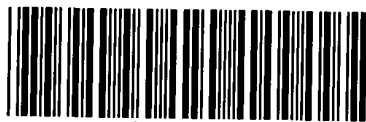


Duchy Originals Limited

Directors' Report and Financial Statements for the year ended 31 March 2017

Registered number: 02478770

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Chairman's Statement

2016/17 has been the seventh full financial year in which Duchy Originals 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 is celebrating its 25th anniversary. Founded by HRH The Prince of Wales with its first product, a biscuit made from wheats and oats grown organically on the Home Farm at Highgrove, the range has now grown to include more than 300 products. Waitrose Duchy Organic is now one of the top 30 grocery brands in the UK measured by retail sales.

The Partnership between Duchy Originals and Waitrose is built on the shared 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.

Profit before taxation increased to £3,188,944 (2016: £3,115,235). The amount which Duchy Originals donated in gift aid to The Prince of Wales's Charitable Foundation also therefore increased to £3,186,368 (2016: £3,110,812).



Michael Jary

Chairman

Clarence House

London

SW1A 1BA

Date: 4th October 2017

Directors' Report

The Directors present their Directors' Report and Financial Statements for the year ended 31 March 2017.

Principal Activities

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

The taxable profits generated by the Company are donated to The Prince of Wales's Charitable Foundation, its parent organisation.

Results and Charitable Contributions

The profit on ordinary activities before taxation amounted to £3,188,944 (2016: £3,115,235). Charitable donations were made in the year of £3,186,368 (2016: £3,110,812).

Proposed Dividend

The directors do not recommend the payment of a dividend (2016: £nil).

Future Plans

The Company will continue to derive income from royalties and donate any profits to The Prince of Wales's Charitable Foundation for the foreseeable future.

Directors

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

Michael Jary
Stephen Nelson
Craig Sams
Andrew Wright

Disclosure of Information to Auditor

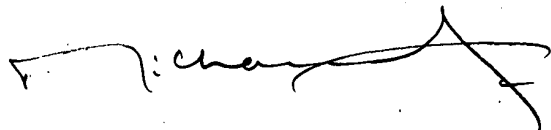
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware. Each Director has taken all the steps that ought to have been taken as a Director to make themselves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

Directors' Report
(continued)

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will continue in office, subject to approval at the general meeting.

By order of the Board,



Michael Jary

Director

Clarence House

London

SW1A 1BA

Company number: 02478770

Date 4th October 2017.

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), 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 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 Limited

We have audited the financial statements of Duchy Originals Limited for the year ended 31 March 2017 set out on pages 7 to 16. 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 2017 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 is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and

Independent Auditor's Report to the Members of Duchy Originals Limited (*continued*)

- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

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

Date 6 October 2017

Profit and Loss

for the year ended 31 March 2017

	<i>Notes</i>	2017 £	2016 £
Turnover		3,342,288	3,253,268
Gross Profit		3,342,288	3,253,268
Administrative Expenses	2	(153,344)	(138,033)
Profit before taxation		3,188,944	3,115,235
Tax on profit	5	(637,274)	(622,162)
Profit for the year		2,551,670	2,493,073

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.

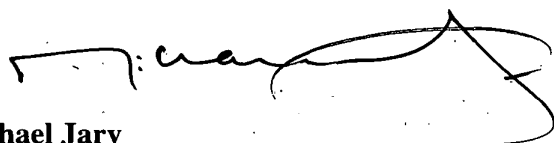
Notes from pages 10 to 16 form part of these financial statements.

Balance Sheet
as at 31 March 2017

	<i>Note</i>	2017 £	2016 £
Current Assets			
Debtors	7	1,390,917	1,581,811
Cash at Bank and In Hand		1,013,962	415,830
		<hr/> 2,404,879	<hr/> 1,997,641
Creditors			
Amounts Falling due within One Year	8	(1,880,818)	(1,476,156)
Net Current Assets		<hr/> 524,061	<hr/> 521,485
Net Assets		<hr/> 524,061	<hr/> 521,485
Capital and Reserves			
Called Up Share Capital	9	229,981	229,981
Profit and Loss Account	10	294,080	291,504
Equity Shareholders' Funds		<hr/> 524,061	<hr/> 521,485

Notes from pages 10 to 16 form part of these financial statements.

These financial statements were approved by the Board of Directors on *4th October 2017*
and were signed on its behalf by



Michael Jary

Director

Company number: 02478770

Statement of Changes in Equity
As at 31 March 2017

	Called up share capital	Retained earnings	2017 Total	2016 Total
	£	£	£	£
Balance at 1 April	229,981	291,504	521,485	1,396,083
Share buy back	-	-	-	(879,021)
Profit for the year after tax	-	2,551,670	2,551,670	2,493,073
Gift aid committed	-	(3,186,368)	(3,186,368)	(3,110,812)
Current tax credit	-	637,274	637,274	622,162
Balance at 31 March	229,981	294,080	524,061	521,485

The notes on pages 10-16 form part of these financial statements.

