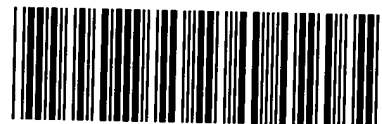


Duchy Originals Limited

**Directors' Report and Financial Statements
for the year ended 31 March 2015**

Registered number: 02478770

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Contents

Chairman's Statement	1
Directors' Report	2-3
Statement of Directors' Responsibilities	4
Independent Auditor's Report to the members of Duchy Originals Limited	5-6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9-15

Chairman's Statement

2014/15 has been the fifth 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 U.K. 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 Charter guides the Waitrose Duchy Organic range. Together, Duchy Originals and Waitrose believe in the value of organic food, grown and produced sustainably.

Operating profits increased to £3,023,214 (2014: £2,961,336). The amount which Duchy Originals donated in gift aid to The Prince of Wales's Charitable Foundation increased to £3,019,426 (2014: £2,956,674).

The Company donates essentially its entire surplus to The Prince of Wales's Charitable Foundation. In terms of the cash which is ultimately remitted to the charity, this continues to be the case. However legislation has now been clarified regarding the accounting of gift aid distributions which cannot be made whilst the company holds a negative balance on its profit and loss reserve. For this reason an adjustment has been shown in relation to prior year gift aid. This leaves a result for the year of £1,166,102 (2014: £4,662). Over time, the effect remains that all operating profits are distributed to the parent charity.

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 2015.

Principal Activities

The Company owns the premium brand "Duchy Originals". The taxable profits generated by the Company are donated to charity. In total £3,019,426 was paid to The Prince of Wales's Charitable Foundation in the year.

A gift aid reversal of £1,162,314 was required in 2014/15, owing to a change in the interpretation of gift aid distributions.

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 Dividends

The operating profit for the year amounted to £3,023,214 (2014: £2,961,336). The profit for the year after charitable donations amounted to £1,166,102 (2014: £4,662). The Directors do not recommend payment of a dividend for the year (2014: £nil).

Charitable Donations

During the year, the Company made a donation of £3,019,426 (2014: £2,956,674) 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

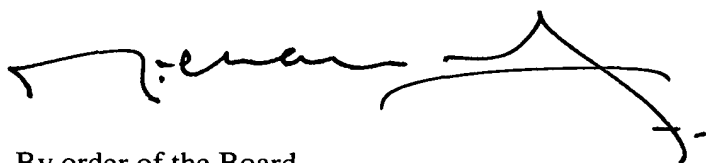
Disclosure of Information to Auditors

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.

A handwritten signature in black ink, appearing to read 'Michael Jary', with a long horizontal stroke extending to the right.

By order of the Board,

Michael Jary

Director

Clarence House

London

SW1A 1BA

15th September 2015

Company number: 02478770

Statement of Directors' Responsibilities in Respect of the Directors' Report and 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 judgements and estimates that are reasonable and prudent;
- State whether applicable UK Account 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 appropriate 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 31st March 2015 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).

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 (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 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 31st March 2015 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

Independent Auditor's Report to the Members of Duchy Originals Limited

(continued)

- 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

30 September 2015

Profit and Loss Account

For the year ended 31 March 2015

	<i>Notes</i>	2015 £	2014 £
Turnover		3,155,596	3,087,041
Gross Profit		3,155,596	3,087,041
Administrative Expenses		(132,382)	(125,705)
Profit on ordinary activities before taxation		3,023,214	2,961,336
Tax on ordinary accounts		-	-
Profit for the financial year		3,023,214	2,961,336
Gift Aid Payable		(3,019,426)	(2,956,674)
Reversal of Gift Aid payment		1,162,314	-
Result for the Financial Year		1,166,102	4,662

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.

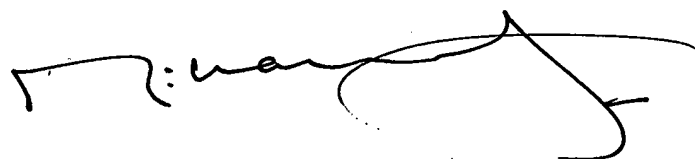
Notes from pages 9 to 15 form part of these financial statements.

