

Duchy Originals Limited

Directors' Report and Financial Statements
for the year ended 31 March 2016

Registered number: 02478770



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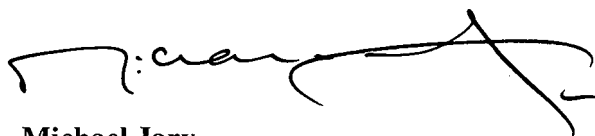
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Chairman's Statement

2015/16 has been the sixth full financial year in which the Company has worked in partnership with Waitrose. The partnership gives Waitrose the exclusive right to originate, promote and distribute Duchy products in the UK. Waitrose sells Waitrose Duchy Organic products through its own branches and at Waitrose.com, and also wholesales Waitrose Duchy Organic products in the U.K. and overseas. Waitrose pays a royalty to the Company on all retail and wholesale sales.

Duchy Originals was founded in 1990 by HRH The Prince of Wales on the principles of Good Food, Good Farming, and Good Causes. This ethos is set out in our Charter, a series of commitments that underpins everything we do. It's this same Charter that guides the Waitrose Duchy Organic range. Together, we believe in the value of organic food, grown and produced sustainably.

Operating profits increased to £3,115,235 (2015: £3,023,214). The amount which the Company donated in gift aid to The Prince of Wales's Charitable Foundation increased to £3,110,812 (2015: £3,019,426).



Michael Jary

Chairman

Clarence House
London
SW1A 1BA

Directors' Report

The Directors present their Directors' Report and Financial Statements for the year ended 31 March 2016.

Principal Activities

The Company owns the brand "Duchy Originals". The taxable profits generated by the Company are donated to charity. In total £3,110,812 was paid to The Prince of Wales's Charitable Foundation in the year.

The partnership with Waitrose gives it the exclusive right to originate, promote and distribute Duchy products in the UK. Waitrose pays a royalty to the Company on all retail and wholesale sales.

Results and Dividends

The operating profit for the year amounted to £3,115,235 (2015: £3,023,214). The profit for the year after charitable donations amounted to £4,423 (2015: £1,166,102). The Directors do not recommend payment of a dividend for the year (2014: £nil).

Future Plans

The company will continue to derive income from royalties for the foreseeable future.

Charitable Donations

During the year, the Company made a donation of £3,110,812 (2015: £3,019,426) to The Prince of Wales's Charitable Foundation.

Directors

The Directors who held office and new appointees during the year were as follows:

Michael Jary
Stephen Nelson
Craig Sams
Andrew Wright

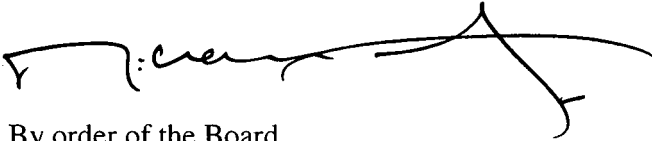
Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware. Each Director has taken all the steps that ought to have been taken as a Director to make themselves aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

Directors' Report
(continued)

Auditors

In accordance with Section 487 of the Companies Act 2006, a resolution to appoint KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.



By order of the Board,

Michael Jary

Director

Clarence House

London

SW1A 1BA

Company number: 02478770

19th December 2016

Statement of Directors' responsibilities in respect of the Directors' Report and the Financial Statements.

The directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 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 then apply them consistently;
- make judgements and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Duchy Originals

We have audited the financial statements of Duchy Originals Limited for the year ended 31 March 2016 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Anthony Sykes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

20 December 2016

Profit and Loss Account and Other Comprehensive Income
For the year ended 31 March 2016

	<i>Notes</i>	2016 £	2015 £
Turnover		3,253,268	3,155,596
Gross Profit		3,253,268	3,155,596
Administrative Expenses		(138,033)	(132,382)
Profit on ordinary activities before taxation		3,115,235	3,023,214
Tax on ordinary accounts		-	-
Profit for the financial year		3,115,235	3,023,214
Gift Aid Payable		(3,110,812)	(3,019,426)
Reversal of Gift Aid payment		-	1,162,314
Result for the Financial Year		4,423	1,166,102

There is no difference between the profit for the financial year and the profit on a historical cost basis.

The results shown above relate to continuing activities.

There were no other recognised gains or losses, other than the results set out above.

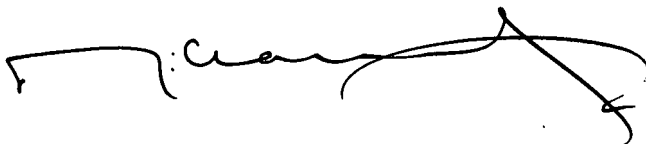
Notes from pages 9 to 15 form part of these financial statements.

Balance Sheet
As at 31 March 2016

	<i>Note</i>	2016 £	2015 £
Current Assets			
Debtors	7	1,581,811	1,403,965
Cash at Bank and In Hand		415,830	215,346
		<hr/> 1,997,641	<hr/> 1,619,311
Creditors			
Amounts Falling due within One Year	8	(1,476,156)	(223,228)
		<hr/> 521,485	<hr/> 1,396,083
Net Current Liabilities			
		<hr/> 521,485	<hr/> 1,396,083
Capital and Reserves			
Called Up Share Capital	9	229,981	1,109,002
Profit and Loss Account	10	291,504	287,081
		<hr/> 521,485	<hr/> 1,396,083
Equity Shareholders' Funds			
		<hr/> 521,485	<hr/> 1,396,083

Notes from pages 9 to 15 form part of these financial statements.

