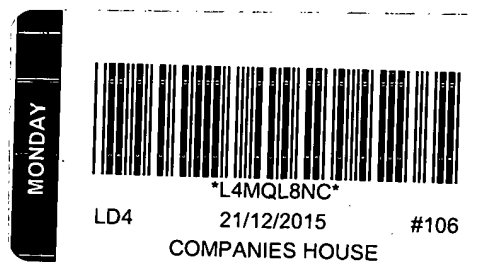


Company's Registered Number: 03868901

DAYLESFORD ORGANIC LIMITED

**Report and accounts
for the year ended**

31 March 2015



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 year ended 31 March 2015.

Principal activity

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

Business review

Overall 2015 reflects a year of strong revenue growth of its continuing operations delivered in a challenging environment. The directors are confident that the strength in revenue growth will continue into 2015 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**



Lady Carole Bamford
Director

DAYLESFORD ORGANIC LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 31 March 2015.

Results for the period

The loss for the period was £5,203,939 (2014: £4,270,300).

Directors

The following were directors during the year:

Lord Anthony Bamford
Lady Carole Bamford
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**

X

Lady Carole Bamford

Lady Carole Bamford

Director

X

DATE

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

We have audited the financial statements of Daylesford Organic Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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/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 2015 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 2015

DAYLESFORD ORGANIC LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 2015

	Notes	2015 £	2014 15 months £
Turnover	1	14,649,638	16,544,288
Cost of sales		(10,474,099)	(11,172,536)
Gross profit		4,175,539	5,371,752
Administrative expenses		(9,379,478)	(9,642,052)
Operating Loss		(5,203,939)	(4,270,300)
Loss on ordinary activities before taxation	3	(5,203,939)	(4,270,300)
Tax on loss on ordinary activities	4	-	-
Retained loss for the financial period	9	(5,203,939)	(4,270,300)

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 2015**

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	5	6,007,692	5,138,683
Current assets			
Stocks		1,714,040	2,160,220
Debtors	6	2,684,195	2,222,605
Cash at bank and in hand		434,538	16,308
		4,832,773	4,399,133
Creditors: amounts falling due within one year	7	(25,540,743)	(19,034,155)
Net current liabilities		(20,707,970)	(14,635,022)
Net liabilities		(14,700,278)	(9,496,339)
Capital and reserves			
Called up share capital	8	44,687,106	44,687,106
Profit and loss account	9	(59,387,384)	(54,183,445)
Shareholders' deficit – equity	10	(14,700,278)	(9,496,339)

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

Lady Bamford

Lady Bamford
Director

DAYLESFORD ORGANIC LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2015

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 £5,203,939 during the year ended 31 March 2015 and at that date, the company's liabilities exceeded its assets by £14,700,278. 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 year ended 31 MARCH 2015 *(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. Employee information

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

	2015 Number	2014 Number
	259	227
	£	£
Staff costs for the above persons were:		15 months
Wages and salaries	4,692,877	5,453,719
Social security costs	357,920	435,971
Pension costs	90,003	87,780
	5,140,800	5,977,470

There were no directors' emoluments in 2014 or 2015.

DAYLESFORD ORGANIC LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2015 (continued)

	2015	2014
3. Loss on ordinary activities before taxation is stated after charging:	£	£
Depreciation	738,255	914,780
Loss on foreign exchange transactions	2,938	60,329
Operating leases – land and buildings	1,094,885	1,276,624
Services provided by the company's auditor and its associate		
During the year the company obtained the following services and paid the following amounts:		
Auditors' remuneration for audit services	11,400	11,400
Fees payable to the company's auditor and its associate for other services:		
- accounting	4,860	4,860
- tax services	11,000	11,000
Total non-audit fees	15,860	15,860
4. Tax on loss on ordinary activities	£	£
(a) UK corporation tax at 21 % (2014: 23.20%)	-	-
(b) Factors affecting tax charge for period	£	£
(Loss) on ordinary activities before tax	(5,203,939)	(4,270,300)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK at 21% (2014: 23.20%)	(1,092,827)	(990,616)
Effects of:		
Expenses not deductible for tax purposes – fixed assets	189,706	172,718
Expenses not deductible for tax purposes	2,631	4,734
Group relief surrendered before payment	332,430	247,268
Depreciation in excess of capital allowances	164,545	(21,839)
Income not taxable	(16,724)	-
Other permanent differences	25	-
Chargeable gains	16,724	-
Unrelieved tax losses	403,490	587,735
Current tax charge	-	-

