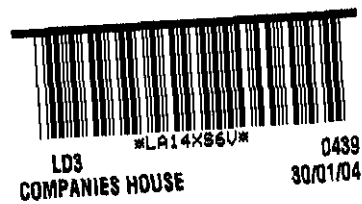


THE FAT DUCK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2003



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

THE FAT DUCK LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditors' report to the shareholders	4 to 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 to 14

THE FAT DUCK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	H M Blumenthal S C Blumenthal G Dawson
Company secretary	S C Blumenthal
Registered office	The Fat Duck High Street Bray Maidenhead Berkshire SL6 2AQ
Auditors	Wingrave Yeats Partnership LLP Chartered Accountants & Registered Auditors 65 Duke Street London W1K 5NT
Bankers	Barclays Bank PLC Leicester LE87 2BB

THE FAT DUCK LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2003

The directors present their report and the financial statements of the company for the year ended 31 March 2003.

PRINCIPAL ACTIVITY 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.

DIRECTORS

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 the 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.

N Sutcliffe retired as a director on 29 September 2002.

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 8 to 9, 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 Partnership LLP 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)*

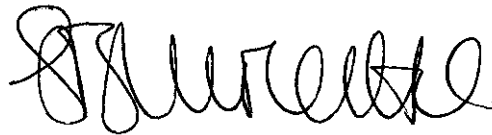
YEAR ENDED 31 MARCH 2003

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 on21.11.03.....

THE FAT DUCK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 MARCH 2003

We have audited the financial statements on pages 6 to 14 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2002), under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is 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. Our responsibilities do not extend to any other information.

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.

THE FAT DUCK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 31 MARCH 2003

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 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

65 Duke Street
London
W1K 5NT

25.11.03
.....

Wingrave Yeats Partnership LLP

WINGRAVE YEATS PARTNERSHIP LLP
Chartered Accountants
& Registered Auditors

THE FAT DUCK LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2003

	Note	2003 £	2002 £
TURNOVER	2	1,202,684	1,037,159
Cost of sales		<u>(421,020)</u>	<u>(397,864)</u>
GROSS PROFIT		781,664	639,295
Administrative expenses		<u>(706,142)</u>	<u>(596,036)</u>
OPERATING PROFIT	3	75,522	43,259
Interest receivable		211	893
Interest payable and similar charges		<u>(56,872)</u>	<u>(62,727)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		18,861	(18,575)
Tax on profit/(loss) on ordinary activities	5	—	6,407
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		18,861	(12,168)
Balance brought forward		<u>(136,566)</u>	<u>(124,398)</u>
Balance carried forward		<u><u>(117,705)</u></u>	<u><u>(136,566)</u></u>

The notes on pages 8 to 14 form part of these financial statements.

THE FAT DUCK LIMITED

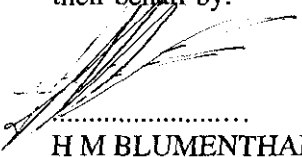
BALANCE SHEET

31 MARCH 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Intangible assets	6	2,910	5,820
Tangible assets	7	371,957	402,958
		<u>374,867</u>	<u>408,778</u>
CURRENT ASSETS			
Stocks	8	189,153	156,542
Debtors	9	62,953	21,777
Cash in hand		—	335
		<u>252,106</u>	<u>178,654</u>
CREDITORS: Amounts falling due within one year	10	<u>(291,778)</u>	<u>(234,754)</u>
NET CURRENT LIABILITIES		<u>(39,672)</u>	<u>(56,100)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>335,195</u>	<u>352,678</u>
CREDITORS: Amounts falling due after more than one year	11	<u>(451,950)</u>	<u>(488,294)</u>
		<u>(116,755)</u>	<u>(135,616)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	14	950	950
Profit and loss account		(117,705)	(136,566)
DEFICIENCY		<u>(116,755)</u>	<u>(135,616)</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 2002).

These financial statements were approved by the directors on the 21.11.03 and are signed on their behalf by:


H M BLUMENTHAL

The notes on pages 8 to 14 form part of these financial statements.

THE FAT DUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

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 2002).

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 profit and loss account represents amounts receivable 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

All fixed assets are initially recorded at cost.

Depreciation

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
Computer Equipment	-	33% 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.

THE FAT DUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES *(continued)*

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.

