

Gordon Ramsay at Claridge's Limited

Report and Financial Statements

Year Ended

31 August 2012

Company Number 04150120



Gordon Ramsay at Claridge's Limited

**Report and financial statements
for the year ended 31 August 2012**

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Directors

G J Ramsay
Gordon Ramsay Holdings Limited
S Gillies

Registered office

1 Catherine Place, London, SW1E 6DX

Company number

04150120

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Gordon Ramsay at Claridge's Limited

Report of the directors for the year ended 31 August 2012

The directors present their report together with the audited financial statements for the year ended 31 August 2012

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year

Principal activities

The principal activity of the company continued to be that of operating a restaurant

Business review

The company continued to perform robustly during the year despite difficult trading conditions. Turnover for the year was £6,169,869 which is a 10.9% reduction on 2011.

The company has continued to focus on improving efficiency, achieving a 19% operating profit margin for the current year (2011 – 20%).

Future developments and key performance indicators

The directors expect the trading environment to remain challenging in the near future. The lease on the restaurant that the company currently operates is due to expire on 30 June 2013. Until this time, the company will continue to focus on delivering excellent customer experiences and maintaining its profit margins.

The performance of the company is measured by the Directors and the Executive Management team. The principal measures used to assess performance are turnover and EBITDA which are discussed above.

Principal risks and uncertainties

All businesses face risks and uncertainties as they conduct their operations. The directors and Executive Management team regularly identify, monitor and manage potential risks and uncertainties within the company. The list below sets out what the directors consider to be the current principal risks and uncertainties; this list is not presumed to be exhaustive and is, by its very nature, subject to change.

Consumer demand

Turnover is derived from the UK. The general health of the UK economy and its influence on consumer spending is important to the company's success. A continued downturn in consumer confidence and spending would be a risk to the financial performance of the company. The company regularly monitors performance to identify any changes in demand quickly and takes appropriate measures where any such changes arise.

Suppliers

The quality of ingredients, efficiency of delivery and the pricing of the food and beverage supply chain is key to the on-going success of the company's business. A breakdown in any one of these three areas would reduce the ability of the company to deliver to the quality expected by guests at current pricing levels. The company fosters close relations and open communications with suppliers to mitigate any unexpected changes in these areas.

Food safety

Maintenance of the company's high standards of food safety is integral to the business. The company has in place policies, processes and training procedures to ensure compliance with its legal obligations in relation to food hygiene and safety.

Site location

The lease for the site that the company currently operates from is due to expire 30 June 2013 with no expectation of renewal. The location of a future site has not been identified and timing for when a new site could expect to be opened is uncertain.

Gordon Ramsay at Claridge's Limited

Report of the directors for the year ended 31 August 2012 (continued)

Financial risk management

Liquidity risk

The company manages its exposure to liquidity risk through a naturally low level of debtors. The risk posed by liquidity has been considered and we are satisfied that there is sufficient growth and equity in the Group.

Interest rate risk

The company does not have formal policies on interest rate risk as interest on loans bearing interest is fixed.

Credit risk

The company has no significant concentrations of credit risk. The nature of the operations results in a large and diverse customer base and a significant proportion of cash sales.

Capital risk management

The company manages its capital to ensure that it will continue as a going concern whilst looking to maximise returns to shareholders. The capital structure of the company consists of equity (this being issued share capital and retained earnings), cash and cash equivalents. The company monitors its capital structure on a regular basis through cash flow reporting and forecasting.

Indemnity of officers

The company may purchase and maintain, for any director or officer, insurance against any liability and the company does maintain appropriate insurance cover against legal action brought against its directors and officers.

Employees

The successful delivery of service to the company's guest depends on recruiting, training, managing and retaining people of the highest quality. The company is committed to the welfare of its staff and all employees are given opportunities and are encouraged to develop within the Group.

The company is committed to the involvement of employees in the business. Staff are kept informed of the performance and objectives of the group through newsletters, staff meetings and regular structured feedback sessions.

The company is an equal opportunities employer. Its policy is to ensure that all employees are treated with the same respect and consideration regardless of sex, age, colour, disability, sexual orientation, nationality or ethnic or national origins.

Policy and practice on the payment of creditors

The company's policy is to agree all payment terms with suppliers as and when a trading relationship is established. The company ensures that the terms of payment are clear and its policy is to abide by the agreed terms where possible provided the supplier meets its obligations.

