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Jamie Oliver Limited

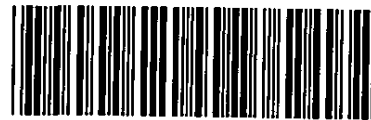
Jamie Oliver Holdings Limited

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended

31 December 2014

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COMPANIES HOUSE

Company Registration No 04460800

JAMIE OLIVER HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	J T Oliver L Holland T O Neill P Hunt
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

STRATEGIC REPORT

REVIEW OF THE BUSINESS

Turnover has increased in the year by 21.1% to £39,730,046 compared to £32,804,521 for the previous year. This was principally due to an increase in production income received by Fresh One Productions Limited and Fat Lemon Productions Limited, our TV and Commercial production companies. The core profitability of the Group was also positively affected by increased endorsement income from the two new contracts signed in 2013 with Sobeys in Canada and Woolworths in Australia.

During the year the Group undertook a strategic review of the various businesses both within the corporate group and those that fall outside of the Group which have been supported financially. As a result of this review a number of businesses were identified that no longer fit within the overall strategy going forward. A decision was therefore made to divest the Group of these companies, through a combination of company closures, management buy outs and streamlining operations. This divestiture has resulted in a number of debts owed by associated companies being impaired in the financial statements.

The Group moving forward will focus on its core media and licensing activities.

Exceptional items for the year total £18,117,403. This includes the impairment of the amounts owed by JME Group Limited of £9,384,910, Recipease Limited of £7,172,980 and Fifteen Restaurant Limited of £562,183 (there is a tax credit of £118,058 against this amount). In addition a number of participants in a share scheme in Fresh One Productions Limited paid up some of their shares in the year, which resulted in an exceptional loss of £1,115,388.

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.

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 Group'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 Group 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 2014 was £Nil (2013 - £1,750,000). The market value of the swap as at the year-end was a payable of £58,789 (2013 - £103,473). 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.

JAMIE OLIVER HOLDINGS LIMITED

STRATEGIC REPORT

KEY PERFORMANCE INDICATORS

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

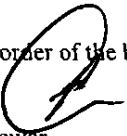
Monthly Management Accounts (Profit and Loss Account and Balance Sheet) are measured on a monthly basis against the approved budget, any variances are investigated and reported back to the Board. A rolling twelve month cash flow forecast is prepared each month and reviewed in depth by the Directors.

FUTURE DEVELOPMENTS

The directors believe that with the two new endorsement deals, high level of other contractual income, a further Jamie Oliver book planned for 2015 plus strong income from the international licensing of the Jamie Oliver TV programmes, income from Jamie Oliver TV work in 2015 plus an ever improving economy, the Group should see a solid performance in 2015.

2015 will be a year of consolidation and significant resources will be devoted to developing and promoting new digital and online content and channels.

By order of the board


J Dewar
Secretary

Date

10/9/15

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 2014

PRINCIPAL ACTIVITIES

The Group's principal activities during the year were developing and producing multimedia programming and artistic and literary creation. The principal activity of the company was that of a holding company.

RESULTS AND DIVIDENDS

The Group's profit on ordinary activities before taxation and exceptional items for the year was £7,114,241 (2013 - £6,220,813). After taking into account minority interests and taxation the pre-exceptional trading profit for the year was £5,299,331 (2013 - £4,383,519).

An interim dividend of £102,000 per ordinary B share was paid in the year (2013 - £12,000). The directors do not recommend the payment of a final dividend.

DIRECTORS

The following directors have held office since 1 January 2014 -

J T Oliver	
T Donovan	Resigned 30 January 2015
J E Jackson	Resigned 30 June 2014
L Holland	
T O'Neill	Appointed 1 July 2014
P Hunt	Appointed 1 July 2014

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 10/9/15

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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

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 2014 and of the group's loss 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

15/9/15

JAMIE OLIVER HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2014

	Notes	2014 Excluding Exceptional Items £	2014 Exceptional Items £	2014 Total £	2013 Total (See page 7) £
TURNOVER	1	39,730,046	-	39,730,046	32,804,521
Cost of sales	1	(17,685,469)	-	(17,685,469)	(12,808,222)
GROSS PROFIT		22,044,577	-	22,044,577	19,996,299
Other operating expenses (net)	2, 3	(15,309,673)	(18,235,461)	(33,545,134)	(16,617,970)
OPERATING PROFIT/(LOSS)		6,734,904	(18,235,461)	(11,500,557)	3,378,329
Share of operating profit of associates		466,913	-	466,913	268,929
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST AND INVESTMENT INCOME		7,201,817	(18,235,461)	(11,033,644)	3,647,258
Investment income	4	2,341	-	2,341	40,719
Interest payable and similar charges	5	(89,917)	-	(89,917)	(254,808)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		7,114,241	(18,235,461)	(11,121,220)	3,433,169
Taxation	8	(1,540,222)	118,058	(1,422,164)	(1,501,939)
Share of taxation of associates		(93,840)	-	(93,840)	(66,275)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		5,480,179	(18,117,403)	(12,637,224)	1,864,955
Attributable to minority interests	24	(180,848)	-	(180,848)	(269,080)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	20	5,299,331	(18,117,403)	(12,818,072)	1,595,875

