

**Company's Registered Number: 03868901**

**DAYLESFORD ORGANIC LIMITED**  
**(Formerly Daylesford Limited)**

**Report and accounts  
for the period ended**

**31 March 2014**



## **DAYLESFORD ORGANIC LIMITED**

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# **DAYLESFORD ORGANIC LIMITED**

## **DIRECTORS AND ADVISERS**

### **Directors**

Lord Anthony Bamford  
Lady Carole Bamford  
Ruth Kennedy

### **Secretary**

Steven Ovens

### **Registered office**

19 Mossop Street  
London  
SW3 2LY

### **Auditors**

Nexia Smith & Williamson Audit  
Limited  
Chartered Accountants  
25 Moorgate  
London EC2R 6AY

### **Company's registered number**

03868901

## **DAYLESFORD ORGANIC LIMITED**

### **STRATEGIC REPORT**

The directors present the strategic report for Daylesford Organic Limited for the 15 month period ended 31 March 2014.

#### **Principal activity**

The principal activity of the company is the sale of seasonal organic produce.

#### **Business review**

On 13 December 2013, the company changed its name from Daylesford Limited to Daylesford Organic Limited.

Overall this reflects another successful year of growth which has been delivered in a very tough operating environment. The directors are confident that the strength in revenue growth seen in 2013/4 will continue into 2014/5 and that these sales will be reflected at an improved margin level. The directors are confident that the company will meet its short term financial objective which is to reach profitability.

**Approved by the board of directors  
and signed on behalf of the board**

A handwritten signature in black ink, appearing to read 'Carole Bamford', with a long horizontal flourish extending to the right.

Lady Carole Bamford  
**Director**

## **DAYLESFORD ORGANIC LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the accounts for the 15 month period ended 31 March 2014.

#### **Results for the period**

The loss for the period was £4,270,300 (2012: £2,961,063).

#### **Directors**

The following were directors during the period:

Lord Anthony Bamford  
Lady Carole Bamford  
Jamie Mitchell (resigned 31 March 2014)  
Ruth Kennedy

#### **Future developments**

The principal activities of the company will continue to be the sale of seasonal organic produce.

#### **Financial risk management**

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk and liquidity risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

##### *Price risk*

The company is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services in purchases in the UK. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

##### *Credit risk*

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

**DAYLESFORD ORGANIC LIMITED**

**DIRECTORS' REPORT (continued)**

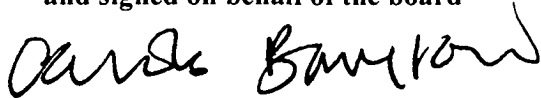
**Disclosure of information to the auditors**

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant available information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

**Approved by the board of directors  
and signed on behalf of the board**

A handwritten signature in black ink, appearing to read 'Lady Bamford', written over the printed name.

Lady Bamford

**Director**

## **DAYLESFORD ORGANIC LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking responsible steps for the prevention and detection of fraud and other irregularities.

# Nexia Smith & Williamson

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAYLESFORD ORGANIC LIMITED (FORMERLY DAYLESFORD LIMITED)

We have audited the financial statements of Daylesford Organic Limited for the 15 months ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 explained more fully 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 Financial Reporting Council's (FRC'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 [www.frc.org.uk/apb/auditscopeukprivate](http://www.frc.org.uk/apb/auditscopeukprivate)

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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.

*Nexia Smith & Williamson*

Keith Jackman  
Senior Statutory Auditor, for and on behalf of  
Nexia Smith & Williamson  
Statutory Auditor  
Chartered Accountants

25 Moorgate  
London  
EC2R 6AY

*18 December 2014*



**DAYLESFORD ORGANIC LIMITED****PROFIT AND LOSS ACCOUNT for the period ended 31 MARCH 2014**

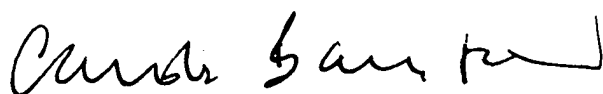
	Notes	2014 £	2012 £
<b>Turnover</b>	1	16,544,288	11,871,046
Cost of sales		(11,172,536)	(7,968,254)
<b>Gross profit</b>		5,371,752	3,902,792
Administrative expenses		(9,642,052)	(7,761,640)
<b>Operating Loss</b>		(4,270,300)	(3,858,848)
Profit on disposal of Hay Barn		-	897,785
<b>Loss on ordinary activities before taxation</b>	4	(4,270,300)	(2,961,063)
Tax on loss on ordinary activities	5	-	-
<b>Retained loss for the financial period</b>	10	(4,270,300)	(2,961,063)

All of the company's operations are classed as continuing. There were no gains or losses in either period other than those included in the above profit and loss account.

