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## Jamie Oliver Holdings Limited

### REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 December 2013

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COMPANIES HOUSE

Company Registration No 04460800

**JAMIE OLIVER HOLDINGS LIMITED**

**COMPANY INFORMATION**

DIRECTORS	J T Oliver T Donovan J E Jackson L Holland
SECRETARY	J Dewar
COMPANY NUMBER	04460800
REGISTERED OFFICE	19-21 Nile Street London N1 7LL
AUDITORS	Baker Tilly UK Audit LLP Marlborough House Victoria Road South Chelmsford Essex CM1 1LN

# JAMIE OLIVER HOLDINGS LIMITED

## DIRECTORS' REPORT

The directors submit their report and the group financial statements of Jamie Oliver Holdings Limited for the year ended 31 December 2013

### PRINCIPAL ACTIVITIES

The Group's principal activities during the year were developing and producing multimedia programming and artistic and literary creation

### RESULTS AND DIVIDENDS

The Group's Net Profit before taxation and exceptional items for the year was £6,220,813 (2012 - £9,762,882) After taking into account minority interests and taxation the pre-exceptional trading profit for the year was £4,383,519 (2012 £7,264,159)

An interim dividend of £12,000 per ordinary B share was paid in the year (2012 - £5,000) The directors do not recommend the payment of a final dividend

### CHARITABLE DONATIONS

During the year the group made charitable donations of £91,788 (2012 - £100,407)

### DIRECTORS

The following directors have held office since 1 January 2013 -

J T Oliver  
T Donovan  
J E Jackson  
L Holland

### THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision is in place for the benefit of all directors of the company, group companies and associated companies

### AUDITORS

The auditors, Baker Tilly UK Audit LLP, Chartered Accountants, have indicated their willingness to continue in office

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

By order of the board



J Dewar  
Secretary

Date 28/5/2014

# JAMIE OLIVER HOLDINGS LIMITED

## STRATEGIC REPORT

### REVIEW OF THE BUSINESS

Turnover has decreased in the year by 7.1% to £32,804,521 compared to £35,306,593 for the previous year. The turnover in 2013 was affected by a lower sales performance on books and a slowdown in production income received by Fresh One Productions Limited, our TV production company. The profitability of the Group was affected by lower income generated from book sales in the year, compared against the very successful '30 Minute Meals' and '15 Minute Meals' books that produced record sales in 2012.

Exceptional items for the year total £2,787,644. Jamie Magazine Limited became a subsidiary company of Jamie Oliver Limited in 2013 which resulted in a Goodwill impairment of £1,717,662 which has been treated as an exceptional item. Freehold Land and Property was impaired by £1,069,982 prior to disposal, which has also been treated as an exceptional item.

### RISKS AND UNCERTAINTIES

The Group's performance depends on the economic conditions and consumer confidence in the UK and overseas; management strive to deliver innovative products to its customers that provide excellent value and service. The strategy of the Group is to minimize the impact of the difficulties of the economic climate by entering into contracts that benefit future years. Cash management is a top priority of management, coupled with stringent controls of expenditure.

An important part of the Group's revenue is from licensing and sponsorship deals with key partners. Management constantly try to build and improve relationships with existing and new partners. Whilst management has invested significant resources into managing partner relationships a key objective is to keep costs tightly managed and apply focuses on cash management and controls.

The directors and management are very focused in ensuring the Jamie Oliver brand is managed well and protected as it is recognised that it is a key asset in the Group. Consequently the necessary controls are in place to ensure its security and safety. The Company's performance depends largely on its executive management team and staff. The ability to retain and recruit people of the right calibre is critical to the success of the business. To mitigate these issues the Company has implemented a number of incentive schemes for key staff.

### Financial risk management

The Board regularly reviews the financial requirements of the Group and the risks associated therewith. The Group does not use complicated financial instruments, and where financial instruments are used it is for reducing interest rate risk.

### Financial Instruments

The Company took out a floating rate interest loan in 2011. In order to manage interest rate risk, the Company entered into an interest rate swap arrangement at a swap rate of 4.78% per annum. The amount of the loan the Company had outstanding as at 31 December 2013 was £1,750,000 (2012 - £2,100,000). The market value of the swap as at the year-end was a payable of £103,473 (2012 - £193,520). The agreement expires on 14 July 2016.

The Group does not trade in financial instruments. Group operations are primarily financed from equity funds raised, retained earnings and bank borrowings (including overdraft facilities). In addition to the financial instruments described above, the Group also has other financial instruments such as receivables, trade payables and accruals that arise directly from the Group's operations. Further information is provided in notes 15 to 17 to the financial statements.

### KEY PERFORMANCE INDICATORS

Key performance indicators that the Board reviews on a weekly and monthly basis are:

Weekly Operating Cash Flow reports comparing actual income and expenditure to budget. Monthly Management Accounts (Profit and Loss Account and Balance Sheet) are measured on a monthly basis against the approved budget; any variances are investigated and reported back to the Board. A rolling twelve month cash flow forecast is prepared each month and reviewed in depth by the Directors.

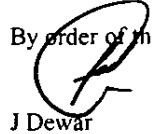
# JAMIE OLIVER HOLDINGS LIMITED

## STRATEGIC REPORT

### FUTURE DEVELOPMENTS

The Group signed two large endorsement deals in 2013 with Sobeys in Canada and Woolworths in Australia. The deals are for three years with the first full year of each contract affecting 2014. The directors believe that with these two endorsement deals, high levels of other contractual income, a further Jamie Oliver book planned for 2014 plus strong income from the international licensing of the Jamie Oliver TV programmes, income from Jamie Oliver TV work in 2014 plus an ever improving economy, the Group should see a solid performance in 2014.

By order of the board



J Dewar  
Secretary

Date 28/5/2014

## **JAMIE OLIVER HOLDINGS LIMITED**

### **DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report and 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 group and the company and of the profit or loss of the group for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# JAMIE OLIVER HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMIE OLIVER HOLDINGS LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 6 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 more fully explained in the Directors' Responsibilities Statement set out on page 5, 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 FRC's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

### Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2013 and of the group's 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.

### Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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.