The profit and loss account has been prepared on the basis that all operations are continuing operations

JAMIE OLIVER HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT (CONTINUED)

For the year ended 31 December 2014

An analysis of the profit and loss account for the comparative year is given below

	Notes	2013 Excluding Exceptional Items £	2013 Exceptional Items £	2013 Total £
TURNOVER - Continuing operations	1	30,348,448	-	30,348,448
- Current period acquisitions	1	2,456,073	-	2,456,073
		<u>32,804,521</u>	<u>-</u>	<u>32,804,521</u>
Cost of sales	1	<u>12,808,222</u>	<u>-</u>	<u>12,808,222</u>
GROSS PROFIT		19,996,299	-	19,996,299
Other operating expenses (net)	2, 3	<u>13,830,326</u>	<u>2,787,644</u>	<u>16,617,970</u>
OPERATING PROFIT				
- Continuing operations		6,373,543	(1,069,982)	5,303,561
- 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>
Share of operating profit of associates		<u>268,929</u>	<u>-</u>	<u>268,929</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND INVESTMENT INCOME		6,434,902	(2,787,644)	3,647,258
Investment income	4	40,719	-	40,719
Interest payable and similar charges	5	<u>(254,808)</u>	<u>-</u>	<u>(254,808)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,220,813	(2,787,644)	3,433,169
Taxation	8	(1,501,939)	-	(1,501,939)
Share of taxation of associates		<u>(66,275)</u>	<u>-</u>	<u>(66,275)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,652,599	(2,787,644)	1,864,955
Attributable to minority interests	24	<u>(269,080)</u>	<u>-</u>	<u>(269,080)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>4,383,519</u>	<u>(2,787,644)</u>	<u>1,595,875</u>

JAMIE OLIVER HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES **For the year ended 31 December 2014**

	Notes	2014 £	2013 £
(Loss)/profit for the financial year		(12,818,072)	1,595,875
Unrealised surplus on revaluation of properties	21	<u>-</u>	<u>1,500,727</u>
Total recognised gains and losses relating to the year		<u>(12,818,072)</u>	<u>3,096,602</u>

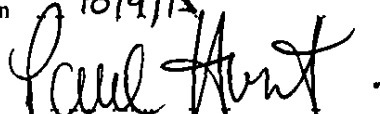
JAMIE OLIVER HOLDINGS LIMITED

Company No. 04460800

BALANCE SHEETS At 31 December 2014

	Notes	Group		Company	
		2014	2013	2014	2013
		£	£	£	£
FIXED ASSETS					
Intangible assets	11	291,667	326,667	-	-
Tangible assets	12	607,201	10,912,749	118,758	10,177,023
Investments	13	244,986	158,361	329,001	1,245
		<u>1,143,854</u>	<u>11,397,777</u>	<u>447,759</u>	<u>10,178,268</u>
CURRENT ASSETS					
Stocks	14	236,813	450,656	-	-
Debtors	15	12,082,402	31,522,587	1,504,659	1,429,555
Cash at bank and in hand		4,438,335	954,062	3,797,621	631,086
		<u>16,757,550</u>	<u>32,927,305</u>	<u>5,302,280</u>	<u>2,060,641</u>
CURRENT LIABILITIES					
Creditors Amounts falling due within one year	16	(10,550,232)	(12,647,112)	(5,349,988)	(6,871,159)
NET CURRENT ASSETS/(LIABILITIES)		<u>6,207,318</u>	<u>20,280,193</u>	<u>(47,708)</u>	<u>(4,810,518)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,351,172</u>	<u>31,677,970</u>	<u>400,051</u>	<u>5,367,750</u>
Creditors Amounts falling due after more than one year	17	-	(1,421,822)	-	(1,400,000)
PROVISIONS FOR LIABILITIES					
Long term staff incentive scheme	18	(73,552)	(905,501)	-	-
Deferred tax	18	-	-	(9,293)	(9,730)
NET ASSETS		<u>7,277,620</u>	<u>29,350,647</u>	<u>390,758</u>	<u>3,958,020</u>
CAPITAL AND RESERVES					
Called up share capital	19	200	200	200	200
Revaluation reserve	20	-	2,200,727	-	2,200,727
Profit and loss account	20	6,286,174	27,103,519	390,558	1,757,093
SHAREHOLDERS' FUNDS	21	6,286,374	29,304,446	390,758	3,958,020
ATTRIBUTABLE TO MINORITY INTERESTS	24	991,246	46,201	-	-
TOTAL CAPITAL EMPLOYED		<u>7,277,620</u>	<u>29,350,647</u>	<u>390,758</u>	<u>3,958,020</u>