**DAYLESFORD ORGANIC LIMITED****Company registration number  
3868901****BALANCE SHEET as at 31 MARCH 2014**

	Notes	2014 £	2012 £
<b>Fixed assets</b>			
Tangible assets	6	5,138,683	4,817,138
<b>Current assets</b>			
Stocks	1	2,160,220	1,303,665
Debtors	7	2,222,605	1,964,459
Cash at bank and in hand		16,308	1,127,015
		4,399,133	4,395,139
<b>Creditors: amounts falling due within one year</b>	8	(19,034,155)	(14,438,316)
<b>Net current liabilities</b>		(14,635,022)	(10,043,177)
<b>Net liabilities</b>		(9,496,339)	(5,226,039)
<b>Capital and reserves</b>			
Called up share capital	9	44,687,106	44,687,106
Profit and loss account	10	(54,183,445)	(49,913,145)
<b>Shareholders' deficit – equity</b>	11	(9,496,339)	(5,226,039)

The accounts were approved by the Board of Directors on 11 November and were signed on its behalf by:



Lady Bamford  
Director

2014

# **DAYLESFORD ORGANIC LIMITED**

## **NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2014**

### **1. Accounting policies**

A summary of the more important accounting policies adopted is described below.

#### **Basis of accounting**

The accounts have been prepared under the historical cost convention and on the going concern basis.

The company made a loss of £4,270,300 during the 15 month period ended 31 March 2014 and at that date, the company's liabilities exceeded its assets by £(9,496,339). Lord Anthony Bamford and Lady Carole Bamford have confirmed that they will provide financial support to enable the company to continue as a going concern and pay its liabilities as they fall due for a period of at least one year from the date of approval of these accounts by the board of directors. On this basis, the directors consider it appropriate to prepare the accounts on the going concern basis. The accounts do not include any adjustments that would be required in the event of the withdrawal of this support.

#### **Fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets concerned. The following annual rates are used.

Leasehold property	-	over term of lease
Plant and machinery	-	straight line over 2 to 5 years
Fixtures, fittings and equipment	-	straight line over 2 to 7 years
Motor vehicles	-	straight line over 4 years

#### **Deferred taxation**

Deferred tax is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Any assets and liabilities recognised have not been discounted.

#### **Leases**

Rental costs under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

## DAYLESFORD ORGANIC LIMITED

### NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2014 *(continued)*

#### Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the profit and loss account.

#### Stocks

Stocks are stated at the lower of cost and net realisable value and consist of finished goods and goods for resale.

#### Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

#### 2. Profit on disposal of Hay Barn wellness retreat

The company disposed of the business and assets of the Hay Barn Wellness retreat in the prior year. The proceeds were £1,000,000 and this resulted in a profit on disposal of £897,785. The sale did not have a material effect on the company's operations and therefore has not been classified as a discontinued operation.

#### 3. Employee information

The average number of persons, including directors employed by the company during the period was:

	2014 Number	2012 Number
	227	195
	£	£
Staff costs for the above persons were:		
Wages and salaries	5,453,719	4,235,369
Social security costs	435,971	326,292
Pension costs	87,780	31,876
	5,977,470	4,593,537

There were no directors' emoluments in 2013/14 or 2012.

# DAYLESFORD ORGANIC LIMITED

## NOTES TO THE ACCOUNTS for the period ended 31 MARCH 2014 *(continued)*

	2014	2012
4. <b>Loss on ordinary activities before taxation is stated after charging/(crediting):</b>	<b>£</b>	<b>£</b>
Depreciation	914,780	680,772
Loss/ (gain) on foreign exchange transactions	60,329	(11,800)
Operating leases – land and buildings	1,276,624	1,071,791

### Services provided by the company's auditor and its associate

During the period the company obtained the following services and paid the following amounts:

Auditors' remuneration for audit services	11,400	8,000
Fees payable to the company's auditor and its associate for other services:		
- accounting	4,860	4,000
- tax services	11,000	9,495
Total non-audit fees	15,860	13,495
5. <b>Tax on loss on ordinary activities</b>	<b>£</b>	<b>£</b>
(a) UK corporation tax at 23.20 % (2012: 24.50%)	-	-
(b) Factors affecting tax charge for period	<b>£</b>	<b>£</b>
(Loss) on ordinary activities before tax	(4,270,300)	(2,961,063)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK at 23.20% (2012: 24.50%)	(990,616)	(725,460)
Effects of:		
Expenses not deductible for tax purposes – fixed assets	172,718	118,070
Expenses not deductible for tax purposes	4,734	9,681
Group relief surrendered before payment	247,268	908,062
Capital allowances in excess of depreciation	(21,839)	(160,521)
Income not taxable	-	(219,933)
Unrelieved tax losses	587,735	70,101
Current tax charge	-	-