Notes

(Forming part of the financial statement)

Duchy Originals Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 02478770 and the registered address is Clarence House, London SW1A 1BA.

1 Accounting Policies

The following accounting policies have been applied consistently to all periods presented in these 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.

The Company's primary parent undertaking, The Prince of Wales's Charitable Foundation includes the Company in its 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 Clarence House, London, SW1A 1BA. 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

Measurement Convention

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historic cost accounting rules.

Going Concern

The financial statements have been prepared on the going concern basis. The Directors have taken note of the guidance issued by Financial Reporting Council on Going Concern Assessments in determining that that is the appropriate basis of preparation of the financial statements and have considered a number of factors. The net financial position of the Company is set out in these accounts and they demonstrate the overall net cash position of the Company and its asset base. As a consequence the Directors believe that the Company is well placed to manage the business risks successfully.

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they consider it appropriate to prepare these accounts under the going concern basis.

Related Party Transactions

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

Notes

(Continued)

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.

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, except as otherwise required by FRS 19.

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.

Operating Leases

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

Notes

(Continued)

2 Administrative Expenses

	2017	2016
	£	£
Staff and consultancy costs	44,077	42,739
Travel and subsistence	6,053	7,101
Office costs	11,136	2,429
Legal and professional fees	4,578	10,764
Donation to The Prince's Countryside Fund	87,500	75,000
	153,344	138,033

No remuneration was paid to any Director during the year (2016: £nil).

3 Wages and Salaries

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

	2017	2016
Administration	1	1
	1	1

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£	£
Wages and salaries	30,025	30,812
Social security costs	3,584	3,377
Pension costs	1,229	2,319
	34,838	36,508

Notes

(Continued)

4 Profit on Ordinary Activities

Profit on ordinary activities is stated after charging;

	2017 £	2016 £
Fee Payable to the Company's Auditors for the Audit of these Financial Statements	3,000	3,000

The amounts shown above have been recorded in administrative expenses.

5 Taxation

Reconciliation of the Tax Charge

The current tax charge for the year is lower (2016: lower) than the standard rate of corporation tax in the UK. The differences are explained below:

	2017 £	2016 £
Current Tax Reconciliation		
Profit on ordinary activities before tax	3,188,944	3,115,235
Current tax at 20% (2016: 20%)	637,789	623,047
Effect of:		
Capital allowances in excess of depreciation	(519)	(893)
Items disallowed for tax purposes	4	8
Total current tax charge	637,274	622,162

Following the ICAEW's clarification that gift aid payments are legally distributions, they have been presented as such in the financial statements directly in equity in accordance with FRS 102 section 6. FRS 102 requires tax expense to be recognised in the same place in the financial statements as the items that resulted in the tax expense. Hence the tax benefit of the committed gift aid payments are recognised directly in equity for each year.

Notes

(Continued)

5 *(continued)*

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was 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, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly.

6 Tangible Fixed Assets

	Leasehold Improvements
Cost at 1 April 2016 and 31 March 2017	134,165
Depreciation at 1 April 2016 and 31 March 2017	134,165
Net book value at 1 April 2016 and 31 March 2017	-

7 Debtors

	2017 £	2016 £
Trade debtors	753,575	965,636
Prepayments and accrued income	619,872	587,500
Other debtors	17,470	28,675
	<u>1,390,917</u>	<u>1,581,811</u>

Notes

(Continued)

8 Creditors

	2017	2016
	£	£
Amounts Falling Due Within One Year		
Trade creditors	38,894	27,462
Amounts owed to parent undertaking	1,686,368	1,260,816
Taxation and social security	124,546	161,066
Accruals and deferred income	31,010	26,812
	<u>1,880,818</u>	<u>1,476,156</u>

9 Called Up Share Capital

	2017	2016
	£	£
Allotted, Called Up and Fully Paid		
229,981 Ordinary shares of £1 each	<u>229,981</u>	<u>229,981</u>

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

10 Profit and Loss Account Reserve

	2017	2016
	£	£
Opening reserve	291,504	287,081
Profit for the year	2,551,670	2,493,073
Gift aid payable	(3,186,368)	(3,110,812)
Tax credit	637,274	622,162
Closing reserve	<u>294,080</u>	<u>291,504</u>

Notes

(Continued)

11 Reconciliation of Movements in Shareholders' Funds

	2017	2016
	£	£
Opening shareholders' funds	521,485	1,396,083
Share buy back	-	(879,021)
Profit for the year	2,551,670	2,493,073
Gift aid payable	(3,186,368)	(3,110,812)
Tax credit	637,274	622,162
Closing shareholders' funds	<u>524,061</u>	<u>521,485</u>

12 Commitments

The Company has a six year non-cancellable operating lease on its former business premises with annual payments 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. The amount expensed to the P&L is £10,000 (2016: £nil).

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, registered address Clarence House, London, SW1A 1BA), 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.