The financial statements on pages 6 to 31 were approved by the board of directors and authorised for issue on 10/9/15 and are signed on its behalf by


P Hunt
Director

JAMIE OLIVER HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT For the year ended 31 December 2014

	Notes	2014 £	2013 £
Cash inflow from operating activities	22a	9,821,612	1,700,245
Returns on investments and servicing of finance	22b	(513,653)	6,354
Taxation		(1,256,100)	(2,167,286)
Capital expenditure and financial investment	22b	(178,414)	(577,180)
Acquisitions and disposals	22b	183,126	(20,813)
Equity dividends paid		(200,000)	(900,000)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		7,856,571	(1,958,680)
Financing	22b	(3,794,583)	1,602,797
INCREASE/(DECREASE) IN CASH IN THE YEAR	22c	4,061,988	(355,883)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)		2014 £	2013 £
Increase/(decrease) in cash in the year		4,061,988	(355,883)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		3,794,583	(1,602,797)
Change in net funds/debt resulting from cash flows		7,856,571	(1,958,680)
Cash acquired upon purchase of subsidiary undertaking		-	967
Cash disposed of upon sale of subsidiary undertaking		-	(56,931)
MOVEMENT IN NET FUNDS/(DEBT) IN THE YEAR		7,856,571	(2,014,644)
NET DEBT AT 1 JANUARY		(3,438,754)	(1,424,110)
NET FUNDS/(DEBT) AT 31 DECEMBER	22c	4,417,817	(3,438,754)

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.

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.

Negative goodwill arises when the fair value of the consideration for an acquired undertaking is less than the fair value of the separable net assets. The amount up to the value of the non-monetary assets acquired, is credited to the profit and loss account in the period in which those non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets is credited to the profit and loss account in the periods expected to benefit.

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:

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 2014

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

	2014 £	2013 £
Turnover continuing operations – on-going	39,730,046	30,348,448
Turnover continuing operations – acquisitions	-	2,456,073
	<u>39,730,046</u>	<u>32,804,521</u>
	2014 £	2013 £
Cost of sales continuing operations – on-going	17,685,469	11,769,610
Cost of sales continuing operations – acquisitions	-	1,038,612
	<u>17,685,469</u>	<u>12,808,222</u>

2 OTHER OPERATING EXPENSES (NET)

	2014 £	2013 £
Distribution expenses – continuing operations – on-going	446,310	-
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	15,800,739	14,095,267
Administration expenses – continuing operations – on-going – exceptional	18,235,461	1,069,982
Other operating income – continuing operations – on-going	(937,376)	(1,889,971)
	<u>33,545,134</u>	<u>16,617,970</u>

3 EXCEPTIONAL ITEMS WITHIN ADMINISTRATION COSTS

	2014 £	2013 £
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
Bad debt provision against related party debts	16,557,890	-
Bad debt provision against other debt	562,183	-
Adjustment on nil paid shares being paid up in Fresh One Productions Limited	1,115,388	-
	<u>18,235,461</u>	<u>2,787,644</u>

4 INVESTMENT INCOME

	2014 £	2013 £
Bank interest	434	156
Other interest receivable and similar income	1,830	40,506
Share of investment income of associates	77	57
	<u>2,341</u>	<u>40,719</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
On bank loans and overdrafts	79,133	231,387
Other interest	10,208	22,557
Finance leases and hire purchase contracts	576	864
	<u>89,917</u>	<u>254,808</u>

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

6 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2014 £	2013 £
(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting)		
Amortisation of intangible assets	35,000	23,333
Negative goodwill written off to profit and loss	(337,635)	-
Impairment of goodwill	167,774	1,717,662
Depreciation and amounts written off tangible fixed assets		
depreciation - owned assets	428,815	480,332
depreciation - leased assets	43,008	42,519
Profit on disposal	(20,389)	(756)
Profit on disposal of associated undertakings	(28,536)	-
Impairment of tangible fixed assets	-	1,069,982
Exchange (profits)/losses on foreign currency transactions	(9,784)	3,688
Operating lease rentals Land and buildings	518,055	423,850
Auditors remuneration		
Audit services		
Statutory audit of parent and consolidated financial statements	51,350	48,400
Tax compliance	20,500	19,360
Other services	38,160	44,608

7 EMPLOYEES

	2014 No	2013 No
The average monthly number of persons (including directors) employed by the group during the year was		
Office and management	223	170
	2014 £	2013 £
Staff costs for the above persons		
Wages and salaries	11,924,837	9,749,195
Social security costs	1,364,562	1,177,467
Defined contribution pension cost	439,667	493,857
	13,729,066	11,420,519

DIRECTORS

In respect of the directors of Jamie Oliver Holdings Limited

	2014 £	2013 £
Emoluments	1,521,129	1,498,717
Amounts receivable under long term incentive schemes	147,105	303,097
Defined contribution pension cost	79,522	130,955
	1,747,756	1,932,769

The number of directors to whom retirement benefits were accruing under money purchase schemes was

	2014	2013
	3	4

The number of directors who benefited under long term incentive schemes was.