*Baker Tilly UK Audit LLP*

KERRY NORMAN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Marlborough House

Victoria Road South

Chelmsford

Essex

CM1 1LN

29/5/14

# JAMIE OLIVER HOLDINGS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2013

	Notes	2013 Excluding Exceptional Items £	2013 Exceptional Items £	2013 Total £	2012 £
TURNOVER - Continuing operations	1	30,348,448	-	30,348,448	35,306,593
- Current period acquisitions	1	2,456,073	-	2,456,073	-
		<u>32,804,521</u>	<u>-</u>	<u>32,804,521</u>	<u>35,306,593</u>
Cost of sales	1	<u>12,808,222</u>	<u>-</u>	<u>12,808,222</u>	<u>14,750,873</u>
GROSS PROFIT		19,996,299	-	19,996,299	20,555,720
Other operating expenses (net)	2	<u>13,830,326</u>	<u>2,787,644</u>	<u>16,617,970</u>	<u>10,978,101</u>
OPERATING PROFIT/(LOSS)					
- Continuing operations		6,373,543	(1,069,982)	5,303,561	9,577,619
- Current period acquisitions		(207,570)	(1,717,662)	(1,925,232)	-
		<u>6,165,973</u>	<u>(2,787,644)</u>	<u>3,378,329</u>	<u>9,577,619</u>
Share of operating profit of associates		<u>268,929</u>	<u>-</u>	<u>268,929</u>	<u>424,728</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND INVESTMENT INCOME		6,434,902	(2,787,644)	3,647,258	10,002,347
Investment income	4	40,719	-	40,719	2,707
Interest payable and similar charges	5	<u>(254,808)</u>	<u>-</u>	<u>(254,808)</u>	<u>(242,172)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,220,813	(2,787,644)	3,433,169	9,762,882
Taxation	8	(1,501,939)	-	(1,501,939)	(2,370,291)
Share of taxation of associates		<u>(66,275)</u>	<u>-</u>	<u>(66,275)</u>	<u>(92,168)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,652,599	(2,787,644)	1,864,955	7,300,423
Attributable to minority interests	24	<u>(269,080)</u>	<u>-</u>	<u>(269,080)</u>	<u>(36,264)</u>
PROFIT FOR THE FINANCIAL YEAR	20	<u>4,383,519</u>	<u>(2,787,644)</u>	<u>1,595,875</u>	<u>7,264,159</u>



## **JAMIE OLIVER HOLDINGS LIMITED**

### **CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**For the year ended 31 December 2013**

	Notes	2013 £	2012 £
Profit for the financial year		1,595,875	7,264,159
Unrealised surplus on revaluation of properties	20	<u>1,500,727</u>	<u>-</u>
Total recognised gains and losses relating to the year		<u>3,096,602</u>	<u>7,264,159</u>

# JAMIE OLIVER HOLDINGS LIMITED

Company No. 04460800

## BALANCE SHEETS 31 December 2013

	Notes	Group 2013 £	2012 £	Company 2013 £	2012 £
<b>FIXED ASSETS</b>					
Intangible assets	11	326,667	-	-	-
Tangible assets	12	10,912,749	11,063,065	10,177,023	10,068,395
Investments	13	158,361	156,087	1,245	1,245
		<u>11,397,777</u>	<u>11,219,152</u>	<u>10,178,268</u>	<u>10,069,640</u>
<b>CURRENT ASSETS</b>					
Stocks	14	450,656	325,492	-	-
Debtors	15	31,522,587	30,068,015	1,429,555	209,109
Cash at bank and in hand		954,062	993,339	631,086	863,354
		<u>32,927,305</u>	<u>31,386,846</u>	<u>2,060,641</u>	<u>1,072,463</u>
<b>CURRENT LIABILITIES</b>					
Creditors Amounts falling due within one year	16	(12,647,112)	(11,342,305)	(6,871,159)	(4,164,244)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>20,280,193</u>	<u>20,044,541</u>	<u>(4,810,518)</u>	<u>(3,091,761)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>31,677,970</u>	<u>31,263,693</u>	<u>5,367,750</u>	<u>6,977,859</u>
Creditors Amounts falling due after more than one year	17	(1,421,822)	(1,819,025)	(1,400,000)	(1,750,000)
<b>PROVISIONS FOR LIABILITIES</b>					
Long term staff incentive scheme	18	(905,501)	(2,007,905)	-	-
Deferred tax	18	-	-	(9,730)	(15,939)
<b>NET ASSETS</b>		<u>29,350,647</u>	<u>27,436,763</u>	<u>3,958,020</u>	<u>5,211,920</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19	200	200	200	200
Revaluation reserve	20	2,200,727	700,000	2,200,727	700,000
Profit and loss account	20	27,103,519	26,707,644	1,757,093	4,511,720
<b>SHAREHOLDERS' FUNDS</b>	21	<u>29,304,446</u>	<u>27,407,844</u>	<u>3,958,020</u>	<u>5,211,920</u>
<b>ATTRIBUTABLE TO MINORITY INTERESTS</b>	24	46,201	28,919	-	-
<b>TOTAL CAPITAL EMPLOYED</b>		<u>29,350,647</u>	<u>27,436,763</u>	<u>3,958,020</u>	<u>5,211,920</u>

The financial statements on pages 6 to 31 were approved by the board of directors and authorised for issue on 28/5/2014 and are signed on its behalf by

J E Jackson  
Director

# JAMIE OLIVER HOLDINGS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2013

	Notes	2013 £	2012 £
Cash inflow from operating activities	22a	1,700,245	3,153,325
Returns on investments and servicing of finance	22b	6,354	92,619
Taxation		(2,167,286)	(2,415,920)
Capital expenditure and financial investment	22b	(577,180)	(405,901)
Acquisitions and disposals	22b	(20,813)	-
Equity dividends paid		(900,000)	(500,000)
<b>CASH OUTFLOW BEFORE FINANCING</b>		<b>(1,958,680)</b>	<b>(75,877)</b>
Financing	22b	1,602,797	(368,680)
<b>DECREASE IN CASH IN THE YEAR</b>		<b>(355,883)</b>	<b>(444,557)</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT</b>		<b>2013 £</b>	<b>2012 £</b>
Decrease in cash in the year		(355,883)	(444,557)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		(1,602,797)	368,680
Change in net debt resulting from cash flows		(1,958,680)	(75,877)
Cash acquired upon purchase of subsidiary undertaking	31	967	-
Cash disposed of upon sale of subsidiary undertaking	32	(56,931)	-
New hire purchase contracts undertaken in the year		-	(120,465)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>		<b>(2,014,644)</b>	<b>(196,342)</b>
<b>NET DEBT AT 1 JANUARY</b>		<b>(1,424,110)</b>	<b>(1,227,768)</b>
<b>NET DEBT AT 31 DECEMBER</b>	22c	<b>(3,438,754)</b>	<b>(1,424,110)</b>

# **JAMIE OLIVER HOLDINGS LIMITED**

## **ACCOUNTING POLICIES**

### **BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention modified to include the revaluation of investment properties and in accordance with applicable accounting standards

### **BASIS OF CONSOLIDATION**

The consolidated financial statements incorporate those of Jamie Oliver Holdings Limited and all of its subsidiary undertakings for the year. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised as purchased goodwill and amortised through the profit and loss account over its estimated economic life. Provision is made for any impairment. All financial statements are made up to 31 December.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

The company has taken advantage of the exemption under s408 of the Companies Act 2006 from presenting a company profit and loss account.