These financial statements were approved by the Board of Directors on *19th December 2016* and were signed on its behalf by



Michael Jary
Director

Company number: 02478770

Notes

(Forming part of the financial statement)

1 Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered to be the Company's financial statements.

Basis of Preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and

Going concern

The Company's business activities are set out in the Directors' Report on page 2. The company meets its day to day working capital requirements through royalty income.

The Directors have a reasonable expectation that the Company has adequate resources to meet its obligations for the foreseeable futures, and thus continue to adopt the going concern basis of accounting in preparing these financial statements.

Related Party Transactions

Under FRS102, the company is exempt from the requirement to disclose details of related party transactions with its parent undertaking.

Post-Retirement Benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contribution payable in respect of the accounting period.

Turnover

Turnover represents royalty income notified to the Company. All turnover is accounted for on an accruals basis.

Notes

(Continued)

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider it more likely that there will be suitable taxable profits from which the future reversal of the underlying timing difference 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 subsequently enacted at the balance sheet date.

Gift aid

Gift aid payments to the parent charity represent an estimate of the company's taxable profits for the period. Under the current Gift Aid arrangements, all current and future taxable profits are payable to the Prince of Wales's Charitable Foundation and are recognised in the year the taxable profits are made through a yearly Written Resolution from the shareholder, the Prince of Wales's Charitable Foundation.

Operating Leases

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

2 Directors' Emoluments

No remuneration was paid (2015: £nil)

Notes

(Continued)

3 Wages and Salaries

The average number of persons employed by the Company (including Directors) during the year, analysed by category, was as follows:

	2016	2015
Administration	1	1
	<u>1</u>	<u>1</u>

The aggregate payroll costs of these persons were as follows:

	2016 £	2015 £
Wages and salaries	30,812	29,771
Social security costs	3,377	3,377
Pension costs	2,319	2,389
	<u>36,508</u>	<u>35,537</u>

4 Profit on Ordinary Activities

Profit on ordinary activities is stated after charging;

	2016 £	2015 £
Fee Payable to the Company's Auditors for the Audit of these Financial Statements	3,000	2,880

The amounts shown above have been recorded in administrative expenses.

Notes

(Continued)

5 Taxation

Reconciliation of the Tax Charge

The current tax charge for the year is lower (2014: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Current Tax Reconciliation		
Profit on ordinary activities before tax	3,115,235	3,023,214
	<hr/>	<hr/>
Current tax at 20% (2015: 20%)	623,047	604,643
Effect of:		
Capital allowances in excess of depreciation	(893)	(772)
Items disallowed for tax purposes	8	14
Gift aid payable	(622,162)	(603,885)
	<hr/>	<hr/>
Total current tax charge	-	-
	<hr/>	<hr/>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016.

6 Tangible Fixed Assets

	Leasehold Improvements
Cost at 1 April 2015 and 31 March 2016	134,165
	<hr/>
Depreciation at 1 April 2015 and 31 March 2016	134,165
	<hr/>
Net book value at 1 April 2015 and 31 March 2016	-
	<hr/>

Notes
(Continued)

7 Debtors

	2016	2015
	£	£
Trade debtors	965,636	835,798
Prepayments and accrued income	587,500	529,463
Other debtors	28,675	38,704
	<u>1,581,811</u>	<u>1,403,965</u>

8 Creditors

	2016	2015
	£	£
Amounts Falling Due Within One Year		
Trade creditors	27,462	9,322
Amounts owed to parent undertaking	1,260,816	52,447
Taxation and social security	161,066	125,530
Accruals and deferred income	26,812	35,929
	<u>1,476,156</u>	<u>223,228</u>

9 Called Up Share Capital

	2016	2015
	£	£
Allotted, Called Up and Fully Paid		
Ordinary shares of £1 each	<u>229,981</u>	<u>1,109,002</u>

On 03 August 2015 the company re-purchased 879,021 ordinary shares with a nominal value of £1 each.

Notes

(Continued)

10 Profit and Loss Account Reserve

	2016 £	2015 £
Opening reserve	287,081	(879,021)
Profit for the year	3,115,235	3,023,214
Gift aid payable	(3,110,812)	(3,019,426)
Gift aid reversal	-	1,162,314
Closing reserve	<u>291,504</u>	<u>287,081</u>

11 Reconciliation of Movements in Shareholders' Funds

	2016 £	2015 £
Opening shareholders' funds	1,396,083	229,981
Share buy back	(879,021)	-
Profit for the year	3,115,235	3,023,214
Gift aid payable	(3,110,812)	(3,019,426)
Gift aid reversal	-	1,162,314
Closing shareholders' funds	<u>521,485</u>	<u>1,396,083</u>

12 Commitments

The Company has a six year non-cancellable operating lease on its former business premises with annual commitments of £63,750. The Company is sub-letting the premises. The shortfall between the Company's lease commitment and its sublet income has been provided for in full. The lease expires on the 21st December 2018.

Notes

(Continued)

13 Parent Undertaking and Controlling Party

The Company's parent undertaking is The Prince of Wales's Charitable Foundation (Registered Charity Number 1127255, Company Number 06777589), which prepares consolidated financial statements.

The consolidated financial statements of The Prince of Wales's Charitable Foundation are available to the public and may be obtained from The Charity Commission, PO Box 1227, Liverpool, L69 3UG.