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

Deferred tax liabilities are recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Going concern

The company has made losses in each of the previous two years, and has net liabilities at the year end of £116,001. However, the directors have reviewed the company's short term funding requirements, budgets and cash flow forecasts and believe that the company has sufficient funding to meet its ongoing financial requirements for the foreseeable future.

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 PROFIT

Operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Amortisation	2,910	2,910
Depreciation of owned fixed assets	63,967	57,311
Depreciation of assets held under hire purchase agreements	14,437	14,437
Profit on disposal of fixed assets	-	(25,636)
Auditors' fees	7,000	4,400

THE FAT DUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

4. DIRECTORS' EMOLUMENTS

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

	2003	2002
	£	£
Aggregate emoluments	<u>129,260</u>	<u>143,411</u>

5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2003	2002
	£	£
Current tax:		
Over/under provision in prior year	-	(6,407)
Total current tax	<u>-</u>	<u>(6,407)</u>

As at 1 April 2002 the company had unrelieved tax losses brought forward of £104,845. At the year ended 31 March 2003 unrelieved tax losses of approximately £31,280 remain available to carry forward against future taxable trading profits.

6. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 April 2002 and 31 March 2003	<u>14,550</u>
AMORTISATION	
At 1 April 2002	8,730
Charge for the year	<u>2,910</u>
At 31 March 2003	<u>11,640</u>
NET BOOK VALUE	
At 31 March 2003	<u>2,910</u>
At 31 March 2002	<u>5,820</u>

THE FAT DUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

7. TANGIBLE FIXED ASSETS

	Land and buildings £	Other plant & machinery etc. £	Total £
COST			
At 1 April 2002	342,826	193,584	536,410
Additions	32,250	15,153	47,403
At 31 March 2003	<u>375,076</u>	<u>208,737</u>	<u>583,813</u>
DEPRECIATION			
At 1 April 2002	41,056	92,396	133,452
Charge for the year	28,852	49,552	78,404
At 31 March 2003	<u>69,908</u>	<u>141,948</u>	<u>211,856</u>
NET BOOK VALUE			
At 31 March 2003	<u>305,168</u>	<u>66,789</u>	<u>371,957</u>
At 31 March 2002	<u>301,770</u>	<u>101,188</u>	<u>402,958</u>

Hire purchase agreements

Included within the net book value of £371,957 is £14,437 (2002 - £28,874) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £14,437 (2002 - £14,437).

8. STOCKS

	2003 £	2002 £
Stock	<u>189,153</u>	<u>156,542</u>

9. DEBTORS

	2003 £	2002 £
Trade debtors	40,679	12,382
Amounts owed by group undertakings	50	50
Directors' current accounts	-	2,838
Other debtors	22,224	6,507
	<u>62,953</u>	<u>21,777</u>

THE FAT DUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

10. CREDITORS: Amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	59,924	94,153
Trade creditors	87,545	57,104
Other taxation and social security	50,326	37,689
Hire purchase agreements	14,395	14,395
Other creditors	79,588	31,413
	<u>291,778</u>	<u>234,754</u>

The bank overdraft is secured by a fixed and floating charge over all the assets of the company.

The bank loans are secured as disclosed in Note 11.

The hire purchase agreements are secured over the assets to which the agreements relate.

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

	2003	2002
	£	£
Bank loans and overdrafts	444,851	466,800
Hire purchase agreements	7,099	21,494
	<u>451,950</u>	<u>488,294</u>

The hire purchase agreements are secured over the assets to which the agreements relate.

Included within creditors falling due after more than one year is an amount of £297,975 (2002 - £325,416) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

The bank overdraft is secured by a fixed and floating charge over all the assets of the company.

The company has two loans with the Bank of Scotland. 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 and over the restaurant premises.

THE FAT DUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

12. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2003 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2003	2002
	£	£
Operating leases which expire:		
Within 1 year	2,796	-
Within 2 to 5 years	-	2,796
After more than 5 years	39,600	39,600
	<u>42,396</u>	<u>42,396</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 11.

14. SHARE CAPITAL

Authorised share capital:

	2003	2002
	£	£
950 "A" Ordinary shares of £1 each	950	950
50 "B" Ordinary shares of £1 each	50	50
	<u>1,000</u>	<u>1,000</u>

Allotted and called up:

	2003		2002	
	No	£	No	£
"A" Ordinary shares fully paid of £1 each	<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.

THE FAT DUCK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

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.