

Company number 05544792

Duchy of Cornwall Oyster Farm Limited

REPORT AND FINANCIAL STATEMENTS (abbreviated)

FOR THE YEAR ENDED 31 DECEMBER 2015

MONDAY
TUESDAY



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COMPANIES HOUSE

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COMPANIES HOUSE

Duchy of Cornwall Oyster Farm Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Executive

B Wright

R J C Hancock

Chairman

Director

SECRETARY

C O'Rourke

AUDITORS

RSM UK Audit LLP

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

SOLICITORS

Fladgate LLP

16 Great Queen Street

London

WC2B 5DG

REGISTERED OFFICE

56 Old Brompton Road

London

SW7 3DY

Duchy of Cornwall Oyster Farm Limited

STATEMENT OF FINANCIAL POSITION

At 31 December 2015


Company Registration Number: 05544792

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	3	226,968	188,544
		<u>226,968</u>	<u>188,544</u>
CURRENT ASSETS			
Stocks		338,163	234,687
Debtors due within one year	4	53,130	42,610
Debtors due after more than one year	4	57,761	40,212
Cash at bank and in hand		66	3,451
		<u>449,120</u>	<u>320,960</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	5	(443,563)	(50,646)
		<u>5,557</u>	<u>270,314</u>
NET CURRENT (LIABILITIES)/ASSETS			
		<u>232,525</u>	<u>458,858</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: Amounts falling due after more than one year	6	(102,623)	(125,851)
PROVISIONS FOR LIABILITIES	8	(18,925)	(14,129)
		<u>110,977</u>	<u>318,878</u>
NET ASSETS			
		<u>110,977</u>	<u>318,878</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,933	1,933
Share premium account		3,823	3,823
Profit and loss account		<u>105,221</u>	<u>313,122</u>
TOTAL SHAREHOLDERS' FUNDS		<u>110,977</u>	<u>318,878</u>

The directors of the company have elected not to include a copy of the Statement of Comprehensive Income and Retained Earnings within the financial statements.

These financial statements have been prepared ^{and delivered} in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on **31** October 2016 and are signed on its behalf by:


Director
B. WRIGHT

Duchy of Cornwall Oyster Farm Limited

STATEMENT OF CHANGES IN EQUITY
At 31 December 2015

	Share capital £	Share premium £	Profit and loss account £	Total £
Balance at 1 January 2014	193,258	382,314	(737,752)	(162,180)
Profit for the year	-	-	481,058	481,058
Ordinary share capital reduction	(191,325)	-	191,325	-
Other reserve movement	-	(378,491)	378,491	-
Balance at 31 December 2014	1,933	3,823	313,122	318,878
Loss for the year	-	-	(207,901)	(207,901)
Balance at 31 December 2015	1,933	3,823	105,221	110,977

ACCOUNTING POLICIES

For the year ended 31 December 2015

GENERAL INFORMATION

Duchy of Cornwall Oyster Farm Limited ("the Company") is a limited company domiciled and incorporated in England.

The address of its registered office and principal place of business is 56 Old Brompton Road, London, SW7 3DY.

The Company's principal activity and nature of business is oyster farming.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime and under the historical cost convention.

FIRST TIME ADOPTION OF FRS 102

These financial statements are the first financial statements the Company has prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as applied to smaller entities by the adoption of Section 1A of FRS 102. The financial statements of the Company for the year ended 31 December 2014 were prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) (FRSSE).

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the FRSSE. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The Company has elected to continue to recognise any residual benefit or cost associated with lease incentives on the same basis as that applied under the FRSSE, i.e. over the lease term or a shorter period ending on a date from which it is expected the prevailing market rental will be payable.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

GOING CONCERN

The Company meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the Company's products; and (b) the availability of bank finance for the foreseeable future. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the Company.

ACCOUNTING POLICIES

For the year ended 31 December 2015

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of oysters to external customers in the ordinary nature of the business, net of discounts and Value Added Tax.

TANGIBLE FIXED ASSETS

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value over its expected useful life, as follows:-

Leasehold land and buildings	over the lease term
Plant and machinery	20% reducing balance
Fixtures, fittings and equipment	20% reducing balance

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Assets in the course of construction are carried at cost, less any identified impairment loss. Depreciation commences when the assets are ready for their intended use.

IMPAIRMENTS OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to sell. Cost is determined using the weighted average cost basis, and for finished goods and work in progress, includes direct labour costs and overheads appropriate to the stage of growth.

ACCOUNTING POLICIES

For the year ended 31 December 2015

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Company to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

LEASES

An asset and corresponding liability are recognised for leasing agreements that transfer to the Company substantially all of the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

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

ACCOUNTING POLICIES

For the year ended 31 December 2015

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RETIREMENT BENEFITS

For defined contribution schemes the amount charged to profit or loss 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.

FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors

Trade, group and other debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

ACCOUNTING POLICIES

For the year ended 31 December 2015

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Bank overdrafts

Bank overdrafts are presented within creditors: amounts falling due within one year.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

PROVISIONS

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Onerous leases

Provisions are made against operating leases where the unavoidable cost of meeting the lease obligations exceed the economic benefits received.

DIVIDENDS

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2015

1. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. In the opinion of the directors, there are no key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company (where the Company is the lessee) or the lessee (where the Company operates as a lessor).

2. DIVIDENDS

No ordinary dividends were paid. The directors do not recommend the payment of a final dividend.

3. TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Plant and Machinery £	Assets under construction £	Total £
Cost:				
1 January 2015	36,837	267,426	64,616	368,879
Additions	-	41,774	22,686	64,460
31 December 2015	36,837	309,200	87,302	433,339
Depreciation:				
1 January 2015	11,656	168,679	-	180,335
Depreciation charged in the year	1,474	24,562	-	26,036
31 December 2015	13,130	193,241	-	206,371
Net book value:				
31 December 2015	23,707	115,959	87,302	226,968
31 December 2014	25,181	98,747	64,616	188,544

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

4. DEBTORS

	2015	2014
	£	£
Amounts falling due within one year:		
Trade debtors	42,905	3,721
Other debtors	6,451	38,889
Prepayments	3,774	
Deferred tax asset	-	-
	<u>53,130</u>	<u>42,610</u>
Amounts falling due after more than one year:		
Amounts owed by group companies	<u>57,761</u>	<u>40,212</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Bank loan and overdrafts (note 7)	73,217	11,556
Trade creditors	36,205	34,553
Amounts owed to group companies	326,030	-
Other taxation and social security costs	4,224	2,508
Accruals and deferred income	3,887	2,029
	<u>443,563</u>	<u>50,646</u>

The bank loan disclosed above and in note 10 is secured by a fixed and floating charge on all assets of the Company, including all future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future.

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£	£
Bank loans (note 7)	<u>102,623</u>	<u>125,851</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

7. BORROWINGS

	2015 £	2014 £
Creditors: amounts falling due within one year:		
Bank overdraft	43,008	-
Bank loans	30,209	11,556
	<u>73,217</u>	<u>11,556</u>
Creditors: amounts falling due after more than one year:		
Bank loans	102,623	125,851
	<u>102,623</u>	<u>125,851</u>
Total	<u>175,840</u>	<u>137,407</u>

Bank loans of £132,832 (2014: £137,407) mature annually at £30,209 per annum from 31 January 2016 until 30 September 2019, bear 4% above Bank of England base rate repayable by monthly instalments.

Interest of 4% above Bank of England base rate is charged on the overdraft.

The bank borrowings provided by the companies bankers HSBC are secured by way of a composite cross guarantee given by all companies within the Wright Bros. (Holdings) Limited group.

8. PROVISIONS FOR LIABILITIES

Provision for deferred tax has been made as follows:	2015 £	2014 £
Deferred tax liabilities	(18,925)	(14,129)
Deferred tax assets	-	-
Net position at 31 December	<u>(18,925)</u>	<u>(14,129)</u>

The deferred tax liability of £18,925 (2014 £14,129) expected to reverse within 12 months relates to accelerated capital allowances that are expected to mature within the same period.

The following are the major deferred tax liabilities and assets recognised by the Company:

Deferred tax liabilities:	2015 £	2014 £
Accelerated capital allowances	(18,925)	(14,129)
	<u>(18,925)</u>	<u>(14,129)</u>
Deferred tax assets:	2015 £	2014 £
Tax losses	-	-
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

9. RESERVES

Reserves of the Company represent the following:

Retained earnings

Cumulative profit and loss net of distributions to owners.

Share premium account

The excess of consideration received for shares issues above their nominal value net of transaction costs.

10. SHARE CAPITAL & RESERVES

SHARE CAPITAL

1 ordinary
shares of £1
each
Number

Issued and fully paid:

1 January 2015

1,933

31 December 2015

1,933

11. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	£	£
Amounts due:		
Within one year	8,000	7,300
Between one and five years	32,000	29,200
After five years	-	7,300
	<u>40,000</u>	<u>43,800</u>

12. RELATED PARTY TRANSACTIONS

	2015	2014
	£	£
Transactions between the Company and its related parties are disclosed below:		
Sales of goods in year	-	-
Purchases of goods in year	83,479	80,262
Loans given during the year	-	-
Amounts owed by related parties at year end	-	28,850
Amounts owed to related parties at year end	326,030	-

Purchases were made at market price discounted to reflect the quantity of goods purchased.

The amounts outstanding are unsecured, carry nor bear interest and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the year (2014: £Nil) in respect of bad debts from related parties.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

13. FIRST TIME ADOPTION OF FRS 102

There was no effect of the transition to FRS 102 on;

- (i) equity at the date of transition to FRS 102;
- (ii) equity at the end of the comparative period; or
- (iii) profit or loss for the comparative period reported under previous UK GAAP.

14. ULTIMATE PARENT COMPANY

The company is controlled by Wright Bros. (Holdings) Limited, a company incorporated in the UK, which owns 78% of the share capital.

Wright Bros. (Holdings) Limited is the immediate parent, and is the smallest and largest group for which consolidated accounts including Duchy of Cornwall Oyster Farm Limited are prepared. The consolidated accounts Wright Bros. (Holdings) Limited are available from its registered office, 56 Old Brompton Road, London, SW7 3DY.

15. POST BALANCE SHEET EVENT

On 29 June 2016, Duchy of Cornwall Oyster Farm Limited entered into a contract undertaking to cease operations and to dispose of its stocks and assets prior to 30 April 2017. Under the terms of the contract, the company may receive up to £500,000. As at the date the accounts were signed, the company has received £200,000 pursuant to this contract.

16. AUDIT REPORT INFORMATION

As the Statement of Comprehensive Income and Retained Earnings has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The audit report was unqualified.

The senior statutory auditor was Paul Newman BSc ACA.

The auditor was RSM UK Audit LLP.