

Duchy Originals Limited

Directors' report and financial statements
for the year ended 31 March 2014

Registered number 02478770

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Chairman's statement

2013/14 has been the fourth full financial year in which Duchy Originals has worked in partnership with Waitrose. The partnership gives Waitrose, Duchy Originals' largest and longest standing client, the exclusive right to originate, promote and distribute Duchy Originals products in the UK. Waitrose sells Duchy Originals products through its own branches, at Waitrose.com and also wholesales Duchy Originals products in the UK and overseas. Waitrose pays a royalty to the Company on all retail and wholesale sales.

Duchy Originals was launched in 1990 by HRH The Prince of Wales with an aim that every product 'is good, does good and tastes good'. This ethos is set out in our Good Food Charter, a series of commitments that underpin everything we do. The same charter guides the Duchy Originals from Waitrose range. Together, Duchy Originals and Waitrose believe in the value of organic food, grown and produced sustainably.

The licensing and distribution agreement has significantly increased the charitable donations made by Duchy Originals, as Waitrose has continued to invest in and develop the brand.

The operating profit for the year amounted to £2,961,336 (2013: £2,830,943). During the year the company made a donation of £2,956,674 (2013: £2,804,897) to The Prince of Wales's Charitable Foundation. The profit for the year amounted to £4,662 (2013: £23,464). The directors do not recommend payment of a dividend for the year (2013: £nil).

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 2014

Principal activities

The company owns the premium brand "Duchy Originals" The taxable profits generated by the company are donated to charity In total, £2,956,674 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 Originals products in the UK Waitrose pays a royalty to the Company on all retail and wholesale sales

Results and dividend

The operating profit for the year amounted to £2,961,336 (2013 £2,830,943) The profit for the year after charitable donations amounted to £4,662 (2013 £23,464) The directors do not recommend payment of a dividend for the year (2013 £nil)

Charitable donations

During the year the company made a donation of £2,956,674 (2013 £2,804,897) 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 auditors are unaware, and each director has taken all the steps that he/ she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

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

By order of the board,



M Jary
Director
Clarence House
London
SW1A 1BA

20th November 2014

Company number 02478770

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).

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 judgments 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 auditors' report to the members of Duchy Originals Limited

We have audited the financial statements of Duchy Originals Limited for the year ended 31st March 2014 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 3, 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 (APB'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 APB'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 31st March 2014 and of its profits 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 matter 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 November 2014

Profit and loss account
for the year ended 31 March 2014

	<i>Note</i>	2014 £	2013 £
Turnover	<i>1</i>	<u>3,087,041</u>	<u>2,956,719</u>
Gross profit		<u>3,087,041</u>	<u>2,956,719</u>
Administrative expenses	<i>5</i>	<u>(125,705)</u>	<u>(125,776)</u>
Operating profit	<i>5</i>	<u>2,961,336</u>	<u>2,830,943</u>
Amounts written off investments		-	(2,582)
Profit on ordinary activities before taxation		<u>2,961,336</u>	<u>2,828,361</u>
Gift aid payable	<i>5</i>	<u>(2,956,674)</u>	<u>(2,804,897)</u>
Profit for the financial year		<u><u>4,662</u></u>	<u><u>23,464</u></u>

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

The results shown above relates to continuing activities

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

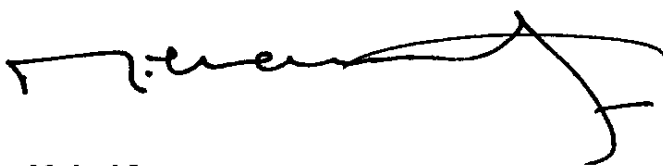
Notes from pages 7 to 11 form a part of these financial statements

