

**THE FAT DUCK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2001**

Company Registration Number 03676216



WINGRAVE YEATS
Chartered Accountants & Registered Auditors
65 Duke Street
London
W1K 5NT

THE FAT DUCK LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

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THE FAT DUCK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	H M Blumenthal S C Blumenthal G Dawson N Sutcliffe
Company secretary	S C Blumenthal
Registered office	The Fat Duck High Street Bray Maidenhead Berkshire SL6 2AQ
Auditors	Wingrave Yeats Chartered Accountants & Registered Auditors 65 Duke Street London W1K 5NT

THE FAT DUCK LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2001

The directors present their report and the financial statements of the company for the year ended 31 March 2001.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company's principal activity is that of restaurant management.

The directors consider both the level of business and the year end position to be satisfactory. During the year the company expanded the business by increasing the size and capacity of the restaurant which has caused an increase in turnover.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year were as follows:

H M Blumenthal
S C Blumenthal
G Dawson
N Sutcliffe

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

The directors did not hold any disclosable interests in the company or any other group companies throughout the period.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 7 to 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Wingrave Yeats as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

THE FAT DUCK LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2001

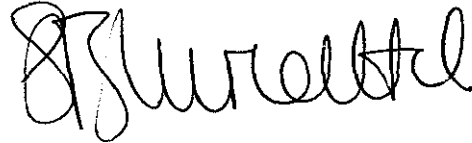
SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

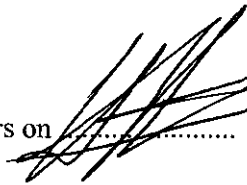
Registered office:

The Fat Duck
High Street
Bray
Maidenhead
Berkshire
SL6 2AQ

Signed by order of the directors



S.C. BLUMENTHAL
Company Secretary

Approved by the directors on 

THE FAT DUCK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 MARCH 2001

We have audited the financial statements on pages 5 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on pages 7 to 8 .

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

65 Duke Street
London
W1K 5NT

Wingrave Yeats
WINGRAVE YEATS
Chartered Accountants
& Registered Auditors

3/1st January 2002

THE FAT DUCK LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2001

	Note	2001 £	2000 £
TURNOVER	2	780,499	775,420
Cost of sales		<u>328,878</u>	<u>300,904</u>
GROSS PROFIT		451,621	474,516
Administrative expenses		<u>559,286</u>	<u>431,922</u>
OPERATING (LOSS)/PROFIT	3	(107,665)	42,594
Interest payable and similar charges		<u>39,262</u>	<u>13,658</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(146,927)	28,936
Tax on (loss)/profit on ordinary activities	5	-	(6,407)
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		(146,927)	22,529
Balance brought forward		<u>22,529</u>	-
Balance carried forward		<u>(124,398)</u>	<u>22,529</u>

The notes on pages 7 to 12 form part of these financial statements.

THE FAT DUCK LIMITED

BALANCE SHEET

31 MARCH 2001

	Note	2001	2000
		£	£
FIXED ASSETS			
Intangible assets	6	8,730	11,640
Tangible assets	7	484,483	79,658
		<u>493,213</u>	<u>91,298</u>
CURRENT ASSETS			
Stocks	8	102,296	73,404
Debtors	9	11,614	19,679
Cash at bank		17,553	15,628
		<u>131,463</u>	<u>108,711</u>
CREDITORS: Amounts falling due within one year	10	<u>(205,240)</u>	<u>(122,854)</u>
NET CURRENT LIABILITIES		<u>(73,777)</u>	<u>(14,143)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		419,436	77,155
CREDITORS: Amounts falling due after more than one year	11	<u>(542,884)</u>	<u>(53,676)</u>
		<u>(123,448)</u>	<u>23,479</u>
CAPITAL AND RESERVES			
Called-up equity share capital	14	950	950
Profit and Loss Account		<u>(124,398)</u>	<u>22,529</u>
(DEFICIENCY)/SHAREHOLDERS' FUNDS		<u>(123,448)</u>	<u>23,479</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the ...30.01.02... and are signed on their behalf by:


 H M BLUMENTHAL

The notes on pages 7 to 12 form part of these financial statements.

THE FAT DUCK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Cash flow statement

The directors have taken advantage of the exemptions in Financial Reporting Standard No. 1 (revised) from including a cash flow statement in the financial statements on the grounds that it is a small company.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 20% straight line

Fixed assets

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property - Over the lease term
Plant & Machinery - 25% straight line
Fixtures & Fittings - 20% straight line
Furniture & Equipment - 20% straight line

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

THE FAT DUCK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES *(continued)*

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Going concern

The financial statements have been prepared on the going concern basis. At the balance sheet date the company had net liabilities of £123,448 and net current liabilities of £73,777. However, the company has traded profitably after date and the directors have reviewed the company's forecast results and financing requirements and believe that sufficient working capital will be available to fund its requirements.

Accordingly the directors believe it is appropriate to prepare these financial statements on a going concern basis.