Directors

The directors of the company during the year were

G J Ramsay
Gordon Ramsay Holdings Limited
T James (Resigned 17 September 2012)
S Gillies (Appointed 5 September 2011)
C F Hutcheson (Resigned 31 January 2012)

Gordon Ramsay at Claridge's Limited

Report of the directors for the year ended 31 August 2012 (*continued*)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



S Gillies
Director

30/5/13

Gordon Ramsay at Claridge's Limited

Independent auditor's report

To the members of Gordon Ramsay at Claridge's Limited

We have audited the financial statements of Gordon Ramsay at Claridge's Limited for the year ended 31 August 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Gordon Ramsay at Claridge's Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

BDO LLP

David Campbell (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

30/5/13

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Gordon Ramsay at Claridge's Limited

Profit and loss account for the year ended 31 August 2012

	Note	2012 £	2011 £
Turnover	2	6,169,869	6,922,399
Cost of sales		3,139,697	3,340,581
		<hr/>	<hr/>
Gross profit		3,030,172	3,581,818
Administrative expenses		1,839,969	2,176,501
		<hr/>	<hr/>
Operating profit	3	1,190,203	1,405,317
Interest payable and similar charges	6	(15,562)	(2,877)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		1,174,641	1,402,440
Taxation on profit on ordinary activities	7	163,074	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation		1,011,567	1,402,440
		<hr/>	<hr/>

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the profit and loss account

The notes on pages 8 to 15 form part of these financial statements

Gordon Ramsay at Claridge's Limited

Balance sheet at 31 August 2012

<i>Company number 04150120</i>	Note	2012 £	2012 £	2011 £	2011 £
Fixed assets					
Tangible assets	8		34,407		70,460
Current assets					
Stocks	9	177,890		162,638	
Debtors	10	11,924,546		11,496,497	
Cash at bank and in hand		87,168		137,383	
		<u>12,189,604</u>		<u>11,796,518</u>	
Creditors: amounts falling due within one year	11	<u>1,119,356</u>		<u>1,729,971</u>	
Net current assets			<u>11,070,248</u>		<u>10,066,547</u>
Total assets less current liabilities			<u>11,104,655</u>		<u>10,137,007</u>
Creditors: amounts falling due after more than one year	12		<u>29,605</u>		<u>73,524</u>
			<u>11,075,050</u>		<u>10,063,483</u>
Capital and reserves					
Called up share capital	13		100,000		100,000
Profit and loss account	14		10,975,050		9,963,483
Shareholders' funds	15		<u>11,075,050</u>		<u>10,063,483</u>

The financial statements were approved by the board of directors and authorised for issue on 30/5/13

S Gillies
Director



The notes on pages 8 to 15 form part of these financial statements

Gordon Ramsay at Claridge's Limited

Notes forming part of the financial statements for the year ended 31 August 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The following principal accounting policies have been applied

Going concern

The financial statements have been prepared on a going concern basis, validity of which is dependent upon the continuing financial support of the parent undertaking which their directors have provided

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Kavalake Limited and the company is included in consolidated financial statements

Turnover

Turnover represents amounts receivable for food, beverage and service fees net of VAT and trade discounts. Turnover is recognised on an accruals basis

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates

Plant and machinery	- 15% straight line
Fixtures, fittings and equipment	- 15% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease

Gordon Ramsay at Claridge's Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

1 Accounting policies (*continued*)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

	2012 £	2011 £
This is arrived at after charging		
Depreciation of tangible fixed assets	36,053	63,304
Hire of other assets - operating leases	662,247	400,000
Auditors' remuneration - fees payable to the company's current auditor for the audit of the company's annual accounts	2,500	1,976
Auditors' remuneration - fees payable to the company's previous auditor	-	9,275
	<hr/>	<hr/>

Gordon Ramsay at Claridge's Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 *(continued)*

4 Employees

Staff costs (including directors) consist of

	2012 £	2011 £
Wages and salaries	1,280,466	1,191,089
Social security costs	127,789	146,642
	<u>1,408,255</u>	<u>1,337,731</u>

The average number of employees (including directors) during the year was as follows

	2012 Number	2011 Number
Directors	2	2
Restaurant staff	109	112
	<u>111</u>	<u>114</u>

5 Directors' remuneration

No director received any emoluments during the current year (2011 - £Nil)

6 Interest payable and similar charges

	2012 £	2011 £
Finance leases and hire purchase contracts	15,562	2,877
	<u>15,562</u>	<u>2,877</u>

Gordon Ramsay at Claridge's Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

7 Taxation on profit on ordinary activities

	2012 £	2011 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	172,970	-
Adjustment in respect of previous periods	(9,896)	-
	<hr/>	<hr/>
Total current tax	163,074	-
	<hr/>	<hr/>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below.