Balance sheet
as at 31 March 2014

	<i>Note</i>	2014	2014	2013	2013
		£	£	£	£
Current assets					
Debtors	7	502,731		439,598	
Cash at bank and in hand		931,253		907,942	
		<u>1,433,984</u>		<u>1,347,540</u>	
Creditors amounts falling due within one year	8	<u>(1,204,003)</u>		<u>(1,122,224)</u>	
Net current liabilities			229,981		225,316
Net liabilities			<u>229,981</u>		<u>225,316</u>
Capital and reserves					
Called up share capital	9	1,109,002		1,109,002	
Profit and loss account	10	<u>(879,021)</u>		<u>(883,686)</u>	
Shareholders' deficit	11	<u>229,981</u>		<u>225,316</u>	

Note from pages 7 to 11 form a part of these financial statements

These financial statements were approved by the board of directors on 20th November 2014 and were signed on its behalf by



Michael Jary
Director

Company number 02478770

Notes (forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

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 continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

As the Company is a wholly owned subsidiary of The Prince of Wales's Charitable Foundation, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of The Prince of Wales's Charitable Foundation, within which this Company is included, can be obtained from the address given in note 13.

Tangible fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements - Over the shorter of the useful economic life or the remaining period of the lease.

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 is more likely than not 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.

Notes (continued)

2 Directors' emoluments

No remuneration was paid (2013 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

	2014	2013
Administration	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

The aggregate payroll costs of these persons were as follows

	2014	2013
	£	£
Wages and salaries	29,378	29,329
Social security costs	3,400	3,613
Pension costs	<u>2,349</u>	<u>2,418</u>
	<u>35,127</u>	<u>35,360</u>

4 Profit on ordinary activities

Profit on ordinary activities is stated after charging,

	2014	2013
	£	£
Fees payable to the Company's auditors for the audit of these financial statements	<u>2,690</u>	<u>2,690</u>

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 (2013 lower) than the standard rate of corporation tax in the UK. The differences are explained below.

	2014 £	2013 £
Current tax reconciliation		
Profit on ordinary activities before tax	<u>2,961,336</u>	<u>2,828,361</u>
Current tax at 21% (2013 24%)	621,880	678,807
Effect of		
Capital allowances in excess of depreciation	(988)	(1,378)
Items disallowed for tax purposes	10	229
Gift aid payable	(620,902)	(673,922)
Utilisation of tax losses	-	(3,736)
Total current tax charge	<u>-</u>	<u>-</u>

6 Tangible fixed asset

	Leasehold Improvements £
Cost at 1 April 2013 and 31 March 2014	<u>134,165</u>
Depreciation at 1 April 2013 and March 2014	<u>134,165</u>
Net book value at 1 April 2013 and March 2014	<u>-</u>

Notes (continued)

7 Debtors

	2014	2013
	£	£
Trade debtors	24,693	26,606
Prepayments and accrued income	474,819	412,992
Other debtors	3,219	-
	<u>502,731</u>	<u>439,598</u>

8 Creditors

	2014	2013
	£	£
Creditors amounts falling due within one year		
Trade creditors	15,691	6,796
Amounts owed to parent undertaking	994,427	932,755
Taxation and social security	147,253	145,423
Accruals and deferred income	46,632	37,250
	<u>1,204,003</u>	<u>1,122,224</u>

9 Called up share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>1,109,002</u>	<u>1,109,002</u>

10 Profit and loss account reserve

	2014	2013
	£	£
Opening reserve	(883,686)	(907,150)
Profit for the year	4,662	23,464
Closing reserve	<u>(879,021)</u>	<u>(883,686)</u>

11 Reconciliation of movements in Shareholders' Funds

	2014	2013
	£	£
Opening shareholders' funds	225,316	201,852
Profit for the year	4,662	23,464
Closing shareholders' deficit	<u>229,981</u>	<u>225,316</u>

Notes (continued)

12 Commitments

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

13 Ultimate parent company and controlling party

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

The Company's immediate parent undertaking is PCF Social Enterprises Limited (Register company number 07087239).

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.