	2014	2013
	2	2

Directors emoluments disclosed above include the following

	Highest paid director 2014 £	2013 £
Emoluments	393,547	498,110
Amounts receivable under long-term incentive schemes	147,105	-
Defined contribution pension cost	23,500	48,333
	564,152	546,443

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

8 TAXATION

	2014 £	2013 £
UK Corporation tax		
Current tax on profits of the year	1,422,440	1,483,367
Adjustments for prior year	(61,502)	(40,440)
	<u>1,360,938</u>	<u>1,442,927</u>
Foreign corporation tax	16,626	68,526
Total current tax charge	<u>1,377,564</u>	<u>1,511,453</u>
Deferred tax		
Origination and reversal of timing differences	2,183	(2,315)
Effect of tax change rate	980	-
Adjustments for prior year	41,437	(7,199)
Total deferred tax charge/(credit)	<u>44,600</u>	<u>(9,514)</u>
Tax on profit on ordinary activities	<u>1,422,164</u>	<u>1,501,939</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 21% (2013 – 23%) The differences are explained below		
(Loss)/profit on ordinary activities before tax	<u>(11,121,220)</u>	<u>3,433,169</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2013 – 23%)	(2,335,456)	789,629
Effects of		
Expenses not deductible for tax purposes	3,830,466	708,147
Depreciation in excess of capital allowances	28,469	111,136
Income not taxable	(110,913)	(144,580)
Other short term timing differences	114	1,298
Foreign tax adjustment	16,626	68,526
Other tax adjustments	-	16,900
Tax losses carried forward	9,760	837
Adjustment to tax charge in respect of previous year	(61,502)	(40,440)
Current tax charge for the year	<u>1,377,564</u>	<u>1,511,453</u>

Jamie Magazine Limited, an indirect subsidiary of the group, has unrelieved corporation tax losses carried forward of £1,949,833 (2013 £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 £389,967 (2013 £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.

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

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

	2014 £	2013 £
Dealt with in the financial statements of the parent company	<u>6,632,738</u>	<u>(1,554,627)</u>

10 DIVIDENDS

	2014 £	2013 £
Jamie Oliver Holdings Ordinary 'B' shares Interim paid £102,000 (2013 - £12,000)	<u>10,200,000</u>	<u>1,200,000</u>

During the year the company disposed of an investment property with a net book value of £10,000,000 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.

During the previous 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 (2013 £Nil).

11 INTANGIBLE ASSETS

	Negative Goodwill £	Goodwill £	Image rights £	Total £
GROUP				
Cost				
At 1 January 2014	-	1,811,221	350,000	2,161,221
Additions	(337,635)	167,774	-	(169,861)
At 31 December 2014	<u>(337,635)</u>	<u>1,978,995</u>	<u>350,000</u>	<u>1,991,360</u>
Amortisation				
At 1 January 2014	-	1,811,221	23,333	1,834,554
Charged in the year	(337,635)	-	35,000	(302,635)
Impairment	-	167,774	-	167,774
At 31 December 2014	<u>(337,635)</u>	<u>1,978,995</u>	<u>58,333</u>	<u>1,699,693</u>
Net book value				
31 December 2014	<u>-</u>	<u>-</u>	<u>291,667</u>	<u>291,667</u>
31 December 2013	<u>-</u>	<u>-</u>	<u>326,667</u>	<u>326,667</u>

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

12 TANGIBLE FIXED ASSETS

	Investment Properties £	Leasehold Improvements £	Plant and Machinery £	TOTAL £
GROUP				
Cost or valuation				
1 January 2014	10,000,000	1,262,358	1,918,162	13,180,520
Additions	-	9,930	196,165	206,095
Disposals	(10,000,000)	-	(305,935)	(10,305,935)
Reclassification	-	(32,528)	-	(32,528)
31 December 2014	<u>-</u>	<u>1,239,760</u>	<u>1,808,392</u>	<u>3,048,152</u>
Depreciation.				
1 January 2014	-	914,490	1,353,281	2,267,771
Charged in the year	-	163,440	308,383	471,823
Disposals	-	-	(298,643)	(298,643)
31 December 2014	<u>-</u>	<u>1,077,930</u>	<u>1,363,021</u>	<u>2,440,951</u>
Net book value				
31 December 2014	<u>-</u>	<u>161,830</u>	<u>445,371</u>	<u>607,201</u>
31 December 2013	<u>10,000,000</u>	<u>347,868</u>	<u>564,881</u>	<u>10,912,749</u>

