monthly charge for retail space and the Peterborough office, as well as a 5% premium on turnover for retail space.

RHS ENTERPRISES LIMITED**Annual Report and Accounts 2018/2019****Company Number: 01211648****5. TAXATION**

The company recognises a corporation tax liability in the same period that it accrues its profits. The liability is reversed on the donation to the charity.

	2019 £'000	2018 £'000
UK corporation tax	<u>1,150</u>	<u>1,410</u>
Profit on ordinary activities multiplied by standard rate of Corporation tax in the United Kingdom of 19% (2018: 19.17% - Composite Rate)	<u>1,150</u>	<u>1,410</u>

Tax relief is obtained in the period that the profits are paid to the parent charity

6. STAFF COSTS

	2019 £'000	2018 £'000
Salaries and wages	3,208	3,329
Social security costs	244	266
Pension costs	<u>320</u>	<u>324</u>
	<u>3,772</u>	<u>3,919</u>

	Number	Number
The average number of regular full-time and regular part-time employees during the year was:	<u>158</u>	<u>158</u>

The Company does not have any employees, all staff are contracted to The Royal Horticultural Society with costs recharged to RHS Enterprises Ltd.

All of the directors of RHS Enterprises Ltd are employees of Royal Horticultural Society and are remunerated by the Society for their services. None of their emoluments are recharged to RHS Enterprises Ltd.

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7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £'000	Total £'000
COST		
At 1 February 2018	167	167
Disposals	-	-
	<hr/>	<hr/>
At 31 January 2019	167	167
	<hr/>	<hr/>
DEPRECIATION		
At 1 February 2018	135	135
Charge for the year	17	17
Disposals	-	-
	<hr/>	<hr/>
At 31 January 2019	152	152
	<hr/>	<hr/>
NET BOOK VALUE		
At 31 January 2019	15	15
	<hr/>	<hr/>
At 1 February 2018	32	32
	<hr/>	<hr/>

8. STOCKS

	2019 £'000	2018 £'000
Finished goods for resale	1,793	1,492
Other	24	22
	<hr/>	<hr/>
	1,817	1,514
	<hr/>	<hr/>

Stock recognised in cost of sales during the year as an expense was £5.95m (2018: £6.01m)

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9. DEBTORS: DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Trade Debtors	961	737
Other Debtors	176	119
Prepayments	124	141
Amount due from Royal Horticultural Society	4,105	4,000
	<u>5,366</u>	<u>4,997</u>

An impairment loss of £36k was recognised against trade debtors (2018: £9k)

In 2018 an intercompany loan agreement commenced between the Royal Horticultural Society and RHS Enterprises Limited. The loan is repayable on demand and interest is charged at 2% above the Bank of England base rate.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £'000	2018 £'000
Trade Creditors	344	195
Other Creditors	23	38
Taxation	383	381
Accruals	490	456
Deferred Income	577	454
Amount due to the Royal Horticultural Society	6,011	5,722
Amount due to group company	<u>125</u>	<u>7</u>
	<u>7,953</u>	<u>7,253</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2019 £'000	2018 £'000
Other Creditors	<u>23</u>	<u>8</u>
	<u>23</u>	<u>8</u>

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12. OPERATING LEASES

As at 31 January 2019 the company's future minimum operating lease payments are as follows:

	2019			2018		
	Land and Buildings* £'000	Other £'000	Total £'000	Land and Buildings* £'000	Other £'000	Total £'000
Expiring:						
Not later than one year	817	21	838	804	20	824
Later than one year and not later than five years	3,351	19	3,370	3,295	35	3,330
	<u>4,168</u>	<u>40</u>	<u>4,208</u>	<u>4,099</u>	<u>55</u>	<u>4,154</u>

*The charges relating to Land and Buildings comprise solely of the fixed monthly charge for retail space and the Peterborough office. It does not include the 5% premium on turnover for retail space.

13. CALLED UP SHARE CAPITAL

	2019 £'000	2018 £'000
Authorised, allotted, called up and fully paid:		
100,000 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Ordinary Shares	2019 £'000
At 1 February 2018	100
At 31 January 2019	<u>100</u>

There is only one class of share, ordinary. The shares each carry a vote and rights to participate in dividends.

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14. RESERVES

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

15. RELATED PARTY TRANSACTIONS

The Society maintains a Register of Interests of all Council members and senior staff. Also, the Society's regulations require an individual to declare an interest and withdraw from any commercial discussions should a conflict of interest potentially arise.

The Society requires members of Council, non-Council members of the Commercial Board, and key management personnel to declare any material interests that they, or a related party, may have in the activities of the Society and its trading companies. The President and Treasurer approve individual contracts between Trustees, and the Society and its trading companies, and these are reported to the Audit and Risk Committee. RHS Enterprises Ltd received commission from a related party totalling £469,914 and catalogue insertion fees of £89,841. Details are as follows:

Mark Fane - Crocus.co.uk Ltd (of which Mark Fane is a Director) has a contract with RHS Enterprises Limited under which Crocus.co.uk Ltd supply mail order plants under the RHS brands. Crocus.co.uk Ltd. has paid £469,914 in commission to RHS Enterprises Limited on sales of £2.47m in the year ended 31 January 2019. Crocus.co.uk also paid £89,841 for catalogues to be inserted into The Garden magazine. Mark Fane is also a Director of the Chatsworth House Trust who paid a total of £5,425 for RHS merchandise supplied through RHS Enterprises Limited.

As at 31 January 2019 the outstanding balance owed to Crocus.co.uk Ltd and the Chatsworth House Trust was nil. The balance owed from Crocus.co.uk was £218k.

In 2018/19, the Society charged RHS Enterprises Ltd £10,708k (2017/18: £11,857k) for the provision of staff, the purchase of goods, and the rental of retail and event space. RHS Enterprises Ltd paid the Society £11,302k (2017/18: £12,210k) and gift aided £4,358k to the Society during the year. As at 31 January 2019 RHS Enterprises Ltd owed the Society £6,011k (2018: £5,722k). In 2018/19, the Society paid RHS Enterprises Ltd £105k for intercompany loan interest (2017/18: £29k). As at 31 January 2019 the Society owed RHS Enterprises Ltd £4,000k for an unsecured loan that is repayable on demand.

All payments are shown net of VAT.

There are no further related party transactions requiring disclosure.

16. ULTIMATE CONTROLLING PARTY

The Ultimate Controlling Party is the Royal Horticultural Society, a registered charity. Copies of the Royal Horticultural Society's consolidated financial statements are available from the RHS website at rhs.org.uk or from The Secretary, Royal Horticultural Society, 80 Vincent Square, London SW1P 2PE.

RHS ENTERPRISES LIMITED

Annual Report and Accounts 2018/2019

Company Number: 01211648

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