### **ASSOCIATED UNDERTAKINGS**

Undertakings in which the group has a participating interest and over which it exerts significant influence are defined as associated undertakings. The financial statements include the appropriate share of the results and reserves of these undertakings using the equity method based on financial statements to 31 December.

### **PURCHASED GOODWILL**

Goodwill representing the excess of the consideration for an acquired undertaking compared with the fair value of net assets acquired is capitalised and written off evenly over three to five years as in the opinion of the directors this represents the period over which the goodwill is effective. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

When the fair value of the consideration for an acquired undertaking is less than the fair value of the separable net assets, the difference is treated as negative goodwill which, up to the value of the non-monetary assets acquired, is recognised in the profit and loss account in the period in which those non-monetary assets are realised. Any negative goodwill in excess of the fair value of the non-monetary assets acquired is recognised in the profit and loss account in the periods expected to be benefited.

### **IMAGE RIGHTS**

Image rights included as intangible fixed assets are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 10 years.

# **JAMIE OLIVER HOLDINGS LIMITED**

## **ACCOUNTING POLICIES (CONTINUED)**

### **TANGIBLE FIXED ASSETS**

Fixed assets, other than investment properties, are stated at historical cost. Depreciation is provided on all tangible fixed assets other than investment properties at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	over 50 years
Leasehold improvements	over the remaining lease term
Computer equipment	33 3% straight line
Fixtures, fittings and equipment	15% to 33 3% straight line
Motor vehicles	20% straight line

### **INVESTMENT PROPERTIES**

Investment properties are revalued annually on an open market basis by the directors. Changes in market value are recognised in reserves other than deficits expected to be permanent, which are charged to the profit and loss account for the period.

Investment properties are accounted for in accordance with SSAP 19, "Accounting for Investment Properties", which provides that these should not be subject to periodic depreciation charges, but should be shown at open market value. This is contrary to the Companies Act 2006 which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost.

The Companies Act requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

### **IMPAIRMENTS**

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairments of revalued assets, except those caused by a clear consumption of economic benefit, are recognised in the statement of total recognised gains and losses until the carrying amount reaches depreciated historic cost. All other impairment losses are recognised in the profit and loss account.

### **FINANCE COSTS**

Finance costs of debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

### **INVESTMENTS**

Long term investments are classified as fixed assets.

Fixed asset investments are stated at cost in the company balance sheet.

Provision is made for any impairment in the value of fixed asset investments.

# **JAMIE OLIVER HOLDINGS LIMITED**

## **ACCOUNTING POLICIES (CONTINUED)**

### **STOCKS AND WORK IN PROGRESS**

Stocks and work in progress are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provisions are made against slow moving and obsolete stock.

### **LONG TERM CONTRACTS**

Amounts recoverable on long term contracts which are included in debtors are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

### **FOREIGN CURRENCIES**

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Results of overseas associates are translated at the average rate for the period of consolidation.

### **DEFERRED TAXATION**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is a binding agreement to sell the asset and the gain or loss expected to arise on sale has been recognised.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### **LEASED ASSETS AND OBLIGATIONS**

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit received over the lease term or, if shorter, the period ending when prevailing market rentals will become payable.

### **RETIREMENT BENEFITS**

The group operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

# **JAMIE OLIVER HOLDINGS LIMITED**

## **ACCOUNTING POLICIES (CONTINUED)**

### **TURNOVER**

Turnover is recognised upon performance of services and on despatch of goods

Income from the licensing of programmes to television networks is recognised when the Group obtain contractual rights to the amounts due

Income from production of programmes is recognised in accordance with the terms of the contract which reflect each stage of the production

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated based on the level of completion at the year end, with reference to the percentage of total costs incurred to date

Turnover is recognised net of Value Added Tax

### **ROYALTY INCOME**

Royalty income (which forms part of turnover) is recognised on an accruals basis

### **LONG TERM STAFF INCENTIVE SCHEME PROVISION**

Provision is made for liabilities arising in respect of expected amounts due in conjunction with long term staff incentive schemes

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

### 1 SEGMENTAL REPORTING

The analysis of turnover and profit before taxation by class of business and the geographical analysis of turnover have not been given as in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the group. An analysis of the split of turnover and cost of sales is as follows

	2013 £	2012 £
Turnover continuing operations - acquisitions	2,456,073	-
Turnover continuing operations – on-going	30,348,448	35,306,593
	<u>32,804,521</u>	<u>35,306,593</u>
	2013 £	2012 £
Cost of sales continuing operations - on-going	11,769,610	14,750,873
Cost of sales continuing operations – acquisitions	1,038,612	-
	<u>12,808,222</u>	<u>14,750,873</u>

### 2 OTHER OPERATING EXPENSES (NET)

	2013 £	2012 £
Distribution expenses – continuing operations - acquisitions	365,975	-
Administration expenses – continuing operations – acquisitions	1,259,055	-
Administration expenses - continuing operations - acquisitions - exceptional	1,717,662	-
Administration expenses – continuing operations – on-going	14,095,267	12,179,700
Administration expenses – continuing operations – on-going - exceptional	1,069,982	-
Other operating income – continuing operations – on-going	(1,889,971)	(1,201,599)
	<u>16,617,970</u>	<u>10,978,101</u>

### 3 EXCEPTIONAL ITEMS WITHIN ADMINISTRATION COSTS

	2013 £	2012 £
Impairment of fixed asset prior to disposal	1,069,982	-
Provision against goodwill in relation to the acquisition of Jamie Magazine Limited	1,717,662	-
	<u>2,787,644</u>	<u>-</u>

### 4 INVESTMENT INCOME

	2013 £	2012 £
Bank interest	156	292
Other interest receivable and similar income	40,506	2,359
Share of investment income of associates	57	56
	<u>40,719</u>	<u>2,707</u>

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
On bank loans and overdrafts	231,387	209,114
Other interest	22,557	31,554
Finance leases and hire purchase contracts	864	864
Share of interest payable of associates	-	640
	<u>254,808</u>	<u>242,172</u>



# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £	2012 £
Profit on ordinary activities before taxation is stated after charging/(crediting)		
Amortisation of intangible assets	23,333	-
Depreciation and amounts written off tangible fixed assets		
depreciation - owned assets	480,332	492,490
depreciation - leased assets	42,519	9,532
(Profit)/loss on disposal	(756)	5,444
Impairment of goodwill	1,717,662	-
Impairment of tangible fixed assets	1,069,982	-
Exchange losses on foreign currency transactions	3,688	8,993
Operating lease rentals		
Land and buildings	423,850	474,675
Auditors remuneration		
Audit services		
Statutory audit of parent and consolidated financial statements	48,400	45,000
Tax compliance	19,360	16,200
Other services	44,608	36,764