The historical cost of investment properties held at 31 December 2014 was £Nil (2013 £7,799,273)

The net book value of plant and machinery includes £32,999 (2013 £76,007) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge in respect of these assets was £43,008 (2013 £42,519)

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2014

12 TANGIBLE FIXED ASSETS (CONTINUED)

	Investment Properties £	Leasehold Improvements £	Plant and Machinery £	TOTAL £
COMPANY				
Cost or valuation				
1 January 2014	10,000,000	187,569	43,088	10,230,657
Disposal	(10,000,000)	-	-	(10,000,000)
Reclassification	-	(32,528)	-	(32,528)
31 December 2014	<u>-</u>	<u>155,041</u>	<u>43,088</u>	<u>198,129</u>
Depreciation				
1 January 2014	-	39,308	14,326	53,634
Charged in the year	-	17,120	8,617	25,737
31 December 2014	<u>-</u>	<u>56,428</u>	<u>22,943</u>	<u>79,371</u>
Net book value				
31 December 2014	<u>-</u>	<u>98,613</u>	<u>20,145</u>	<u>118,758</u>
31 December 2013	<u>10,000,000</u>	<u>148,261</u>	<u>28,762</u>	<u>10,177,023</u>

The historical cost of investment properties held at 31 December 2014 was £Nil (2013 £7,799,273)

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

13 FIXED ASSET INVESTMENTS

GROUP	Associated Undertakings £
Share of net assets	
1 January 2014	158,361
Disposals	(76,525)
Share of retained profit for the year less dividends already remitted to group	163,150
31 December 2014	<u>244,986</u>
Net book value	
31 December 2014	<u>244,986</u>
31 December 2013	<u>158,361</u>

Changes in shareholdings in subsidiary companies

On 14 July 2014, Jamie Oliver Limited, a subsidiary of the company, acquired a further 120 Ordinary A shares in Jamie Magazine Ltd, increasing its holding from 87.21% to 94.19%. This transaction gave rise to goodwill of £167,774 which has been fully impaired during the year.

On 7 April 2014, 150 of the Ordinary A nil paid shares in Jamie Oliver Enterprises Limited were paid up for a total consideration of £75,000, reducing control of the company from 100% to 92.5%. On 3 October 2014, the 150 Ordinary A shares were repurchased by Jamie Oliver Holdings Limited for a total consideration of £75,000 increasing control back to 100%. The loss on disposal of the shares was £376,605 which is included in administrative expenses. The negative goodwill of £337,635 arising on the purchase of shares has been fully written off to the profit and loss during the year.

On 9 May 2014, 269 of the Ordinary A nil paid shares in Fresh One Productions Limited were paid up for a total consideration of £78,500, reducing control of the company from 100% to 83.88%. The adjustment on nil paid shares being paid up was a cost of £1,115,388 which is included in administrative expenses as an exceptional item (see note 3).

COMPANY	Shares in subsidiary undertakings £
Cost	
1 January 2014	1,245
Additions	327,776
Disposals	(20)
31 December 2014	<u>329,001</u>
Net book value	
31 December 2014	<u>329,001</u>
31 December 2013	<u>1,245</u>

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

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
Fresh One Productions Limited	Ordinary	83 88%	TV & multi media programming
Subsidiary undertakings owned by Jamie Oliver Limited			
Jamie Magazine Limited	Ordinary	94 19%	Retailing magazines, food and lifestyle products
Food Tube Limited	Ordinary	100%	Dormant
Subsidiary undertakings owned by Jamie Oliver Enterprises Limited			
Jamie's Ministry of Food Limited	Ordinary	100%	Dormant
The Flour Station (2) Limited	Ordinary	100%	Dormant
Made with Magic Limited	Ordinary	100%	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 Enterprises Limited			
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 2014

13 FIXED ASSET INVESTMENTS (continued)

For the year ending 31 December 2014, 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	
	2014	2013	2014	2013
	£	£	£	£
Work in progress	47,209	338,600	-	-
Finished goods and goods for resale	189,604	112,056	-	-
	<u>236,813</u>	<u>450,656</u>	<u>-</u>	<u>-</u>

15 DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Due within one year				
Trade debtors	3,365,854	1,366,680	-	-
Amounts recoverable on long term contracts	515,083	801,091	-	-
Other debtors	5,592,828	26,105,222	1,397,948	1,398,563
Prepayments and accrued income	2,591,335	3,187,692	106,711	30,992
Deferred tax asset (note 18)	17,302	61,902	-	-
	<u>12,082,402</u>	<u>31,522,587</u>	<u>1,504,659</u>	<u>1,429,555</u>

