

COMPANY REGISTRATION NUMBER 03676216

**THE FAT DUCK LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2004**



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

# **THE FAT DUCK LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2004**

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# **THE FAT DUCK LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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

# **THE FAT DUCK LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 MARCH 2004**

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The directors present their report and the financial statements of the company for the year ended 31 March 2004.

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

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

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

### **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.

**THE FAT DUCK LIMITED**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2004**

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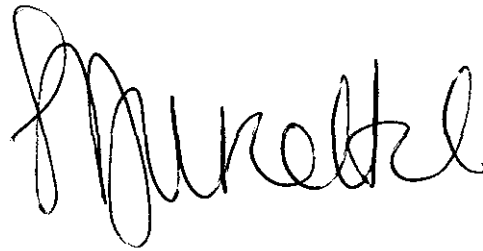
**SMALL COMPANY PROVISIONS**

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 12/11/2004

# **THE FAT DUCK LIMITED**

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

**YEAR ENDED 31 MARCH 2004**

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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 June 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 DIRECTORS AND AUDITORS**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the 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 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.

**THE FAT DUCK LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
THE FAT DUCK LIMITED (continued)**

**YEAR ENDED 31 MARCH 2004**

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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 2004 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

23.11.04

*Wingrave Yeats Partnership LLP*

WINGRAVE YEATS PARTNERSHIP LLP  
Chartered Accountants  
& Registered Auditors

**THE FAT DUCK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2004**

	Note	2004 £	2003 £
<b>TURNOVER</b>	2	1,333,475	1,202,684
Cost of sales		(455,883)	(421,020)
<b>GROSS PROFIT</b>		<u>877,592</u>	<u>781,664</u>
Administrative expenses		(793,783)	(706,142)
<b>OPERATING PROFIT</b>	3	<u>83,809</u>	<u>75,522</u>
Interest receivable		—	211
Interest payable and similar charges		(48,027)	(56,872)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>35,782</u>	<u>18,861</u>
Tax on profit on ordinary activities	5	(12,241)	—
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<u>23,541</u>	<u>18,861</u>
Balance brought forward		(117,705)	(136,566)
Balance carried forward		<u>(94,164)</u>	<u>(117,705)</u>

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



# THE FAT DUCK LIMITED


## BALANCE SHEET

31 MARCH 2004

	Note	£	2004 £	£	2003 £
<b>FIXED ASSETS</b>					
Intangible assets	6		–		2,910
Tangible assets	7		<u>313,409</u>		<u>371,957</u>
			<u>313,409</u>		<u>374,867</u>
<b>CURRENT ASSETS</b>					
Stocks	8	231,852		189,153	
Debtors	9	120,487		62,953	
Cash at bank		<u>2,315</u>		–	
		<u>354,654</u>		<u>252,106</u>	
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(342,381)</u>		<u>(291,778)</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>12,273</u>		<u>(39,672)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>325,682</u>		<u>335,195</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	11		<u>(418,896)</u>		<u>(451,950)</u>
			<u>(93,214)</u>		<u>(116,755)</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	14		950		950
Profit and loss account			<u>(94,164)</u>		<u>(117,705)</u>
<b>DEFICIENCY</b>			<u>(93,214)</u>		<u>(116,755)</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 June 2002).

These financial statements were approved by the directors on the 12/11/2004 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 2004

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### 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 June 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 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% straight line

#### Fixed assets

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

#### 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

#### 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 2004

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### 1. ACCOUNTING POLICIES *(continued)*

#### **Finance leases and 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 had net liabilities of £92,006 (2003: £116,755) as at the balance sheet date. However, the company has traded profitably for the last two years and the directors expect this trend to continue and improve, particularly in the light of the award of a third Michelin Star. 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.

# THE FAT DUCK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

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### 3. OPERATING PROFIT

Operating profit is stated after charging:

	2004	2003
	£	£
Amortisation	2,910	2,910
Depreciation of owned fixed assets	70,746	63,967
Depreciation of assets held under hire purchase agreements	14,437	14,437
Auditors' fees	<u>5,000</u>	<u>7,000</u>

### 4. DIRECTORS' EMOLUMENTS

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

	2004	2003
	£	£
Aggregate emoluments	<u>124,669</u>	<u>129,260</u>

### 5. TAXATION ON ORDINARY ACTIVITIES

	2004	2003
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2003 - 20%)	<u>12,241</u>	—
Total current tax	<u>12,241</u>	<u>—</u>

As at 1 April 2003 the company had unrelieved tax losses brought forward of £37,468. At the year ended 31 March 2004 unrelieved tax losses of £nil remain available to carry forward against future taxable trading profits.

