

*Duchy Originals Limited
Annual Report and Financial Statements
for the year ended 31 March 2023*

Duchy Originals Limited

**Annual Report and Financial Statements
for the year ended 31 March 2023**

Registered number: 02478770



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Duchy Originals Limited
Annual Report and Financial Statements
for the year ended 31 March 2023

DIRECTORS

Craig Sams
Michael Jary (Chairman)
Nicola Jeffery
Stephen Nelson

COMPANY SECRETARY

Yvonne Abba-Opoku ACG

COMPANY NUMBER

02478770

REGISTERED OFFICE

3 Orchard Place
Broadway,
London,
SW1H 0BF

AUDITOR

Saffery LLP
71 Queen Victoria Street
London
EC4V 4BE

BANKER

Coutts & Co
440 Strand
Villiers Office
WC2R 0QS

Directors' Report

The Directors present their Directors' Report and Financial Statements for the year ended 31 March 2023.

Chairman's Statement

Duchy Originals Limited continues to license the "Duchy" brand to Waitrose & Partners (Waitrose Ltd.). The partnership gives Waitrose the exclusive right to originate, promote and distribute organic products under the Duchy brand. The Partnership between Duchy Originals and Waitrose is built on the shared principles of Good Food, Good Farming and Good Causes. These principles are set out in a Charter between the two organisations and underpin the ethos behind the Waitrose Duchy Organic range.

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 around the world. Waitrose pays a royalty to the Company on all retail and wholesale sales.

During the year, the UK organic food market declined as households felt the effect of squeezed disposable income particularly in relation to energy bills. Eating out in hospitality venues continued to hold up as part of the return to pre-Covid behaviours, which also had an impact on retail food sales. As a result the Waitrose Duchy Organic brand saw a drop of 5% in sales through Waitrose channels. This affects the royalty payable to the Company.

Continued successful innovation and newness in the Waitrose Duchy Organic range has maintained consumers' interest and has partly offset the decline in the market. Sales in grocery meal solutions were strongly boosted by the introduction of ten new Herbs and Spices plus a good performance from Olive and Coconut Oils. Fish performed well with Raw King Prawns and Scottish Salmon Fillets both delivering sales growth.

In May 2022, the brand celebrated the Platinum Jubilee with marketing content, promotions on selected lines and Waitrose Duchy Organic Sweet Biscuits featured at till points in Waitrose shops.

In September 2022 we celebrated the 30th anniversary of the Duchy brand coinciding with Organic September. These celebrations and the associated marketing were understandably suspended during the period of national mourning following the death of Her Majesty Queen Elizabeth II.

Highlights at Christmas included the news that the Duchy Free-Range Bronze Feathered Turkey Crown was Good Housekeeping's best fresh turkey crown in their Christmas awards for 2022. Although Duchy sales were down overall over the Christmas trading period, in the final week before Christmas, Duchy sales hit a record level reaching over £6.9 million of sales for the first time in Duchy history and were very strongly up versus 2021.

On the packaging front we have continued to introduce innovative solutions which reinforce the environmental commitments of the Duchy brand.

After several years in development, all Duchy tea bags have been certified home compostable. The tea bags can be placed directly into a home compost bin or heap, and then used to enrich the soil in the garden.

Testing to remove plastic trays in Duchy whole bird chicken has been a success and the change was introduced from January. The removal of the tray is estimated to reduce plastic by 11 tonnes.

Clear milk caps were launched from May on Duchy milk. This ensures the caps are now as easy to recycle as the bottles.

We previously carried Duchy bananas in the leading home-compostable bag but have been working to reduce packaging further. A new recyclable paper band has now been proven to withstand the highly complex supply chain. Use of the band will save over 10 tonnes of packaging.

Following the year end we received the excellent news that readers of Good Housekeeping magazine had voted and had crowned Waitrose Duchy Organic as the winner in the category “favourite organic brand”. And the Best of Organic Market awards (BOOMs) gave Waitrose the award for Best of Organic Supermarkets.

The entire taxable profits generated by the Company are donated to its parent, The Prince of Wales's Charitable Fund (PWCF). These funds form the primary source of support to enable PWCF to deliver its mission of transforming lives and building sustainable communities. PWCF awards grants to a wide variety of good causes ranging from supporting community arts initiatives for isolated elderly people and tackling social exclusion and youth violence in Greater London through to supporting larger national and international charities such as Soil Association and Practical Action's work on regenerative and nature friendly farming. Funding from the Company and its innovative partnership with Waitrose is helping to bring about lasting improvements to people's lives and a sustainable future for all.

Profit before taxation is £3,254,304 (2022: £3,344,044). Profit is calculated after a donation to The Royal Countryside Fund (previously known as The Prince's Countryside Fund) of £200,000 (2022: £200,000). The amount which Duchy Originals donated in gift aid to The Prince of Wales's Charitable Fund was £3,254,304 (2022: £3,344,044).

Proposed Dividend

The directors do not recommend the payment of a dividend (2022: £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 since 1st April 2022 were as follows:

Michael Jary (Chairman)
Stephen Nelson
Craig Sams
Nicola Jeffery (Appointed 15th July 2022)
Paula Wilson (Resigned 14th July 2022)

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

Saffery LLP have indicated their willingness to continue as auditor to the Company and 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 Directors' Report and the financial statements in accordance with applicable law and regulations.