16 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	724	2,928,439	-	2,920,584
Obligations under finance leases	19,794	42,555	-	-
Payments received on account	8,307	55,928	-	-
Trade creditors	1,366,041	897,457	25,272	65,615
Group balances	-	-	3,241,320	3,433,738
Amounts owed to associated undertakings	74,634	3,663	-	-
Corporation tax	920,400	798,936	-	1,079
Other taxation and social security costs	1,250,898	866,611	-	-
Directors' current accounts	2,053,126	402,988	2,052,521	402,988
Other creditors	986,174	229,595	102	102
Accruals and deferred income	3,870,134	6,420,940	30,773	47,053
	<u>10,550,232</u>	<u>12,647,112</u>	<u>5,349,988</u>	<u>6,871,159</u>

The bank loan and overdrafts are secured by a debenture over the assets of the group. 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 2014

17 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	-	1,400,000	-	1,400,000
Obligations under finance leases and hire purchase contracts	-	21,822	-	-
	<u>-</u>	<u>1,421,822</u>	<u>-</u>	<u>1,400,000</u>

The bank loan and overdrafts are secured by a debenture over the assets of the group. Obligations under finance leasing and hire purchase contracts are secured on the related assets.

Analysis of loans

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Wholly repayable within 5 years	-	3,750,000	-	3,750,000
Included in current liabilities	-	(2,350,000)	-	(2,350,000)
	<u>-</u>	<u>1,400,000</u>	<u>-</u>	<u>1,400,000</u>

Analysis of debt maturity

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts payable				
In one year or less or on demand	-	2,350,000	-	2,350,000
In more than one year but not more than two years	-	350,000	-	350,000
In more than two years but not more than five years	-	1,050,000	-	1,050,000
	<u>-</u>	<u>3,750,000</u>	<u>-</u>	<u>3,750,000</u>

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Obligations under finance leases and hire purchase contracts				
Amounts payable				
Within one year	19,794	42,555	-	-
Within two to five years	-	21,822	-	-
	<u>19,794</u>	<u>64,377</u>	<u>-</u>	<u>-</u>
Included in current liabilities	(19,794)	(42,555)	-	-
	<u>-</u>	<u>21,822</u>	<u>-</u>	<u>-</u>

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

18 PROVISIONS FOR LIABILITIES

GROUP	Deferred tax asset £	Long term staff incentive scheme £	Total £
Balance at 1 January 2014	(61,902)	905,501	843,599
Profit and loss account	44,600	794,834	839,434
Paid in the year	-	(816,530)	(816,530)
Transferred to other creditors	-	(810,253)	(810,253)
Balance at 31 December 2014	<u>(17,302)</u>	<u>73,552</u>	<u>56,250</u>

THE DEFERRED TAX ASSET IS MADE UP AS FOLLOWS

	2014 £	2013 £
Decelerated capital allowances	(17,103)	(49,178)
Tax losses available	(199)	-
Other timing differences	-	(12,724)
	<u>(17,302)</u>	<u>(61,902)</u>

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

COMPANY	Deferred tax liability £	Long term staff incentive scheme £	Total £
Balance at 1 January 2014	9,730	-	9,730
Profit and loss account	(437)	-	(437)
Balance at 31 December 2014	<u>9,293</u>	<u>-</u>	<u>9,293</u>

THE DEFERRED TAX LIABILITY IS MADE UP AS FOLLOWS

	2014 £	2013 £
Accelerated capital allowances	<u>9,293</u>	<u>9,730</u>

19 SHARE CAPITAL

	2014 £	2013 £
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 2014

20 RESERVES

	Jamie Oliver Holdings Limited and subsidiary undertakings £	Associated undertakings £	Group Total £	Company £
Profit and loss account				
1 January 2014	27,000,015	103,504	27,103,519	1,757,093
(Loss)/profit for year	(12,981,222)	163,150	(12,818,072)	6,632,738
Transfer from revaluation reserve	2,200,727	-	2,200,727	2,200,727
Equity dividends paid	(10,200,000)	-	(10,200,000)	(10,200,000)
31 December 2014	<u>6,019,520</u>	<u>266,654</u>	<u>6,286,174</u>	<u>390,558</u>
	Jamie Oliver Holdings Limited and subsidiary undertakings £	Associated undertakings £	Group Total £	Company £
Revaluation reserve				
1 January 2014	2,200,727	-	2,200,727	2,200,727
Transfer to profit and loss account	(2,200,727)	-	(2,200,727)	(2,200,727)
31 December 2014	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The revaluation reserve related solely to the investment property held at 31 December 2013

21 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
(Loss)/profit for the financial year	(12,818,072)	1,595,875	6,632,738	(1,554,627)
Dividends	(10,200,000)	(1,200,000)	(10,200,000)	(1,200,000)
	<u>(23,018,072)</u>	<u>395,875</u>	<u>(3,567,262)</u>	<u>(2,754,627)</u>
Revaluation	-	1,500,727	-	1,500,727
Net (depletion in)/addition to shareholders' funds	<u>(23,018,072)</u>	<u>1,896,602</u>	<u>(3,567,262)</u>	<u>(1,253,900)</u>
Opening shareholders' funds	29,304,446	27,407,844	3,958,020	5,211,920
Closing shareholders' funds	<u>6,286,374</u>	<u>29,304,446</u>	<u>390,758</u>	<u>3,958,020</u>