Balance Sheet
As at 31 March 2015

	<i>Note</i>	2015 £	2014 £
Current Assets			
Debtors	6	1,403,965	502,731
Cash at Bank and In Hand		215,346	931,253
		<u>1,619,311</u>	<u>1,433,984</u>
Creditors			
Amounts Falling due within One Year	7	(223,228)	(1,204,003)
Net Current Liabilities		<u>1,396,083</u>	<u>229,981</u>
Net Liabilities		<u>1,396,083</u>	<u>229,981</u>
Capital and Reserves			
Called Up Share Capital	8	1,109,002	1,109,002
Profit and Loss Account	9	287,081	(879,021)
Equity Shareholders' Funds		<u>1,396,083</u>	<u>229,981</u>

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

These financial statements were approved by the Board of Directors on 15th September 2015 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

The financial statements have been prepared in accordance with applicable accounting standards 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 is an individual undertaking and not about its group.

Under Financial Reporting Standard 1 (revised 1996), 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 of FRS 8, and has therefore not disclosed transactions or balances with entities that 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 10.

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.

Notes

(Continued)

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

During the year the directors have reconsidered the presentation of Gift Aid payments in the financial statements. Previously the directors followed the Charity Commission guidance, but now understand that legal advice has been issued contradicting this. As the directors now consider the Gift Aid payment to be akin to a distribution rather than an expense, it is now presented outside of the profit and loss account as an adjustment to profit taken to retained earnings.

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.

2 Directors' Emoluments

No remuneration was paid (2014: £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:

	2015	2014
Administration	1	1
	1	1

The aggregate payroll costs of these persons were as follows:

	2015	2014
	£	£
Wages and salaries	29,771	29,378
Social security costs	3,377	3,400
Pension costs	2,389	2,349
	35,537	35,127

4 Profit on Ordinary Activities

Profit on ordinary activities is stated after charging;

	2015	2014
	£	£
Fee Payable to the Company's Auditors for the Audit of these Financial Statements	2,880	2,690

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:

	2015 £	2014 £
Current Tax Reconciliation		
Profit on ordinary activities before tax	3,023,214	2,961,336
Current tax at 20% (2014: 21%)	604,643	621,880
Effect of:		
Capital allowances in excess of depreciation	(772)	(988)
Items disallowed for tax purposes	14	10
Gift aid payable	(603,885)	(620,902)
Tax losses utilised	-	-
Total current tax charge	-	-

5 Tangible Fixed Assets

	Leasehold Improvements
Cost at 1 April 2014 and 31 March 2015	134,165
Depreciation at 1 April 2014 and 31 March 2015	134,165
Net book value at 1 April 2014 and 31 March 2015	-

Notes

(Continued)

6 Debtors

	2015	2014
	£	£
Trade debtors	835,798	24,693
Prepayments and accrued income	529,463	474,819
Other debtors	38,704	3,219
	1,403,965	502,731

7 Creditors

	2015	2014
	£	£
Amounts Falling Due Within One Year		
Trade creditors	9,322	15,691
Amounts owed to parent undertaking	52,447	994,427
Taxation and social security	125,530	147,253
Accruals and deferred income	35,929	46,632
	223,228	1,204,003

8 Called Up Share Capital

	2015	2014
	£	£
Allotted, Called Up and Fully Paid		
Ordinary shares of £1 each	1,109,002	1,109,002

Notes
(Continued)

9 Profit and Loss Account Reserve

	2015 £	2014 £
Opening reserve	(879,021)	(883,683)
Profit for the period	3,023,214	2,961,336
Gift aid payable	(3,019,426)	(2,956,674)
Gift aid reversal	1,162,314	-
Closing reserve	287,081	(879,021)

10 Reconciliation of Movements in Shareholders' Funds

	2015 £	2014 £
Opening shareholders' funds	229,981	225,319
Result for the year	1,166,102	4,662
Closing shareholders' funds	1,396,083	229,981

11 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.

Notes

(Continued)

12 Parent Undertaking 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 (Registered 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.