

**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005  
FOR  
THE FAT DUCK LIMITED**



**THE FAT DUCK LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2005**

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**THE FAT DUCK LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2005**

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**DIRECTORS:** H M Blumenthal  
Mrs S C Blumenthal

**SECRETARY:** Mrs S C Blumenthal

**REGISTERED OFFICE:** The Fat Duck  
High Street  
Bray  
Maidenhead  
Berkshire  
SL6 2AQ

**REGISTERED NUMBER:** 03676216 (England and Wales)

**AUDITORS:** Lawfords Limited  
Registered Auditor  
Union House  
Walton Lodge  
Bridge Street  
Walton-on-Thames  
Surrey  
KT12 1BT

# THE FAT DUCK LIMITED

## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2005

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The directors present their report with the financial statements of the company for the year ended 31 March 2005.

### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of restaurant management.

### DIRECTORS

The directors during the year under review were:

H M Blumenthal

Mrs S C Blumenthal

G Dawson

- resigned 5/10/2004

The directors holding office at 31 March 2005 did not hold any beneficial interest in the issued share capital of the company at 1 April 2004 or 31 March 2005.

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

### POLITICAL AND CHARITABLE CONTRIBUTIONS

The company gave £2,225 for charitable purposes during the year.

### STATEMENT OF 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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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. They 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.

**THE FAT DUCK LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2005**

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

**ON BEHALF OF THE BOARD:**



.....  
H M Blumenthal - Director

Date: ..... 25.1.06 .....

## **REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF THE FAT DUCK LIMITED**

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We have audited the financial statements of The Fat Duck Limited for the year ended 31 March 2005 on pages six to fourteen. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

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

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 Report of the Directors 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 Report of the Directors 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.

# REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF THE FAT DUCK LIMITED

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## 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 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Lawfords Limited*

.....  
Lawfords Limited  
Registered Auditor  
Union House  
Walton Lodge  
Bridge Street  
Walton-on-Thames  
Surrey  
KT12 1BT

Date: *30th January 2006*  
.....

**THE FAT DUCK LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2005**

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|   | Notes | 2005<br>£        | 2004<br>£      |
|---|-------|------------------|----------------|
| <b>TURNOVER</b>   | 2     | 2,178,780        | 1,333,475      |
| Cost of sales   |       | <u>862,193</u>   | <u>455,880</u> |
| <b>GROSS PROFIT</b>   |       | 1,316,587        | 877,595        |
| Administrative expenses   |       | <u>1,334,311</u> | <u>793,785</u> |
| <b>OPERATING (LOSS)/PROFIT</b>                                  | 3     | (17,724)         | 83,810         |
| Interest receivable and similar income                          |       | <u>2,143</u>     | <u>-</u>       |
|   |       | (15,581)         | 83,810         |
| Interest payable and similar charges                            |       | <u>62,648</u>    | <u>48,027</u>  |
| <b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b> |       | (78,229)         | 35,783         |
| Tax on (loss)/profit on ordinary activities                     | 4     | <u>-</u>         | <u>12,241</u>  |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR<br/>AFTER TAXATION</b>  |       | <u>(78,229)</u>  | <u>23,542</u>  |
| <b>(DEFICIT)/RETAINED PROFIT FOR<br/>THE YEAR</b>               |       | <u>(78,229)</u>  | <u>23,542</u>  |

The notes form part of these financial statements

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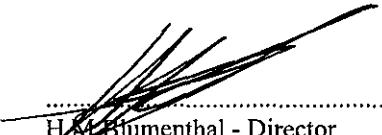
**THE FAT DUCK LIMITED**

**BALANCE SHEET  
31 MARCH 2005**

|  | Notes | 2005           |                  | 2004           |                 |
|--|-------|----------------|------------------|----------------|-----------------|
|  |       | £              | £                | £              | £               |
| <b>FIXED ASSETS</b>                          |       |                |                  |                |                 |
| Intangible assets                            | 5     |                | 1                |                | -               |
| Tangible assets                              | 6     |                | <u>512,836</u>   |                | <u>313,409</u>  |
|  |       |                | 512,837          |                | 313,409         |
| <b>CURRENT ASSETS</b>                        |       |                |                  |                |                 |
| Stocks                                       |       | 11,535         |                  | 231,852        |                 |
| Debtors                                      | 7     | 437,873        |                  | 120,486        |                 |
| Cash in hand                                 |       | <u>800</u>     |                  | <u>2,315</u>   |                 |
|  |       | 450,208        |                  | 354,653        |                 |
| <b>CREDITORS</b>                             |       |                |                  |                |                 |
| Amounts falling due within one year          | 8     | <u>367,105</u> |                  | <u>342,379</u> |                 |
| <b>NET CURRENT ASSETS</b>                    |       |                |                  |                |                 |
|  |       |                | <u>83,103</u>    |                | <u>12,274</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                |                  |                |                 |
|  |       |                | 595,940          |                | 325,683         |
| <b>CREDITORS</b>                             |       |                |                  |                |                 |
| Amounts falling due after more than one year | 9     |                | <u>767,382</u>   |                | <u>418,896</u>  |
|  |       |                | <u>(171,442)</u> |                | <u>(93,213)</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                |                  |                |                 |
| Called up share capital                      | 12    |                | 950              |                | 950             |
| Profit and loss account                      | 13    |                | <u>(172,392)</u> |                | <u>(94,163)</u> |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                |                  |                |                 |
|  |       |                | <u>(171,442)</u> |                | <u>(93,213)</u> |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**ON BEHALF OF THE BOARD:**

  
.....  
H.M. Blumenthal - Director

Approved by the Board on 25.1.06.....