### 7 EMPLOYEES

	2013 No	2012 No
The average monthly number of persons (including directors) employed by the group during the year was		
Office and management	170	156

	2013 £	2012 £
Staff costs for the above persons		
Wages and salaries	9,749,195	9,148,449
Social security costs	1,177,467	1,022,819
Defined contribution pension cost	493,857	425,814
	<u>11,420,519</u>	<u>10,597,082</u>

	2013 £	2012 £
<b>DIRECTORS</b>		
In respect of the directors of Jamie Oliver Holdings Limited		
Emoluments	1,498,717	1,389,016
Amounts receivable under long term incentive schemes	303,097	378,099
Defined contribution pension cost	130,955	153,222
	<u>1,932,769</u>	<u>1,920,337</u>

The number of directors to whom retirement benefits were accruing under money purchase schemes was	<u>4</u>	<u>4</u>
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The number of directors who benefited under long term incentive schemes was	<u>2</u>	<u>2</u>
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Directors emoluments disclosed above include the following

	Highest paid director 2013 £	2012 £
Emoluments	498,110	472,526
Defined contribution pension cost	48,333	66,386
	<u>546,443</u>	<u>538,912</u>

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 8 TAXATION

	2013 £	2012 £
UK Corporation tax		
Current tax on profits of the year	1,483,367	2,358,580
Adjustments for prior year	(40,440)	(259,264)
	<u>1,442,927</u>	<u>2,099,316</u>
Foreign corporation tax	68,526	-
Total current tax charge	<u>1,511,453</u>	<u>2,099,316</u>
Deferred tax		
Origination and reversal of timing differences	(2,315)	(37,753)
Adjustments for prior year	(7,199)	308,728
Total deferred tax (credit)/charge	<u>(9,514)</u>	<u>270,975</u>
Tax on profit on ordinary activities	<u>1,501,939</u>	<u>2,370,291</u>

Factors affecting tax charge for the period

The tax assessed for the period is higher or lower than the standard rate of corporation tax in the UK 23% (2012 – 24%) The differences are explained below

Profit on ordinary activities before tax	<u>3,433,169</u>	<u>9,762,882</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2012 – 24%)	789,629	2,343,092
Effects of		
Expenses not deductible for tax purposes	708,147	23,615
Depreciation in excess of capital allowances	111,136	19,841
Income not taxable	(144,580)	(11)
Other short term timing differences	1,298	33,855
Foreign tax adjustment	68,526	23,987
Other tax adjustments	16,900	(77,898)
Tax losses carried forward	837	-
Tax losses utilised	-	(7,901)
Adjustment to tax charge in respect of previous year	(40,440)	(259,264)
Current tax charge for the year	<u>1,511,453</u>	<u>2,099,316</u>

Wood Fired Ovens By Jamie Oliver Limited, an indirect subsidiary of the group, has unrelieved corporation tax losses carried forward of £329,986 (2012 £326,660) available to offset against future trading profits. At 31 December 2012, a deferred tax asset of £30,941 was recognised in respect of £154,703 of the losses being the amount expected to crystallise against trading profits at a corporation tax rate of 20% in 2013. At 31 December 2013 there is an unrecognised deferred tax asset at a corporation tax rate of 20% of £65,997 (2012 £34,391) in respect of the £329,986 (2012 remaining £171,957) of carried forward losses. Management will consider recognition of this asset in future periods based upon their projections of profits at that time.

Jamie Magazine Limited, an indirect subsidiary of the group acquired during the year, has unrelieved corporation tax losses carried forward of £1,954,086 available to offset against future trading profits. There is an unrecognised deferred tax asset at a corporation tax rate of 20% of £390,817 in respect of these carried forward losses. Management will consider recognition of this asset in future periods based upon their projections of profits at that time. Upon acquisition, the fair value of the deferred tax asset on the Jamie Magazine Limited balance sheet was reduced to £Nil due to uncertainty over when the losses are expected to crystallise. Further information about the net assets at acquisition can be seen in note 31.

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 9 (LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

	2013 £	2012 £
Dealt with in the financial statements of the parent company	<u>(1,554,627)</u>	<u>4,526,534</u>

### 10 DIVIDENDS

	2013 £	2012 £
Jamie Oliver Holdings Ordinary 'B' shares Interim paid £12,000 (2012 - £5,000)	<u>1,200,000</u>	<u>500,000</u>

During the year the company disposed of freehold buildings with a net book value of £300,000 to J T Oliver (director) and his wife, by way of a dividend in specie. There was no profit or loss on disposal arising from this transaction and £Nil was due in respect of this transaction at the year end.

### 11 INTANGIBLE ASSETS

	Goodwill £	Image rights £	Total £
<b>GROUP</b>			
<b>Cost</b>			
At 1 January 2013	93,559	-	93,559
Additions	1,717,662	350,000	2,067,662
At 31 December 2013	<u>1,811,221</u>	<u>350,000</u>	<u>2,161,221</u>
<b>Amortisation</b>			
At 1 January 2013	93,559	-	93,559
Charged in the year	-	23,333	23,333
Impairment	1,717,662	-	1,717,662
At 31 December 2013	<u>1,811,221</u>	<u>23,333</u>	<u>1,834,554</u>
<b>Net book value</b>			
31 December 2013	<u>-</u>	<u>326,667</u>	<u>326,667</u>
31 December 2012	<u>-</u>	<u>-</u>	<u>-</u>

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 12 TANGIBLE FIXED ASSETS

	Investment Properties £	Freehold Buildings £	Leasehold Improvements £	Plant and Machinery £	TOTAL £
<b>GROUP</b>					
Cost or valuation					
1 January 2013	8,499,273	1,642,276	1,209,958	1,715,938	13,067,445
Additions	-	-	52,400	176,424	228,824
Disposals	-	(1,642,276)	-	(3,598)	(1,645,874)
Upon acquisition of subsidiary	-	-	-	29,398	29,398
Revaluation	1,500,727	-	-	-	1,500,727
31 December 2013	<u>10,000,000</u>	<u>-</u>	<u>1,262,358</u>	<u>1,918,162</u>	<u>13,180,520</u>
Depreciation					
1 January 2013	-	244,561	734,160	1,025,659	2,004,380
Charged in the year	-	27,733	180,330	314,788	522,851
Disposals	-	(1,342,276)	-	(2,710)	(1,344,986)
Upon acquisition of subsidiary	-	-	-	15,544	15,544
Impairment	-	1,069,982	-	-	1,069,982
31 December 2013	<u>-</u>	<u>-</u>	<u>914,490</u>	<u>1,353,281</u>	<u>2,267,771</u>
Net book value					
31 December 2013	<u>10,000,000</u>	<u>-</u>	<u>347,868</u>	<u>564,881</u>	<u>10,912,749</u>
31 December 2012	<u>8,499,273</u>	<u>1,397,715</u>	<u>475,798</u>	<u>690,279</u>	<u>11,063,065</u>

Investment properties were valued on an open market existing use basis on 31 October 2013 by Savills, Chartered Surveyors, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors. No depreciation is provided in respect of investment properties.