# THE FAT DUCK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

### 6. INTANGIBLE FIXED ASSETS

	Goodwill £
<b>COST</b>	
At 1 April 2003 and 31 March 2004	<u>14,550</u>
<b>AMORTISATION</b>	
At 1 April 2003	11,640
Charge for the year	<u>2,910</u>
At 31 March 2004	<u>14,550</u>
<b>NET BOOK VALUE</b>	
At 31 March 2004	-
At 31 March 2003	<u>2,910</u>

### 7. TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £	Other plant & machinery etc. £	Total £
<b>COST</b>			
At 1 April 2003	375,076	208,737	583,813
Additions	-	<u>26,635</u>	<u>26,635</u>
At 31 March 2004	<u>375,076</u>	<u>235,372</u>	<u>610,448</u>
<b>DEPRECIATION</b>			
At 1 April 2003	69,908	141,948	211,856
Charge for the year	<u>28,852</u>	<u>56,331</u>	<u>85,183</u>
At 31 March 2004	<u>98,760</u>	<u>198,279</u>	<u>297,039</u>
<b>NET BOOK VALUE</b>			
At 31 March 2004	<u>276,316</u>	<u>37,093</u>	<u>313,409</u>
At 31 March 2003	<u>305,168</u>	<u>66,789</u>	<u>371,957</u>

#### Hire purchase agreements

Included within the net book value of £313,409 is £Nil (2003 - £14,437) 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 (2003 - £14,437).

### 8. STOCKS

	2004 £	2003 £
Stock	<u>231,852</u>	<u>189,153</u>

# THE FAT DUCK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

### 9. DEBTORS

	2004	2003
	£	£
Trade debtors	47,369	40,679
Amounts owed by group undertakings	50	50
Other debtors	73,068	22,224
	<u>120,487</u>	<u>62,953</u>

### 10. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	78,170	59,924
Trade creditors	122,465	87,545
Corporation tax	12,241	—
Other taxation and social security	57,250	50,326
Hire purchase agreements	15,543	14,395
Other creditors	56,712	79,588
	<u>342,381</u>	<u>291,778</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

	2004	2003
	£	£
Bank loans and overdrafts	414,171	444,851
Hire purchase agreements	4,725	7,099
	<u>418,896</u>	<u>451,950</u>

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

# THE FAT DUCK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

### 11. CREDITORS: Amounts falling due after more than one year *(continued)*

Included within creditors falling due after more than one year is an amount of £273,538 (2003 - £297,975) in respect of bank loans which fall due for payment after more than five years from the balance sheet date.

The company has two loans from 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% p.a. over the Bank's Base Rate. Security is a first legal charge over all of the company's assets and life assurance policies on the lives of two of the directors, H M Blumenthal and S C Blumenthal.

The second is repayable by equal instalments and is due to be fully repaid by February 2015. Interest is being charged at 2.5% p.a. above the Bank's Base Rate. Security is a first legal charge over all the company's assets and personal guarantees by two of the directors, H M Blumenthal and S C Blumenthal, and over the restaurant premises which are owned by the directors.

### 12. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2004 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2004	2003
	£	£
Operating leases which expire:		
Within 1 year	2,796	2,796
After more than 5 years	<u>39,600</u>	<u>39,600</u>
	<u>42,396</u>	<u>42,396</u>

### 13. RELATED PARTY TRANSACTIONS

The restaurant premises are rented by the company from two of 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:

	2004	2003
	£	£
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, called up and fully paid:

	2004		2003	
	No	£	No	£
"A" Ordinary shares of £1 each	<u>950</u>	<u>950</u>	<u>950</u>	<u>950</u>

# THE FAT DUCK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

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### 14. SHARE CAPITAL *(continued)*

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 parties are HM & SC Blumenthal by virtue of their majority shareholding in The Fat Duck Group Limited.