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

22 NOTES TO THE CASH FLOW STATEMENT

	2014 £	2013 £
a Reconciliation of operating profit to net cash inflow from operating activities		
Operating (loss)/profit	(11,500,557)	3,378,329
Impairment of intangible fixed assets	167,774	1,717,662
Negative goodwill written off in year	(337,635)	-
Amortisation of intangible fixed assets	35,000	23,333
Depreciation of tangible fixed assets	471,823	522,851
Impairment of tangible fixed assets	-	1,069,982
Profit on sale of fixed assets	(20,389)	(756)
Loss/(profit) on part disposal of subsidiaries	1,491,993	(41,082)
Profit on sale of associate undertakings	(28,536)	-
Decrease in stocks	213,843	10,760
Decrease/(increase) in debtors	2,308,040	(1,051,714)
Decrease in creditors	(78,121)	(2,826,716)
Decrease in provision re long term staff incentive scheme	(21,696)	(1,102,404)
Bad debt provision on related party debts	16,557,890	-
Bad debt provision on other debts	562,183	-
Net cash inflow from operating activities	<u>9,821,612</u>	<u>1,700,245</u>
b Analysis of cash flows for headings netted in the cash flow statement		
	2014 £	2013 £
<u>Returns on investments and servicing of finance</u>		
Interest received	2,264	40,662
Interest paid	(89,341)	(253,944)
Dividends received from associates	210,000	220,500
Dividends paid to minority shareholders	(636,000)	-
Interest element of finance lease rental payments	(576)	(864)
Net cash (outflow)/inflow for returns on investment and servicing of finance	<u>(513,653)</u>	<u>6,354</u>
<u>Capital expenditure and financial investment</u>		
Purchase of tangible fixed assets	(206,095)	(228,824)
Purchase of intangible fixed assets	-	(350,000)
Receipts for sale of tangible fixed assets	27,681	1,644
Net cash outflow for capital expenditure and financial investment	<u>(178,414)</u>	<u>(577,180)</u>
<u>Acquisitions and disposals</u>		
Payments to acquire part of subsidiary undertaking	(75,435)	(750)
Payments to acquire participating undertakings	-	(20,063)
Receipts in respect of part disposal of subsidiaries	153,500	-
Receipts in respect of disposal of associate	105,061	-
Net cash inflow/(outflow) for acquisitions and disposals	<u>183,126</u>	<u>(20,813)</u>
<u>Financing</u>		
Debt due within one year		
- increase in short term borrowings	-	2,000,000
- repayment of secured loans	(2,350,000)	-
Debt due beyond one year		
- repayment of secured loans	(1,400,000)	(350,000)
Capital element of finance lease rental payments	(44,583)	(47,203)
Net cash (outflow)/inflow from financing	<u>(3,794,583)</u>	<u>1,602,797</u>

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

22 NOTES TO THE CASH FLOW STATEMENT (continued)

c Analysis of net debt

	At 1 January 2014 £	Cash flow £	Other non cash changes £	At 31 December 2014 £
Cash at bank and in hand	954,062	3,484,273	-	4,438,335
Overdrafts	(578,439)	577,715	-	(724)
	<u>375,623</u>	<u>4,061,988</u>	<u>-</u>	<u>4,437,611</u>
Debt due within one year	(2,350,000)	2,350,000	-	-
Debt due after one year	(1,400,000)	1,400,000	-	-
Finance leases and hire purchase contracts	(64,377)	44,583	-	(19,794)
	<u>(3,814,377)</u>	<u>3,794,583</u>	<u>-</u>	<u>(19,794)</u>
Total net debt/funds	<u>(3,438,754)</u>	<u>7,856,571</u>	<u>-</u>	<u>4,417,817</u>

23 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014 the group was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015 as follows

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Land and buildings				
Operating leases which expire				
Expiring within one year	132,563	-	-	-
Expiring between 2 and 5 years	-	340,850	-	-
Expiring after more than 5 years	17,200	61,000	17,200	-
	<u>149,763</u>	<u>401,850</u>	<u>17,200</u>	<u>-</u>

The majority of the group's leases of land and buildings have been subsequently renewed in 2015 for periods between one and two years

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

24 MINORITY INTERESTS

	2014 £	2013 £
Minority interests share of profit/(loss) for the year	310,119	(20,315)
Provision against negative minority interest	38,443	289,395
Release of provision against minority interest due to increase in group shareholding	(167,714)	-
Charge to profit and loss account	180,848	269,080
Acquisition of new subsidiary	-	(251,798)
Addition of minority interests in subsidiaries	1,738,207	-
Dividends	(636,000)	-
Disposal of minority interest in subsidiary	(338,010)	-
Net addition to minority interest	945,045	17,282
Opening minority interests	46,201	28,919
Closing minority interests	991,246	46,201

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 £439,667 (2013 £493,857). Contributions totalling £1,670 (2013 £752) 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, Jamie Magazine Limited, Recipease Limited, Fat Lemon Productions 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 2014 was £Nil (2013 £Nil). 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 2014 the group VAT liability was £428,663 (2013 £210,672).