	2012 £	2011 £
Profit on ordinary activities before tax	1,174,641	1,402,440
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 25 17% (2011 - 27 17%)	295,657	380,996
Effect of		
Depreciation for period in excess of capital allowances	4,569	10,585
Adjustment to tax charge in respect of previous periods	(9,896)	-
Group relief	(127,256)	(391,581)
	<hr/>	<hr/>
Current tax charge for the year	163,074	-
	<hr/>	<hr/>

Gordon Ramsay at Claridge's Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

8 Tangible fixed assets

	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<i>Cost</i>			
At 1 September 2011 and 31 August 2012	329,105	392,081	721,186
<i>Depreciation</i>			
At 1 September 2011	298,870	351,856	650,726
Provided for the year	18,022	18,031	36,053
At 31 August 2012	316,892	369,887	686,779
<i>Net book value</i>			
At 31 August 2012	12,213	22,194	34,407
At 31 August 2011	30,235	40,225	70,460

The net book value of tangible fixed assets includes an amount of £79,253 (2011 - £99,923) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £20,531 (2011 - £15,054).

9 Stocks

	2012 £	2011 £
Finished goods and goods for resale	177,890	162,638

There is no material difference between the replacement cost of stocks and the amounts stated above.

Gordon Ramsay at Claridge's Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

10 Debtors

	2012 £	2011 £
Trade debtors	5,629	-
Amounts owed by group undertakings	11,880,349	11,445,306
Prepayments and accrued income	38,568	51,191
	<u>11,924,546</u>	<u>11,496,497</u>

All amounts shown under debtors fall due for payment within one year

11 Creditors amounts falling due within one year

	2012 £	2011 £
Trade creditors	691,745	823,307
Corporation tax	164,646	431,205
Other taxation and social security	148,640	197,971
Obligations under finance lease and hire purchase contracts	46,057	40,286
Other creditors	41,871	225,191
Accruals and deferred income	26,397	12,011
	<u>1,119,356</u>	<u>1,729,971</u>

12 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Obligations under finance lease and hire purchase contracts	<u>29,605</u>	<u>73,524</u>
Maturity of debt		
	Finance leases 2012 £	Finance leases 2011 £
In one year or less, or on demand	<u>46,057</u>	<u>40,286</u>
In more than one year but not more than two years	<u>29,605</u>	<u>73,524</u>

Gordon Ramsay at Claridge's Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

13 Share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
100,000 Ordinary shares of £1 each	100,000	100,000

14 Reserves

	Profit and loss account £
At 1 September 2011	9,963,483
Profit for the year	1,011,567
At 31 August 2012	10,975,050

15 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the year	1,011,567	1,402,440
Opening shareholders' funds	10,063,483	8,661,043
Closing shareholders' funds	11,075,050	10,063,483

16 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2012 £	Land and buildings 2011 £
Operating leases which expire		
Within one year	133,333	-
In two to five years	-	400,000

Gordon Ramsay at Claridge's Limited

Notes forming part of the financial statements
for the year ended 31 August 2012 (*continued*)

17 Financial commitments note

A Group loan facility is secured by a debenture over the present and future assets of the company and personal guarantees from the directors (see note 18). The loan is repayable over 52 months, commencing February 2010 and interest is chargeable at 3.25% per annum above LIBOR. As at 31 August 2012 the maximum liability was £2,176,800 (2011 - £3,718,000).

18 Related party disclosures

G J Ramsay is a director and therefore a related party. As at 31 August 2012, G J Ramsay had given personal guarantees totalling £2,176,800 (2011 - £3,500,000) in respect of the Group banking facility.

During the year C F Hutcheson was a director and had given personal guarantees totalling £Nil (2011 - £1,500,000) in respect of the Group banking facility.

During the year, management charges of £627,280 (2011 - £705,468) were payable to Gordon Ramsay Holdings Limited.

The below entity is considered a related party as it shares common directors with the company. The following amount was due from the below related party at the balance sheet date as a result of the Group's financing, management and trading activities.

Related party transactions and balances

	As at 1 September 2011 £	Net movement 2012 £	As at 31 August 2012 £
Gordon Ramsay Holdings Limited	11,445,306	435,043	11,880,349

19 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Kavalake Limited which is the ultimate parent company incorporated in United Kingdom.

The largest and smallest group in which the results of the company are consolidated is that headed by Kavalake Limited, incorporated in United Kingdom. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group accounts include the results of the company.

The company's ultimate controlling party is G J Ramsay.