DAYLESFORD ORGANIC LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 2015 (continued)

5. Tangible fixed assets	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April	6,292,641	739,950	2,880,521	13,079	9,926,191
Additions	1,714,668	404,679	437,140	-	2,556,487
Disposals	(1,152,124)	(196,556)	(98,636)	-	(1,447,316)
At 31 March 2015	6,855,185	948,073	3,219,025	13,079	11,035,362
Depreciation					
At 1 April	2,130,151	389,977	2,254,301	13,079	4,787,508
Charge for the period	357,983	134,655	245,618	-	738,256
Disposals	(446,339)	(34,054)	(17,701)	-	(498,094)
At 31 March 2015	2,041,795	490,578	2,482,218	13,079	5,027,670
Net book value					
At 31 March 2015	4,813,390	457,495	736,807	-	6,007,692
At 31 March 2014	4,162,490	349,973	626,220	-	5,138,683

DAYLESFORD ORGANIC LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 2015 (continued)

	2015	2014
6. Debtors		
	£	£
Trade debtors	803,133	929,538
Other debtors	359,340	272,595
Prepayments	628,724	728,900
Amounts due from group undertakings	892,998	291,572
	<hr/>	<hr/>
	2,684,195	2,222,605
	<hr/>	<hr/>
7. Creditors: amounts falling due within one year	£	£
Bank loans and overdraft	-	464,951
Trade creditors	3,473,900	2,547,025
Amounts due to group undertakings	14,708,123	7,166,604
Other creditors	5,328,593	7,466,414
Accruals and deferred income	2,030,127	1,359,420
Taxation and social security	-	29,741
	<hr/>	<hr/>
	25,540,743	19,034,155
	<hr/>	<hr/>
8. Called up share capital	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each		
At 1 April 2014 and 31 March 2015	44,687,106	44,687,106
	<hr/>	<hr/>
9. Profit and loss account		
	£	£
At 1 April 2014	(54,183,445)	(49,913,145)
Loss for the financial period	(5,203,939)	(4,270,300)
	<hr/>	<hr/>
At 31 March 2015	(59,387,384)	(54,183,445)
	<hr/>	<hr/>

DAYLESFORD ORGANIC LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 2015 *(continued)*

10. Reconciliation of movements in shareholders' deficit

	2015	2014
	£	£
Loss for the financial period	(5,203,939)	(4,270,300)
Opening shareholders' deficit	(9,496,339)	(5,226,039)
	<hr/>	<hr/>
Closing shareholders' deficit	(14,700,278)	(9,496,339)
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11. Operating lease commitments

At 31 March 2015 the company had annual commitments under operating leases as follows:

	2015	2014
	Land and buildings £	Land and buildings £
For leases expiring:		
Within two to five years	405,000	405,000
After five years	850,831	720,000
	<hr/>	<hr/>

12. 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 £636,868 (2014: £478,913)

The company made sales of £6,425 (2014: £10,989) to Lady Carole Bamford.

The company also made sales of £81,824 to Thrip Enterprises LLP. Lady Bamford is a member of Thrip Enterprises LLP.

- Purchases

JCB Service and subsidiaries (including recharges) £2,081,057 (2014: £2,898,845).

JCB India Limited £nil (2014: £10,626)

Bamford Limited £62,492 (2014: £nil)

DAYLESFORD ORGANIC LIMITED

NOTES TO THE ACCOUNTS for the year ended 31 March 2015 *(continued)*

12. Related party transactions (continued)

- Included in debtors are the following amounts:

JCB Service and subsidiaries £253,425 (2014: £157,429)

Thrip Enterprises LLP £7,618 (2014: £nil)

- Included in creditors are the following amounts:

JCB Service and subsidiaries £6,637,954 (2014: £6,929,537)

JCB Pension No. 1 Scheme £606,546 (2014: £491,013)

The company has taken advantage of the exemption permitted by FRS8 Related Party transactions on the basis that the company is a 100% subsidiary of BHoldings Limited and the results have been included in the consolidated accounts of BHoldings Limited.

13. Contingent liability

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

14. Control

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