2. TURNOVER

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting):

	2001	2000
	£	£
Amortisation	2,910	2,910
Depreciation	63,283	8,142
Profit on disposal of fixed assets	(3,420)	-
Auditors' fees	5,400	6,000
	<u>5,400</u>	<u>6,000</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2001	2000
	£	£
Aggregate emoluments	<u>152,341</u>	<u>136,486</u>

THE FAT DUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

5. TAX ON PROFIT OR LOSS ON ORDINARY ACTIVITIES

	2001 £	2000 £
Corporation Tax based on the results for the year at 20% (2000 - 20%)	-	<u>6,407</u>

6. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 April 2000 and 31 March 2001	<u>14,550</u>
AMORTISATION	
At 1 April 2000	2,910
Charge for the year	<u>2,910</u>
At 31 March 2001	<u>5,820</u>
NET BOOK VALUE	
At 31 March 2001	<u>8,730</u>
At 31 March 2000	<u>11,640</u>

7. TANGIBLE FIXED ASSETS

	Short Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Office Furniture & Equipment £	Total £
COST					
At 1 April 2000	58,544	24,951	2,939	1,366	87,800
Additions	284,282	124,501	58,268	1,056	468,107
Disposals	-	(2,099)	-	-	(2,099)
At 31 March 2001	<u>342,826</u>	<u>147,353</u>	<u>61,207</u>	<u>2,422</u>	<u>553,808</u>
DEPRECIATION					
At 1 April 2000	965	6,238	588	351	8,142
Charge for the year	13,720	36,838	12,241	484	63,283
On disposals	-	(2,100)	-	-	(2,100)
At 31 March 2001	<u>14,685</u>	<u>40,976</u>	<u>12,829</u>	<u>835</u>	<u>69,325</u>
NET BOOK VALUE					
At 31 March 2001	<u>328,141</u>	<u>106,377</u>	<u>48,378</u>	<u>1,587</u>	<u>484,483</u>
At 31 March 2000	<u>57,579</u>	<u>18,713</u>	<u>2,351</u>	<u>1,015</u>	<u>79,658</u>

THE FAT DUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

7. TANGIBLE FIXED ASSETS *(continued)*

Hire purchase and finance lease agreements

Included within the net book value of £484,483 is £43,311 (2000 - £Nil) relating to assets held under hire purchase agreements, and £Nil (2000 - £Nil) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £14,437 (2000 - £Nil), and £Nil (2000 - £Nil) in respect of assets held under finance lease agreements.

8. STOCKS

	2001 £	2000 £
Stock	<u>102,296</u>	<u>73,404</u>

9. DEBTORS

	2001 £	2000 £
Trade debtors	10,049	9,196
Amounts owed by group undertakings	50	50
Other debtors	1,515	1,515
Prepayments and accrued income	-	8,918
	<u>11,614</u>	<u>19,679</u>

Included within other debtors is a loan due from a director, N Sutcliffe of £1,515 which was repaid after the year end. This loan was interest free and £1,515 was the maximum amount owed by the director during this period.

10. CREDITORS: Amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	19,021	2,188
Trade creditors	119,046	75,068
Hire purchase agreements	14,395	-
Corporation Tax	6,407	6,407
PAYE and social security	6,974	21,583
VAT	27,161	-
Other creditors	6,836	10,108
Accruals and deferred income	5,400	7,500
	<u>205,240</u>	<u>122,854</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2001 £	2000 £
Bank loans and overdrafts	<u>19,021</u>	<u>2,188</u>

THE FAT DUCK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2001

11. CREDITORS: Amounts falling due after more than one year

	2001	2000
	£	£
Bank loans and overdrafts	506,996	53,676
Hire purchase agreements	35,888	-
	<u>542,884</u>	<u>53,676</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2001	2000
	£	£
Bank loans and overdrafts	<u>506,996</u>	<u>19,085</u>

Included within creditors falling due after more than one year is an amount of £413,983 (2000 - £34,591) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

The company has two loans with the Bank of Scotland PLC. The first loan is repayable by instalments and is due to be fully repaid by February 2010. Interest is being charged at 1.5% over the Bank's Base Rate. Security is a first legal charge over all the company's assets and undertakings and the lives of H M Blumenthal and S C Blumenthal.

The second is repayable in instalments and is due to be fully repaid by February 2015. Interest is being charged at 2.5% above the Bank's Base Rate. Security is a first legal charge over all the company's assets and undertakings and personal undertakings by H M Blumenthal and S C Blumenthal over the restaurant premises.

12. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2001 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2001	2000
	£	£
Operating leases which expire:		
Within 1 year	4,948	7,372
Within 2 to 5 years	2,184	2,069
After more than 5 years	39,600	39,600
	<u>46,732</u>	<u>49,041</u>

13. RELATED PARTY TRANSACTIONS

The restaurant premises are rented by the company from the directors, H M Blumenthal and S C Blumenthal. The annual rental commitment is £39,600. In addition Mr and Mrs Blumenthal have provided security for certain bank loans as disclosed in note 12.

Included in Other Debtors (Note 7) is a loan due from a director, N Sutcliffe of £1,515 which was repaid after the year end. This loan was interest free and £1,515 was the maximum amount owed by the director during this period.

THE FAT DUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2001

14. SHARE CAPITAL

Authorised share capital:

	2001	2000
	£	£
950 "A" Ordinary shares of £1.00 each	950	950
50 "B" Ordinary shares of £1.00 each	50	50
	<u>1,000</u>	<u>1,000</u>

Allotted and called up:

	2001		2000	
	No.	£	No.	£
"A" Ordinary shares fully paid	<u>950</u>	<u>950</u>	<u>950</u>	<u>950</u>

The "A" ordinary shares and "B" ordinary shares have the same rights and privileges and shall rank pari passu in all respects, save for the pre-emption rights where the "B" ordinary shares can only be purchased by the "A" shareholders.

15. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking and controlling related party is The Fat Duck Group Limited, by virtue of its 100% shareholding in the company.

The company's ultimate controlling related party are Mr & Mrs HM Blumenthal by virtue of their majority shareholding in The Fat Duck Group Limited.