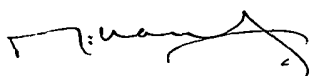
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice).

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.

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.



Michael Jary
Director and Chairman
3 Orchard Place, Broadway
London, SW1H 0BF
Company number: 02478770

Date 28th September 2023

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 2023 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including 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 2023 and its profit for the year 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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
- 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' exemptions from the requirement to prepare a Strategic Report and in preparing the Directors' Report.

Responsibilities of directors

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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include the Companies Act 2006, and UK Tax legislation.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

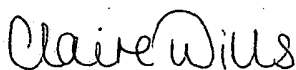
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.



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Claire Wills (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 04 October 2023

Profit and Loss Account
for the year ended 31 March 2023

	<i>Note</i>	2023 £	2022 £
Turnover		3,476,958	3,558,845
Gross profit		3,476,958	3,558,845
Charitable Donations	3	(200,000)	(200,000)
Administrative expenses	2	(22,654)	(14,801)
Profit on ordinary activities before taxation		3,254,304	3,344,044
Tax on profit on ordinary accounts		-	-
Profit for the financial year		3,254,304	3,344,044

The results shown above relates to continuing activities.

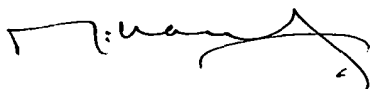
Notes from pages 12 to 16 form part of these financial statements.

Balance sheet
as at 31 March 2023
Company Number: 02478770

	<i>Note</i>	2023	2023	2022	2022
		£	£	£	£
Current assets					
Debtors	6	1,378,249		700,725	
Cash at bank and in hand		<u>33,178</u>		<u>803,205</u>	
		1,411,427		1,503,930	
Creditors					
Amounts falling due within one year	7	<u>(875,034)</u>		<u>(967,537)</u>	
Net Current Assets			536,393		536,393
Net Assets			<u>536,393</u>		<u>536,393</u>
Capital and reserves					
Called up share capital	8		229,981		229,981
Profit and loss account			<u>306,412</u>		<u>306,412</u>
Shareholders' fund			<u>536,393</u>		<u>536,393</u>

Notes from pages 12 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 28th September 2023 and were signed on its behalf by:



Michael Jary
Director

Statement of Changes in Equity
as at 31 March 2023

	Called up share capital	Retained earnings	Total
	£	£	£
Balance at 1 April 2021	229,981	306,412	536,393
Profit for the year after tax	-	3,344,044	3,344,044
Gift aid committed	-	(3,344,044)	(3,344,044)
Balance at 31 March 2022	229,981	306,412	536,393
Profit for the year after tax	-	3,254,304	3,254,304
Gift aid committed	-	(3,254,304)	(3,254,304)
Balance at 31 March 2023	229,981	306,412	536,393

Notes

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 3 Orchard Place, Broadway, London, SW1H 0BF.

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 ultimate 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 3 Orchard Place, Broadway, London, SW1H 0BF.

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. The Directors continue to have a close working relationship with Waitrose, with quarterly meetings to discuss sales revenue and future plans for the brand. Accordingly the directors 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 that require disclosure.

Note 1

(Continued)

Management and administrative costs

Duchy Originals Ltd does not employ any staff; management services are provided by The Prince of Wales's Charitable Foundation, the ultimate parent company under agreed service levels and charging rates.

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 under a Deed of Covenant 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.

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

Note 1

(Continued)

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

	2023	2022
	£	£
Staff Recharge	13,449	3,558
Office costs	2,600	718
Legal and professional fees	6,605	10,525
	<u>22,654</u>	<u>14,801</u>

No remuneration was paid to any Director during the year (2022: £nil)

3 Charitable Activities

	2023	2022
	£	£
Donation to The Royal Countryside Fund	<u>200,000</u>	<u>200,000</u>

4 Wages and salaries

Duchy Originals employs no staff directly. A management fee for services is charged from the parent company.

5 Profit on ordinary activities

Profit on ordinary activities is stated after charging:

	2023	2022
	£	£
Fees payable to Company auditors for the audit of financial statements	5,700	5,160
For tax compliance services	1,560	-
	<u>7,260</u>	<u>5,160</u>

6 Debtors

	2023	2022
	£	£
Trade Debtors	691,924	-
Prepayments and accrued income	686,325	700,725
	<u>1,378,249</u>	<u>700,725</u>

7 Creditors

	2023	2022
	£	£
Amounts falling due within one year		
Amounts owed to parent undertaking	754,304	844,044
Taxation and social security	115,030	118,333
Accruals and deferred income	5,700	5,160
	<u>875,034</u>	<u>967,537</u>

8 Called up share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>229,981</u>	<u>229,981</u>

9 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 3 Orchard Place, Broadway, London, SW1H 0BF, which prepares consolidated financial statements.

The consolidated financial statements of The Prince of Wales's Charitable Foundation are available to the public.

The Company has taken advantage of the exemption under FRS102 to not disclose transactions with fellow group undertakings on the grounds that it and its fellow subsidiaries are 100% owned by the ultimate parent company which is preparing group accounts.