Freehold buildings were valued on an open market existing use basis on 31 October 2013 by Savills, Chartered Surveyors, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors. As a result of the valuation, the carrying value of the freehold buildings held on the balance sheet was impaired by £1,069,982.

The historical cost of investment properties held at 31 December 2013 was £7,799,273 (2012 £7,799,273).

If these properties were to be sold for their revalued amounts, the potential corporation tax liability arising from a disposal amounts to £Nil (2012 £Nil).

The net book value of plant and machinery includes £76,007 (2012 £118,527) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge in respect of these assets was £42,519 (2012 £9,532).

The historical cost of freehold buildings held at 31 December 2013 was £Nil (2012 £1,642,276), with a historic net book value of £Nil (2012 £1,397,715).

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 12 TANGIBLE FIXED ASSETS (CONTINUED)

	Investment Properties £	Freehold Buildings £	Leasehold Improvements £	Plant and Machinery £	TOTAL £
<b>COMPANY</b>					
Cost or valuation					
1 January 2013	8,499,273	1,642,276	156,216	43,088	10,340,853
Additions	-	-	31,353	-	31,353
Disposal	-	(1,642,276)	-	-	(1,642,276)
Revaluation	1,500,727	-	-	-	1,500,727
31 December 2013	<u>10,000,000</u>	<u>-</u>	<u>187,569</u>	<u>43,088</u>	<u>10,230,657</u>
Depreciation					
1 January 2013	-	244,561	22,188	5,709	272,458
Charged in the year	-	27,733	17,120	8,617	53,470
Disposal	-	(1,342,276)	-	-	(1,342,276)
Impairment	-	1,069,982	-	-	1,069,982
31 December 2013	<u>-</u>	<u>-</u>	<u>39,308</u>	<u>14,326</u>	<u>53,634</u>
Net book value					
31 December 2013	<u>10,000,000</u>	<u>-</u>	<u>148,261</u>	<u>28,762</u>	<u>10,177,023</u>
31 December 2012	<u>8,499,273</u>	<u>1,397,715</u>	<u>134,028</u>	<u>37,379</u>	<u>10,068,395</u>

Investment properties were valued on an open market existing use basis on 31 October 2013 by Savills, Chartered Surveyors, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors. No depreciation is provided in respect of investment properties.

Freehold buildings were valued on an open market existing use basis on 31 October 2013 by Savills, Chartered Surveyors, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors. As a result of the valuation, the carrying value of the freehold buildings held on the balance sheet was impaired by £1,069,982.

The historical cost of investment properties held at 31 December 2013 was £7,799,273 (2012 £7,799,273).

If these properties were to be sold for their revalued amounts, the potential corporation tax liability arising from a disposal amounts to £Nil (2012 £Nil).

The historical cost of freehold buildings held at 31 December 2013 was £Nil (2012 £1,642,276), with a historic net book value of £Nil (2012 £1,397,715).

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 13 FIXED ASSET INVESTMENTS

#### GROUP

	Associated Undertakings £
Share of net assets	
1 January 2013	156,087
Additions	20,063
Share of retained profit for the year less dividends already remitted to group	(17,789)
31 December 2013	<u>158,361</u>
Net book value	
31 December 2013	<u>158,361</u>
31 December 2012	<u>156,087</u>

#### COMPANY

	Shares in subsidiary undertakings £
Cost	
1 January and 31 December 2013	<u>1,245</u>
Net book value	
31 December 2013	<u>1,245</u>
31 December 2012	<u>1,245</u>

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 13 FIXED ASSET INVESTMENTS (continued)

The company holds more than 20% of the equity of the following undertakings -

	Class of holding	Proportion held	Nature of business
Subsidiary undertakings			
Jamie Oliver Limited	Ordinary	100%	Artistic & literary creation
Jamie Oliver Enterprises Limited	Ordinary	100%	Brand licensing
Jools Enterprises Limited	Ordinary 'A' shares	50%	Artistic & literary management
Subsidiary undertakings owned by Jamie Oliver Limited			
Jamie Magazine Limited	Ordinary	87.21%	Retailing magazines, food and lifestyle products
Subsidiary undertakings owned by Jamie Oliver Enterprises Limited			
Fresh One Productions Limited	Ordinary	100%	TV & multi media programming
Jamie's Ministry of Food Limited	Ordinary	100%	Dormant
The Flour Station (2) Limited	Ordinary	100%	Dormant
Made with Magic Limited	Ordinary	85%	Dormant
Wood Fired Ovens by Jamie Oliver Ltd	Ordinary	70%	Sale of wood burning pizza ovens
Subsidiary undertakings owned by Fresh One Productions Limited			
Fat Lemon Productions Limited	Ordinary	100%	Television commercial production
Participating interests owned by Jamie Oliver Holdings Limited			
Fresh Partners Limited	Ordinary	20%	Talent management
Participating interests owned by Jamie Oliver Enterprises Limited			
The Plant Creative Limited	Ordinary	40%	Design & graphic production
Fresh Crush Limited	Ordinary	50%	Design of cooking equipment
The Flour Station Limited	Ordinary	50%	Supply of bakery products
9256-5514 Quebec Inc	Ordinary	50%	Restaurant
Cobble Lane Cured Limited	Ordinary	20%	Manufacture, wholesale and retail of sausages and cured meats
Participating interests owned by Fresh One Productions Limited			
Fresh Pictures Limited	Ordinary	50%	Television programme production
Guppy Productions Limited	Ordinary	50%	International exploitation of television programme rights

All the above companies are incorporated in the United Kingdom, other than 9256-5514 Quebec Inc, which is incorporated in Canada. All of these companies are included in the consolidation.

Jools Enterprises Limited is a subsidiary undertaking by virtue of the fact that Jamie Oliver Holdings Limited owns 100% of the voting shares.