The notes form part of these financial statements

# THE FAT DUCK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

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### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

#### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

|                       |                              |
|-----------------------|------------------------------|
| Short leasehold       | - Over the term of the lease |
| Plant and machinery   | - 25% on cost                |
| Fixtures and fittings | - 20% on cost                |
| Computer equipment    | - 33% on cost                |

#### Stocks

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

#### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

#### Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

#### Going Concern

The financial statements have been prepared on a going concern basis, the validity of which depends upon the company to continue to receive financial support from creditors of the company. This includes substantial bank loans which have been used for investment within the business. Although the current years overall results resulted in a loss the directors having reviewed budgets and cashflow forecasts believe that the trading position for the forthcoming year will revert to profitability. The financial statement do not include any adjustment that would result from the withdrawal of such support.

#### Amortisation

Amortisation of goodwill is calculated so as to write off the cost of an asset over its useful economic life of that asset as follows:

|          |               |
|----------|---------------|
| Goodwill | - 20% on cost |
|----------|---------------|

**THE FAT DUCK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2005**

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**2. TURNOVER**

The turnover in both the current and previous year was derived from the company's principal activity which was carried out wholly in the United Kingdom.

**3. OPERATING (LOSS)/PROFIT**

The operating loss (2004 - operating profit) is stated after charging:

|  | 2005           | 2004           |
|--|----------------|----------------|
|  | £              | £              |
| Depreciation - owned assets                      | 84,663         | 85,183         |
| Depreciation - assets on hire purchase contracts | 7,300          | -              |
| Goodwill amortisation                            | -              | 2,910          |
| Auditors' remuneration                           | <u>11,850</u>  | <u>5,000</u>   |
| Directors' emoluments and other benefits etc     | <u>134,558</u> | <u>124,669</u> |

**4. TAXATION**

**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the year was as follows:

|   | 2005     | 2004          |
|---|----------|---------------|
|   | £        | £             |
| Current tax:                                |          |               |
| UK corporation tax                          | <u>-</u> | <u>12,241</u> |
| Tax on (loss)/profit on ordinary activities | <u>-</u> | <u>12,241</u> |

**THE FAT DUCK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2005**

**5. INTANGIBLE FIXED ASSETS**

|                        | Goodwill<br>£   |
|------------------------|-----------------|
| <b>COST</b>            |                 |
| At 1 April 2004        | 14,550          |
| Additions              | 1               |
| Disposals              | <u>(14,550)</u> |
| At 31 March 2005       | <u>1</u>        |
| <b>AMORTISATION</b>    |                 |
| At 1 April 2004        | 14,550          |
| Eliminated on disposal | <u>(14,550)</u> |
| At 31 March 2005       | <u>-</u>        |
| <b>NET BOOK VALUE</b>  |                 |
| At 31 March 2005       | <u>1</u>        |
| At 31 March 2004       | <u>-</u>        |

**6. TANGIBLE FIXED ASSETS**

|                        | Land and<br>buildings<br>£ | Plant and<br>machinery<br>etc<br>£ | Totals<br>£      |
|------------------------|----------------------------|------------------------------------|------------------|
| <b>COST</b>            |                            |                                    |                  |
| At 1 April 2004        | 375,076                    | 235,371                            | 610,447          |
| Additions              | 427,742                    | 252,829                            | 680,571          |
| Disposals              | <u>(375,076)</u>           | <u>(403,106)</u>                   | <u>(778,182)</u> |
| At 31 March 2005       | <u>427,742</u>             | <u>85,094</u>                      | <u>512,836</u>   |
| <b>DEPRECIATION</b>    |                            |                                    |                  |
| At 1 April 2004        | 98,760                     | 198,279                            | 297,039          |
| Charge for year        | 28,852                     | 63,111                             | 91,963           |
| Eliminated on disposal | <u>(127,612)</u>           | <u>(261,390)</u>                   | <u>(389,002)</u> |
| At 31 March 2005       | <u>-</u>                   | <u>-</u>                           | <u>-</u>         |
| <b>NET BOOK VALUE</b>  |                            |                                    |                  |
| At 31 March 2005       | <u>427,742</u>             | <u>85,094</u>                      | <u>512,836</u>   |
| At 31 March 2004       | <u>276,316</u>             | <u>37,092</u>                      | <u>313,408</u>   |

