

Duchy Originals Limited

**Annual Report and Financial Statements
for the year ended 31 March 2019**

Registered number: 02478770



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Directors' Report

The Directors present their Directors' Report and Financial Statements for the year ended 31 March 2019.

Chairman's Statement

Duchy Originals Limited continues to license the "Duchy" brand to Waitrose Ltd. The partnership gives Waitrose the exclusive right to originate, promote and distribute products under the Duchy brand 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.

The Duchy brand has come a long way since being founded by HRH The Prince of Wales over 25 years ago. The first product, our oaten biscuit made from wheats and oats grown organically on the Home Farm at Highgrove, continues to be popular, but the range has now grown to include more than 300 products. Waitrose Duchy Organic now sells over £200m at retail sales value and is one of the top 30 grocery brands in the UK.

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.

The taxable profits generated by the Company are donated to The Prince of Wales's Charitable Foundation, its parent organisation. Profit before taxation is £3,417,858 (2018: £3,241,774). Profit is calculated after a donation to The Prince's Countryside Fund of £100,000 (2018: £25,000). The amount which Duchy Originals donated in gift aid to The Prince of Wales's Charitable Foundation was £3,407,654 (2018: £3,239,646).

Proposed Dividend

The directors do not recommend the payment of a dividend (2018: £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' Report *(continued)*

Directors

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

Michael Jary
Stephen Nelson
Craig Sams
Andrew Wright (*retired 5th September 2019*)

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.

Auditor

Saffrey Champness LLP were appointed as auditor to the Company during the year and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of Directors Responsibilities

The directors are responsible for preparing the Chairman's statement, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice).

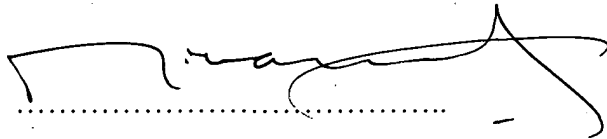
Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

Directors' Report
(continued)

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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

A handwritten signature in black ink, appearing to read 'Michael Jary', is written over a dotted line. A small horizontal dash is visible below the signature.

Michael Jary
Director
Clarence House
London
SW1A 1BA
Company number: 02478770

Date 5 September 2019

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

Opinion

We have audited the financial statements of Duchy Originals Limited for the year ended 31 March 2019, which comprise the Profit and Loss Account, Balance Sheet and 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 March 2019 and its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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.

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 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, or returns adequate for our audit have not been received from branches not visited by us; or

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

- 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors Report.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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.



Liz Hazell (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date 11 September 2019

Profit and Loss Account
for the year ended 31 March 2019

	<i>Notes</i>	2019 £	2018 £
Turnover		3,524,752	3,374,766
Gross Profit		3,524,752	3,374,766
Administrative Expenses	2	(106,894)	(132,992)
Profit before taxation		3,417,858	3,241,774
Tax on profit		-	-
Profit for the year		3,417,858	3,241,774

The results shown above relate to continuing activities.

Notes on pages 11 to 16 form part of these financial statements.

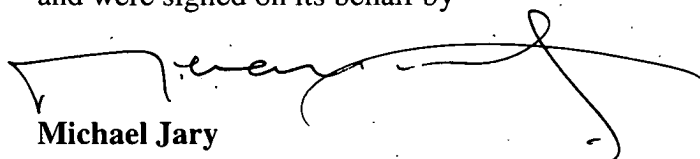
Balance Sheet
as at 31 March 2019

	<i>Note</i>	2019	2018
		£	£
Current Assets			
Debtors	6	1,418,886	1,336,868
Cash at Bank and In Hand		170,537	161,367
		<u>1,589,423</u>	<u>1,498,235</u>
Creditors			
Amounts Falling due within One Year	7	(1,053,030)	(972,046)
Net Current Assets		<u>536,393</u>	<u>526,189</u>
Net Assets		<u><u>536,393</u></u>	<u><u>526,189</u></u>
Capital and Reserves			
Called Up Share Capital	8	229,981	229,981
Profit and Loss Account		306,412	296,208
Equity Shareholders' Funds		<u><u>536,393</u></u>	<u><u>526,189</u></u>

Notes on pages 11 to 16 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small Companies regime.

These financial statements were approved by the Board of Directors on 5th September 2019 and were signed on its behalf by



Michael Jary
Director

Company number: 02478770

Statement of Changes in Equity
As at 31 March 2019

	Called up share capital	Retained earnings	Total
	£	£	£
Balance at 1 April 2017	229,981	294,080	524,061
Profit for the year after tax	-	3,241,774	3,241,774
Gift aid committed	-	(3,239,646)	(3,239,646)
Balance at 1 April 2018	229,981	296,208	526,189
Profit for the year after tax	-	3,417,858	3,417,858
Gift aid committed	-	(3,407,654)	(3,407,654)
Balance at 31 March 2019	229,981	306,412	536,939

The notes on pages 11 to 16 form part of these financial statements.

Notes

(Forming part of the financial statements)

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 on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £1.

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.

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 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. There were no other related party transactions during the year.

Note 1

(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.

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 as a liability in the year the taxable profits are made.

Financial Instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Note 1

(Continued)

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic Financial Liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2. Administrative Expenses

	2019	2018
	£	£
Staff and consultancy costs	211	58,362
Travel and subsistence	(25)	4,696
Office costs	(1,136)	1,311
Legal and professional fees	7,844	43,623
Donation to The Prince's Countryside Fund	100,000	25,000
	106,894	132,992

No remuneration was paid to any Director during the year (2018: £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:

	2019	2018
Administration	-	1
	<u>-</u>	<u>1</u>

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£	£
Wages and salaries	-	45,620
Social security costs	-	4,219
Pension costs	-	1,336
	<u>-</u>	<u>51,175</u>

4. Profit on Ordinary Activities

Profit on ordinary activities is stated after charging;

	2019	2018
	£	£
Fee Payable to the Company's Auditors for the Audit of these Financial Statements	<u>3,800</u>	<u>3,200</u>

The amounts shown above have been recorded in administrative expenses.