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 13 FIXED ASSET INVESTMENTS (continued)

For the year ending 31 December 2013, the following subsidiary companies were entitled to exemption from audit under section 479A of the Companies Act 2006

Jamie Oliver Limited (registered number 03822122)  
 Jamie Oliver Enterprises Limited (registered number 06294067)  
 Jools Enterprises Limited (registered number 04677900)  
 Jamie Magazine Limited (registered number 06739827)  
 Fresh One Productions Limited (registered number 04075091)  
 Wood Fired Ovens by Jamie Oliver Limited (registered number 05421549)  
 Fat Lemon Productions Limited (registered number 08633546)

### 14 STOCKS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Work in progress	338,600	255,998	-	-
Finished goods and goods for resale	112,056	69,494	-	-
	<u>450,656</u>	<u>325,492</u>	<u>-</u>	<u>-</u>

### 15 DEBTORS

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Due within one year				
Trade debtors	1,366,680	1,192,822	-	10,870
Amounts recoverable on long term contracts	801,091	934,401	-	-
Amounts owed by associated undertakings	-	4,793	-	-
Other debtors	26,105,222	23,602,922	1,398,563	130,917
Prepayments and accrued income	3,187,692	4,280,689	30,992	67,322
Deferred tax asset (note 18)	61,902	52,388	-	-
	<u>31,522,587</u>	<u>30,068,015</u>	<u>1,429,555</u>	<u>209,109</u>

### 16 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdrafts	2,928,439	555,869	2,920,584	546,012
Obligations under finance leases	42,555	42,555	-	-
Payments received on account	55,928	42,040	-	-
Trade creditors	897,457	816,627	65,615	40,955
Group balances	-	-	3,433,738	2,548,998
Amounts owed to associated undertakings	3,663	-	-	-
Corporation tax	798,936	1,454,769	1,079	-
Other taxation and social security costs	866,611	1,185,126	-	-
Directors' current accounts	402,988	952,000	402,988	952,000
Other creditors	229,595	267,242	102	102
Accruals and deferred income	6,420,940	6,026,077	47,053	76,177
	<u>12,647,112</u>	<u>11,342,305</u>	<u>6,871,159</u>	<u>4,164,244</u>

The bank loan and overdrafts are secured by a charge over the investment properties held by the company, a debenture over the remaining assets of the group and charges over two key man life policies. Obligations under finance leasing and hire purchase contracts are secured on the related assets.



# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 17 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	1,400,000	1,750,000	1,400,000	1,750,000
Obligations under finance leases	21,822	69,025	-	-
	<u>1,421,822</u>	<u>1,819,025</u>	<u>1,400,000</u>	<u>1,750,000</u>

The bank loan and overdrafts are secured by a charge over the investment properties held by the company, a debenture over the remaining assets of the group and charges over two key man life policies. Obligations under finance leasing and hire purchase contracts are secured on the related assets.

#### Analysis of loans

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Wholly repayable within 5 years	3,750,000	2,100,000	3,750,000	2,100,000
Included in current liabilities	(2,350,000)	(350,000)	(2,350,000)	(350,000)
	<u>1,400,000</u>	<u>1,750,000</u>	<u>1,400,000</u>	<u>1,750,000</u>

#### Analysis of debt maturity

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Amounts payable				
In one year or less or on demand	2,350,000	350,000	2,350,000	350,000
In more than one year but not more than two years	350,000	350,000	350,000	350,000
In more than two years but not more than five years	1,050,000	1,400,000	1,050,000	1,400,000
	<u>3,750,000</u>	<u>2,100,000</u>	<u>3,750,000</u>	<u>2,100,000</u>

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Obligations under finance leases and hire purchase contracts				
Amounts payable				
Within one year	42,555	42,555	-	-
Within two to five years	21,822	69,025	-	-
	<u>64,377</u>	<u>111,580</u>	<u>-</u>	<u>-</u>
Included in current liabilities	(42,555)	(42,555)	-	-
	<u>21,822</u>	<u>69,025</u>	<u>-</u>	<u>-</u>

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 18 PROVISIONS FOR LIABILITIES

	Deferred tax asset £	Long term staff incentive scheme £	Total £
GROUP			
Balance at 1 January 2013	(52,388)	2,007,905	1,955,517
Profit and loss account	(9,514)	692,696	683,182
Paid in the year	-	(1,795,100)	(1,795,100)
Balance at 31 December 2013	<u>(61,902)</u>	<u>905,501</u>	<u>843,599</u>

#### THE DEFERRED TAX ASSET IS MADE UP AS FOLLOWS

	2013 £	2012 £
Accelerated capital allowances	(49,178)	(18,609)
Tax losses available	-	(30,941)
Other timing differences	<u>(12,724)</u>	<u>(2,838)</u>
	<u>(61,902)</u>	<u>(52,388)</u>

The deferred tax asset has been recognised in debtors in note 15

	Deferred tax liability £	Long term staff incentive scheme £	Total £
COMPANY			
Balance at 1 January 2013	15,939	-	15,939
Profit and loss account	<u>(6,209)</u>	-	<u>(6,209)</u>
Balance at 31 December 2013	<u>9,730</u>	-	<u>9,730</u>

#### THE DEFERRED TAX LIABILITY IS MADE UP AS FOLLOWS

	2013 £	2012 £
Accelerated capital allowances	<u>9,730</u>	<u>15,939</u>

### 19 SHARE CAPITAL

	2013 £	2012 £
Allotted, issued and fully paid		
100 Ordinary A shares of £1 each	100	100
100 Ordinary B shares of £1 each	<u>100</u>	<u>100</u>
	<u>200</u>	<u>200</u>
Equity shares		
100 Ordinary A shares of £1 each	100	100
100 Ordinary B shares of £1 each	<u>100</u>	<u>100</u>
	<u>200</u>	<u>200</u>

The 'B' ordinary shares do not carry any voting rights. They rank pari passu with 'A' ordinary shares in all other respects.

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 20 RESERVES

	Jamie Oliver Holdings Limited and subsidiary undertakings £	Associated undertakings £	Group Total £	Company £
Profit and loss account				
1 January 2013	26,586,351	121,293	26,707,644	4,511,720
Profit/(loss) for year	1,613,664	(17,789)	1,595,875	(1,554,627)
Equity dividends paid	(1,200,000)	-	(1,200,000)	(1,200,000)
31 December 2013	<u>27,000,015</u>	<u>103,504</u>	<u>27,103,519</u>	<u>1,757,093</u>
	Jamie Oliver Holdings Limited and subsidiary undertakings £	Associated undertakings £	Group Total £	Company £
Revaluation reserve				
1 January 2013	700,000	-	700,000	700,000
Surplus on revaluation of investment property	1,500,727	-	1,500,727	1,500,727
31 December 2013	<u>2,200,727</u>	<u>-</u>	<u>2,200,727</u>	<u>2,200,727</u>

The revaluation reserve solely relates to the investment property held at the balance sheet date