**THE FAT DUCK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2005**

**6. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

|                        | Plant and<br>machinery<br>etc<br>£ |
|------------------------|------------------------------------|
| <b>COST</b>            |                                    |
| Additions              | 36,500                             |
| Disposals              | <u>(36,500)</u>                    |
| At 31 March 2005       | -                                  |
| <b>DEPRECIATION</b>    |                                    |
| Charge for year        | 7,300                              |
| Eliminated on disposal | <u>(7,300)</u>                     |
| At 31 March 2005       | -                                  |
| <b>NET BOOK VALUE</b>  |                                    |
| At 31 March 2005       | <u>-</u>                           |

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2005<br>£      | 2004<br>£      |
|------------------------------------|----------------|----------------|
| Trade debtors                      | -              | 47,369         |
| Amounts owed by group undertakings | 416,611        | 50             |
| Other debtors                      | <u>21,262</u>  | <u>73,067</u>  |
|                                    | <u>437,873</u> | <u>120,486</u> |

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                              | 2005<br>£      | 2004<br>£      |
|------------------------------|----------------|----------------|
| Bank loans and overdrafts    | 101,731        | 78,170         |
| Hire purchase contracts      | -              | 15,543         |
| Trade creditors              | 86,334         | 122,464        |
| Taxation and social security | 44,772         | 69,491         |
| Other creditors              | <u>134,268</u> | <u>56,711</u>  |
|                              | <u>367,105</u> | <u>342,379</u> |

See note 11 for security.

**THE FAT DUCK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2005**

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**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|                         | 2005<br>£      | 2004<br>£      |
|-------------------------|----------------|----------------|
| Bank loans              | 767,382        | 414,171        |
| Hire purchase contracts | -              | 4,725          |
|                         | <u>767,382</u> | <u>418,896</u> |

Amounts falling due in more than five years:

|                          |                |                |
|--------------------------|----------------|----------------|
| Repayable by instalments |                |                |
| Bank loans more 5 yr     | <u>462,586</u> | <u>412,551</u> |

See note 11 for security.

**10. OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year:

|                         | 2005<br>£     | 2004<br>£     |
|-------------------------|---------------|---------------|
| Expiring:               |               |               |
| Within one year         | -             | 2,796         |
| In more than five years | <u>59,000</u> | <u>39,600</u> |
|                         | <u>59,000</u> | <u>42,396</u> |

**THE FAT DUCK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2005**

**11. SECURED DEBTS**

The following secured debts are included within creditors:

|                 | 2005           | 2004           |
|-----------------|----------------|----------------|
|                 | £              | £              |
| Bank overdrafts | 25,216         | 32,013         |
| Bank loans      | 843,897        | 460,328        |
| Hire Purchase   | <u>-</u>       | <u>15,543</u>  |
|                 | <u>869,113</u> | <u>507,884</u> |

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

The company has three loans from the Bank of Scotland. The first is repayable by instalments and is due to be repaid by September 2009. Interest is being charged at 2.5% over the Bank's Base Rate. The second is repayable by instalments and is due to be fully repaid by November 2018. Interest is being charged at 1.5% p.a over the Bank's Base Rate. The third is repayable by instalments and is due to be fully repaid by September 2014. Interest is being charged at 2.5% over the Bank's Base Rate.

The above loans are secured by a first legal charge over all the company's assets, life assurance policies on the lives of the directors, HM Blumenthal and SC Blumenthal, personal guarantees by the directors, HM Blumenthal and SC Blumenthal and by a first legal charge over restaurant premises which are owned by the directors, HM Blumenthal and SC Blumenthal.

Hire purchase agreements are secured over the assets to which the agreements relate.

**12. CALLED UP SHARE CAPITAL**

Authorised:

| Number: | Class:              | Nominal value: | 2005         | 2004         |
|---------|---------------------|----------------|--------------|--------------|
|         |                     |                | £            | £            |
| 950     | "A" Ordinary Shares | 1              | 950          | 950          |
| 50      | "B" Ordinary shares | 1              | <u>50</u>    | <u>50</u>    |
|         |                     |                | <u>1,000</u> | <u>1,000</u> |

Allotted, issued and fully paid:

| Number: | Class:              | Nominal value: | 2005       | 2004       |
|---------|---------------------|----------------|------------|------------|
|         |                     |                | £          | £          |
| 950     | "A" Ordinary Shares | 1              | <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 - continued  
FOR THE YEAR ENDED 31 MARCH 2005**

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**13. RESERVES**

|                      | Profit<br>and loss<br>account<br>£ |
|----------------------|------------------------------------|
| At 1 April 2004      | (94,163)                           |
| Deficit for the year | <u>(78,229)</u>                    |
| At 31 March 2005     | <u>(172,392)</u>                   |

**14. ULTIMATE PARENT COMPANY**

The company's immediate parent company and controlling party is The Fat Duck Group Limited.

The company's ultimate controlling parties are HM & SC Blumenthal.

**15. RELATED PARTY DISCLOSURES**

The restaurant premises are rented by the company from two of the directors H M Blumenthal and S C Blumenthal. The annual commitment is £39,600 (2004: £39,600). In addition they have provided security for certain bank loans as disclosed in note 11.

Also fees of £50,000 were charged from the parent company for services during this year.