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

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 £284,024 (2013 £318,487) for management charges, recharged costs, rental costs and other services. The group also received royalties from Jamie Oliver Licensing Limited totalling £1,880,805 (2013 £1,422,008). The group made purchases of £249,594 (2013 £3,353) from Jamie Oliver Licensing Limited during the year. At the year end £42,027 was owed to the group (2013 £553,930) by Jamie Oliver Licensing Limited.

During the year, the group charged Jamie's Italian Limited (a company controlled by J T Oliver) £370,469 (2013 £442,084) in respect of services provided. At the year end, Jamie's Italian Limited owed the group £35,946 (2013 £51,483).

The Flour Station Limited (an associate of the group) paid dividends to the group of £175,000 (2013 £170,000).

Fresh Pictures Limited (an associate of the group) was charged £2,521 (2013 £61,749) in the year for services provided. Fresh Pictures Limited repaid to the group £22,500 during the year (2013 repaid £349,102 to the group). At the year end £74,635 was due to Fresh Pictures Limited (2013 £97,135 due to Fresh Pictures Limited).

9256-5514 Quebec Inc (an associate of the group) repaid £21,398 (2013 £16,071) during the year. At the year end £107,174 (2013 £128,572) was owed to the group in respect of this loan.

Recipease Limited (a company controlled by J T Oliver) was charged £140,362 (2013 £146,769) in the year for services provided. The group also loaned Recipease Limited £1,289,790 (2013 £1,098,239) during the year. At the year end £7,172,980 (2013 £5,883,190) was owed to the group in respect of this loan of which £7,172,980 (2013 £Nil) was provided against during the year.

Jamie Magazine Limited, a 94.19% subsidiary of the group in 2014 (2013 87.21%) was charged £258,471 (2013 £287,956) in respect of services provided. Group members also loaned Jamie Magazine Limited £125,795 (2013 £439,685) during the year. At the year end £2,289,193 (2013 £2,163,398) 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 £127,029 (2013 £136,425) in respect of services provided. At the year end £12,876 (2013 £22,486) was owed by Jamie's Italian International Limited.

JME Group Limited (a company controlled by J T Oliver) was charged £106,452 (2013 £173,505) in respect of services provided. The group also loaned JME Group Limited £176,528 (2013 £520,788) during the year. At the year end £15,384,910 (2013 £15,208,382) was owed to the group in respect of this loan of which £15,384,910 (2013 £6,000,000) was provided against.

Jamie Oliver's Fabulous Feasts Limited (a company in which J T Oliver has an interest) was loaned £Nil (2013 £250,000). At the year end £450,000 (2013 £450,000) was owed to the group in respect of this loan.

Jamie Bianco Limited (a company controlled by J T Oliver) was charged £66,604 (2013 £151,625) by the group for goods and services during the year. Jamie Bianco Limited repaid £5,000,000 to the group during the year (2013 received further loans of £1,252,235). At the year end £2,975,617 (2013 £7,975,617) 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 £134,861 (2013 £Nil) and repaid £156,196 (2013 £29,351) to group members during the year. At the year end £425,440 was owed to Jamie Oliver Holdings Limited (2013 £446,775 owed to other group members) of which £425,440 was provided against (2013 £Nil).

JAMIE OLIVER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

28 TRANSACTIONS WITH DIRECTORS

J T Oliver (director) and his wife received dividends of £6,120,000 (2013 £720,000) and £4,080,000 (2013 £480,000) respectively in the year £10,000,000 (2013 £300,000) of these dividends paid, £6,000,000 (2013 £180,000) and £4,000,000 (2013 £120,000) respectively, were in relation to the transfer of an investment property with a net book value of £10,000,000 by way of a dividend in specie. At the year end the amount due to J T Oliver and his wife was £2,053,126 (2013 £301,649).

During the year, L Holland (director) made loans to the company of £Nil (2013 Nil). Repayments against these loans totalling £101,339 (2013 £350,661) were made by the company during the year. At the year end the amount owed to L Holland was £Nil (2013 £101,339). Interest of £396 (2013 £8,114) was paid to L Holland in respect of these loans.

During the year, T Donovan (director) made loans to the company of £Nil (2013 £Nil). Repayments against these loans totalling £Nil were made by the company during the year (2013 £500,000). At the year end the amount owed to T Donovan was £Nil (2013 £Nil). Interest of £Nil (2013 £8,546) 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.