### 21 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Profit/(loss) for the financial year	1,595,875	7,264,159	(1,554,627)	4,526,534
Dividends	<u>(1,200,000)</u>	<u>(500,000)</u>	<u>(1,200,000)</u>	<u>(500,000)</u>
	395,875	6,764,159	(2,754,627)	4,026,534
Revaluation	1,500,727	-	1,500,727	-
Net addition/(depletion) to shareholders' funds	<u>1,896,602</u>	<u>6,764,159</u>	<u>(1,253,900)</u>	<u>4,026,534</u>
Opening shareholders' funds	27,407,844	20,643,685	5,211,920	1,185,386
Closing shareholders' funds	<u>29,304,446</u>	<u>27,407,844</u>	<u>3,958,020</u>	<u>5,211,920</u>

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 22 NOTES TO THE CASH FLOW STATEMENT

	2013 £	2012 £
<b>a Reconciliation of operating profit to net cash inflow from operating activities</b>		
Operating profit	3,378,329	9,577,619
Impairment of intangible fixed assets	1,717,662	-
Impairment of tangible fixed assets	1,069,982	-
Amortisation of intangible fixed assets	23,333	-
Depreciation of tangible fixed assets	522,851	502,022
(Profit)/loss on sale of fixed assets	(756)	5,444
Profit on part disposal of subsidiary	(41,082)	-
Decrease/(increase) in stocks	10,760	(187,961)
Increase in debtors	(1,051,714)	(7,985,593)
(Decrease)/increase in creditors	(2,826,716)	923,865
(Decrease)/increase in provision re long term staff incentive scheme	(1,102,404)	317,929
Net cash inflow from operating activities	<u>1,700,245</u>	<u>3,153,325</u>
<b>b Analysis of cash flows for headings netted in the cash flow statement</b>	2013 £	2012 £
<u>Returns on investments and servicing of finance</u>		
Interest received	40,662	2,651
Interest paid	(253,944)	(240,668)
Dividends received from associates	220,500	331,500
Interest element of finance lease rental payments	(864)	(864)
Net cash inflow for returns on investment and servicing of finance	<u>6,354</u>	<u>92,619</u>
<u>Capital expenditure and financial investment</u>		
Purchase of tangible fixed assets	(228,824)	(405,901)
Purchase of intangible fixed assets	(350,000)	-
Receipts for sale of tangible fixed assets	1,644	-
Net cash outflow for capital expenditure and financial investment	<u>(577,180)</u>	<u>(405,901)</u>
<u>Acquisitions and disposals</u>		
Payments to acquire subsidiary undertaking	(750)	-
Payments to acquire participating undertakings	(20,063)	-
Net cash outflow for acquisitions and disposals	<u>(20,813)</u>	<u>-</u>
<u>Financing</u>		
Debt due within one year		
- increase in short term borrowings	2,000,000	-
Debt due beyond one year		
- repayment of secured loans	(350,000)	(350,000)
Capital element of finance lease rental payments	(47,203)	(18,680)
Net cash inflow/(outflow) from financing	<u>1,602,797</u>	<u>(368,680)</u>

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 22 NOTES TO THE CASH FLOW STATEMENT (continued)

#### c Analysis of net debt

	At 1 January 2013 £	Cash flow £	Acquisitions £	Disposals £	Other non cash changes £	At 31 December 2013 £
Cash at bank and in hand	993,339	16,687	967	(56,931)	-	954,062
Overdrafts	(205,869)	(372,570)	-	-	-	(578,439)
	<u>787,470</u>	<u>(355,883)</u>	<u>967</u>	<u>(56,931)</u>	<u>-</u>	<u>375,623</u>
Debt due within one year	(350,000)	(1,650,000)	-	-	(350,000)	(2,350,000)
Debt due after one year	(1,750,000)	-	-	-	350,000	(1,400,000)
Finance leases	(111,580)	47,203	-	-	-	(64,377)
	<u>(2,211,580)</u>	<u>(1,602,797)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,814,377)</u>
Total net debt	<u>(1,424,110)</u>	<u>(1,958,680)</u>	<u>967</u>	<u>(56,931)</u>	<u>-</u>	<u>(3,438,754)</u>

#### d Major non-cash transactions

During the year the group entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £Nil (2012 £120,465)

### 23 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2013 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014 as follows

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Land and buildings				
Operating leases which expire				
Expiring between 2 and 5 years	340,850	340,850	-	-
Expiring after more than 5 years	61,000	61,000	-	-
	<u>401,850</u>	<u>401,850</u>	<u>-</u>	<u>-</u>

The majority of the group's leases of land and buildings are subject to rent review periods ranging between 3 and 5 years

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 24 MINORITY INTERESTS

	2013 £	2012 £
Minority interests share of (loss)/profit for the year	(20,315)	49,727
Provision against negative minority interest	289,395	-
Release of prior years' negative minority interest	-	(13,463)
Charge to profit and loss account	269,080	36,264
Acquisition of new subsidiary	(251,798)	-
Net addition to minority interest	17,282	36,264
Opening minority interests	28,919	(7,345)
Closing minority interests	46,201	28,919

### 25 RETIREMENT BENEFITS

The group operates a defined contribution pension scheme whose assets are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group and amounted to £493,857 (2012 £425,814). Contributions totalling £752 (2012 £5,533) were payable to the fund at the year end and are included in creditors.

### 26 CONTINGENT LIABILITIES

A cross guarantee in respect of bank facilities exists between Jamie Oliver Holdings Limited, Jamie Oliver Limited, Fresh One Productions Limited, Jamie Oliver Enterprises Limited, JME Group Limited, JME at Home Limited, JME Logistics Limited, JME Marketing Limited, Jamie Magazine Limited, Recipease Limited, Jamie Bianco Limited, Fresh Pictures Limited and Wood Fired Ovens by Jamie Oliver Limited. The amount for which the company and group was contingently liable as at 31 December 2013 was £Nil (2012 £9,854). This facility is secured by a fixed and floating charge over the group's assets.

The company is contingently liable in respect of a group VAT agreement with Jamie Oliver Limited, Jamie Oliver Enterprises Limited, Jools Enterprises Limited, Fresh One Productions Limited, Fresh Merchandise Limited, Fresh Cut Digital Limited, Fat Lemon Productions Limited, Fresh One Productions RI Limited and Guppy Productions Limited. At 31 December 2013 the group VAT liability was £210,672 (2012 £779,134).

# **JAMIE OLIVER HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the year ended 31 December 2013**

### **27 RELATED PARTY TRANSACTIONS**

The group has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions between group companies that are 100% owned

Jamie Oliver Licensing Limited (a company controlled by J T Oliver) was charged £318,487 (2012 £263,435) for management charges, recharged costs, rental costs and other services. The group also received royalties from Jamie Oliver Licensing Limited totalling £1,422,008 (2012 £1,265,292). At the year end £553,930 was owed to the group (2012 £473,241) by Jamie Oliver Licensing Limited.