**DAYLESFORD ORGANIC LIMITED**

**NOTES TO THE ACCOUNTS for the period ended 31 March 2014 (continued)**

6. Tangible fixed assets	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2013	5,632,003	468,003	2,576,781	13,079	8,689,866
Additions	662,138	271,947	303,740	-	1,237,825
Disposals	(1,500)	-	-	-	(1,500)
At 31 March 2014	6,292,641	739,950	2,880,521	13,079	9,926,191
<b>Depreciation</b>					
At 1 January 2013	1,711,297	267,826	1,880,526	13,079	3,872,728
Charge for the period	418,854	122,151	373,775	-	914,780
Disposals	-	-	-	-	-
At 31 March 2014	2,130,151	389,977	2,254,301	13,079	4,787,508
<b>Net book value</b>					
At 31 March 2014	4,162,490	349,973	626,220	-	5,138,683
At 31 December 2012	3,920,706	200,177	696,255	-	4,817,138

# DAYLESFORD ORGANIC LIMITED

## NOTES TO THE ACCOUNTS for the period ended 31 March 2014 (*continued*)

	2014	2012
<b>7. Debtors</b>		
	£	£
Trade debtors	929,538	1,474,560
Other debtors	272,595	121,343
Prepayments	728,900	368,556
Amounts due from group undertakings	291,572	-
	<hr/>	<hr/>
	2,222,605	1,964,459
	<hr/>	<hr/>
<b>8. Creditors: amounts falling due within one year</b>	£	£
Bank loans and overdraft	464,951	-
Trade creditors	2,547,025	2,503,049
Amounts due to group undertakings	7,166,604	6,213,035
Other creditors	7,466,414	4,824,945
Accruals and deferred income	1,359,420	748,901
Taxation and social security	29,741	148,386
	<hr/>	<hr/>
	19,034,155	14,438,316
	<hr/>	<hr/>
<b>9. Called up share capital</b>	£	£
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each		
At 1 January 2012	44,687,106	40,956,657
Issue of 3,721,449 shares of £1 each for cash	-	3,721,449
	<hr/>	<hr/>
At 31 March 2014	44,687,106	44,687,106
	<hr/>	<hr/>
<b>10. Profit and loss account</b>		
	£	£
At 1 January 2013	(49,913,145)	(46,952,082)
Loss for the financial period	(4,270,300)	(2,961,063)
	<hr/>	<hr/>
At 31 March 2014	(54,183,445)	(49,913,145)
	<hr/>	<hr/>

# DAYLESFORD ORGANIC LIMITED

## NOTES TO THE ACCOUNTS for the period ended 31 March 2014 (*continued*)

### 11. Reconciliation of movements in shareholders' deficit

	2014	2012
	£	£
Loss for the financial period	(4,270,300)	(2,961,063)
Issue of shares	-	3,721,449
Opening shareholders' deficit	(5,226,039)	(5,986,425)
	<hr/>	<hr/>
Closing shareholders' deficit	(9,496,339)	(5,226,039)
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### 12. Operating lease commitments

At 31 March 2014 the company had annual commitments under operating leases as follows:

	2014	2012
	Land and buildings	Land and buildings
	£	£
For leases expiring:		
Within two to five years	405,000	427,027
After five years	720,000	600,000
	<hr/>	<hr/>

### 13. Related party transactions

During the period, the following transactions have been made with companies in which Lord Anthony Bamford and Lady Carole Bamford are also directors:

#### - Sales

JCB Service and subsidiaries £478,913 (2012: £282,505)  
JCB India Limited £nil (2012: £173)  
Bamford Limited £nil (2012: £727)  
JCB Consumer Products Limited £nil (2012: £776)



# **DAYLESFORD ORGANIC LIMITED**

## **NOTES TO THE ACCOUNTS for the period ended 31 March 2014 (*continued*)**

### **13. Related party transactions (*continued*)**

The company also made sales of £10,989 (2012: £51,353) to Lady Carole Bamford.

#### **- Purchases**

JCB Service and subsidiaries (including recharges) £2,898,845 (2012: £1,534,155).

JCB India Limited £10,626 (2012: £18,430)

Bamford Limited £nil (2012: £36,760)

#### **- Included in debtors are the following amounts:**

JCB Service and subsidiaries £157,429 (2012: £1,503,856)

JCB Consumer Products Limited £nil (2012: £776)

Included in debtors is £nil (2012: £51,353) due from Lady Carole Bamford and her family.

#### **- Included in creditors are the following amounts:**

BHoldings Limited £nil (2012: £5,754,262).

Bamford Limited £nil (2012: £458,773).

JCB Service and subsidiaries £6,929,537 (2012: £4,972,108).

JCB Pension No. 1 Scheme £491,013 (2012: £583,273).

### **14. Contingent liability**

There is a cross-guarantee to the bank with BHoldings Limited and other subsidiaries in the group.

### **15. Control**

The company is a subsidiary of BHoldings Limited, a company incorporated in England and Wales, which is ultimately controlled by Lady Carole Bamford.