During the year, the group charged Jamie's Italian Limited (a company controlled by J T Oliver) £442,084 (2012 £1,449,835) in respect of services provided. At the year end, Jamie's Italian Limited owed the group £51,483 (2012 £248,111).

The Flour Station Limited (an associate of the group) paid dividends to the group of £170,000 (2012 £240,000). At the year end the company owed £Nil to The Flour Station Limited (2012 £Nil).

Fresh Pictures Limited (an associate of the group) was charged £61,749 (2012 £244,259) in the year for services provided. Fresh Pictures Limited repaid to the group £349,102 during the year (2012 borrowed £251,967). At the year end £97,135 was due to Fresh Pictures Limited (2012 £251,967 due from Fresh Pictures Limited).

9256-5514 Quebec Inc (an associate of the group) repaid £16,071 (2012 was loaned £144,643) during the year. At the year end £128,572 (2012 £144,643) was owed to the group in respect of this loan.

Recipease Limited (a company controlled by J T Oliver) was charged £146,769 (2012 £112,523) in the year for services provided. The group also loaned Recipease Limited £1,098,239 (2012 £1,273,632) during the year. At the year end £5,883,190 (2012 £4,784,951) was owed to the group in respect of this loan.

Jamie Magazine Limited (a 87.21% subsidiary of the group in 2013, a company controlled by J T Oliver in 2012) was charged £287,956 (2012 £281,832) in respect of services provided. Group members also loaned Jamie Magazine Limited £439,685 (2012 £Nil) during the year. At the year end £2,163,398 (2012 £1,723,713) was owed to other group members in respect of this loan.

Jamie's Italian International Limited (a company controlled by J T Oliver) was charged £136,425 (2012 £153,007) in respect of services provided. The group also loaned Jamie's Italian International Limited £Nil (2012 £77,230) during the year. At the year end £Nil (2012 £684,169) was owed to the group in respect of this loan.

JME Group Limited and its subsidiaries (a group controlled by J T Oliver) were charged £173,505 (2012 £121,768) in respect of services provided. The group also loaned JME Group Limited £520,788 (2012 £1,919,997) during the year. At the year end £15,208,382 (2012 £14,687,594) was owed to the group in respect of this loan of which £6,000,000 (2012 £6,000,000) was provided against.

Jamie Oliver's Fabulous Feasts Limited (a company in which J T Oliver has an interest) was loaned £250,000 (2012 £Nil). At the year end £450,000 (2012 £200,000) was owed to the group in respect of this loan.

Jamie Bianco Limited (a company controlled by J T Oliver) was charged £151,625 (2012 £203,065) by the group for goods and services during the year. The group also loaned Jamie Bianco Limited £1,252,235 (2012 £4,712,410) during the year. At the year end £7,975,617 (2012 £6,723,382) was owed to the group in respect of this loan.

Wood Fired Ovens by Jamie Oliver Limited (a 70% subsidiary of the group) was loaned £Nil (2012 £476,126) and repaid £29,351 (2012 £Nil) to other group members during the year. At the year end £446,775 (2012 £476,126) was owed to other group members in respect of this loan.

# JAMIE OLIVER HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

### 28 TRANSACTIONS WITH DIRECTORS

J T Oliver (director) and his wife received dividends of £720,000 (2012 £300,000) and £480,000 (2012 £200,000) respectively in the year £300,000 of these dividends paid, £180,000 and £120,000 respectively, were in relation to the transfer of freehold buildings with a net book value of £300,000 by way of a dividend in specie. At the year end the amount due to J T Oliver and his wife was £301,649 (2012 £102,374 owed from J T Oliver and his wife)

During the year, L Holland (director) made loans to the company totalling £Nil (2012 £340,000). Repayments against these loans totalling £350,661 were made by the company during the year (2012 £138,000). At the year end the amount owed to L Holland was £101,339 (2012 £452,000). Interest of £8,114 (2012 £13,590) was paid to L Holland in respect of these loans.

During the year, T Donovan (director) made loans to the company of £Nil (2012 £250,000). Repayments against these loans totalling £500,000 were made by the company during the year (2012 £Nil). At the year end the amount owed to T Donovan was £Nil (2012 £500,000). Interest of £8,546 (2012 £14,936) was paid to T Donovan in respect of these loans.

### 29 COMPANY PROFIT AND LOSS ACCOUNT

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account.

### 30 ULTIMATE CONTROLLING PARTY

The directors consider the ultimate controlling party to be J T Oliver.

### 31 PURCHASE OF SUBSIDIARY UNDERTAKING

The group acquired a majority shareholding in Jamie Magazine Limited on 1 January 2013.

	2013 £	2012 £
Net assets acquired		
Tangible fixed assets	13,854	-
Stocks	135,924	-
Trade and other debtors	412,056	-
Cash at bank and in hand	967	-
Trade and other creditors	(2,531,511)	-
Minority shareholders' interests	251,798	-
	(1,716,912)	-
Goodwill	1,717,662	-
Cash paid	750	-

The fair values of the asset and liabilities acquired, as detailed above, were equal to the book values. In addition, a deferred tax asset of £189,625 was excluded as a result of the uncertainty of when this balance would crystallise. The business acquired contributed net operating cash outflows of £437,216 to the Group's net operating cash inflows, paid £Nil in respect of net returns on investments and servicing of finance, paid £Nil in respect of taxation and utilised £Nil for capital expenditure.

	2013 £	2012 £
Analysis of the net outflow of cash in respect of the purchase of subsidiary undertakings		
Cash consideration	750	-
Net flow of cash in respect of the purchase of subsidiary undertakings	750	-

The loss after tax of Jamie Magazine Limited for the year ended 31 December 2012 was £505,965.



## JAMIE OLIVER HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2013

#### 32 SALE OF SUBSIDIARY UNDERTAKING

	2013 £	2012 £
Net assets disposed of		
Trade and other debtors	18,712	-
Cash at bank and in hand	56,931	-
Trade and other creditors	(116,725)	-
	(41,082)	-
Profit on disposal	41,082	-
Sale proceeds	-	-

On 15 April 2013, Guppy Productions Limited issued one further share of £1 taking the total share capital in issue to £2. The group holds one £1 share, resulting in the group no longer having control over Guppy Productions Limited and the company therefore ceased to be a subsidiary undertaking with effect from that date. Guppy Productions Limited is now accounted for as an associate under the equity method of accounting. The fair values of the asset and liabilities disposed of, as detailed above, were equal to the book values. The business sold during the year contributed £18,542 to the Group's net operating cash inflows, paid £Nil in respect of net returns on investments and servicing of finance, paid £Nil in respect of taxation and utilised £Nil for capital expenditure.

