

Company Registration No. 4388417 (England and Wales)

GORDON RAMSAY AT THE CONNAUGHT LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2007

TUESDAY



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COMPANIES HOUSE

Jeffreys Henry LLP

Finsgate
5-7 Cranwood Street
London
EC1V 9EE

GORDON RAMSAY AT THE CONNAUGHT LIMITED

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GORDON RAMSAY AT THE CONNAUGHT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2007

The directors present their report and financial statements for the year ended 31 August 2007.

Principal activities

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

Fair review of business and future developments

During the year under review, the turnover of the Company decreased by £2,160,866 to £4,542,144, this is due to the closure of the operation in March 2007 part way through the financial year. Similarly profit for the year decreased by £248,888 to £225,609.

Principle risks and uncertainties

All businesses face risks and uncertainties as we conduct our operations and there are a number of risks that could impact the Company's performance:

People

The successful delivery of service to the Company's guest depends on recruiting, training, managing and retaining people of the highest quality. The failure to employ the right people would put the Company's reputation at risk and could lead to the loss of market share.

Suppliers

The quality and efficiency of delivery of the food and beverage supply chain is key to the ongoing success of the Company's businesses. A breakdown in the supply chain would reduce the ability of the business to deliver to the quality expected by guests.

Competition

The fine dining restaurant sector in London is an intensely competitive market place for which there is a continuing risk to maintain competitive pricing which reflects value for money and deliver an experience which will ensure retention of guests

Food safety

The company has in place policies, processes and training procedures to ensure compliance with its legal obligations in relation to food hygiene and safety

Consumer spending

All of the sales 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 prolonged downturn in consumer spending would be a risk to the financial performance.

Key performance indicators

The key performance indicators (KPIs) which the company uses to monitor its overall financial performance can be summarised as follows:

- Food Margin 75.7%
- Wine Margin 72.5%
- Wages margin 28.4%

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

GORDON RAMSAY AT THE CONNAUGHT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2007

Directors

The following directors have held office since 1 September 2006:

C F Hutcheson

Gordon Ramsay Holdings Limited

A Hartnett

N Fletcher

(Appointed 6 August 2007)

Directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 that 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 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.

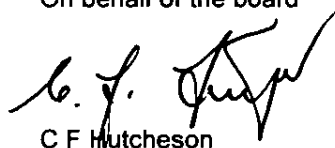
Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Jeffreys Henry LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



C F Hutcheson

Director

8 December 2008

GORDON RAMSAY AT THE CONNAUGHT LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GORDON RAMSAY AT THE CONNAUGHT LIMITED

We have audited the financial statements of Gordon Ramsay at the Connaught Limited for the year ended 31 August 2007 set out on pages 5 to 13. These financial statements have been prepared under 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

GORDON RAMSAY AT THE CONNAUGHT LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF GORDON RAMSAY AT THE CONNAUGHT LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 August 2007 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Jeffreys Henry LLP

Chartered Accountants
Registered Auditor



8 DECEMBER 2008

Finsgate, 5-7 Cranwood Street
London
EC1V 9EE

GORDON RAMSAY AT THE CONNAUGHT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2007

	Notes	2007 £	2006 £
Turnover	2	4,542,144	6,703,010
Cost of sales		(2,465,712)	(3,739,770)
Gross profit		2,076,432	2,963,240
Administrative expenses		(1,719,058)	(2,474,976)
Operating profit	3	357,374	488,264
Interest payable and similar charges	4	(1,982)	(9,487)
Profit on ordinary activities before taxation		355,392	478,777
Tax on profit on ordinary activities	5	(129,783)	(4,280)
Profit for the year	11	225,609	474,497

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

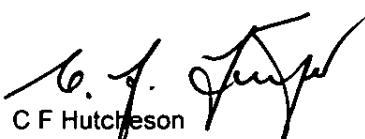
GORDON RAMSAY AT THE CONNAUGHT LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	6		78,330		483,933
Current assets					
Stocks	7	1,434		187,091	
Debtors	8	829,050		1,010,050	
Cash at bank and in hand		-		6,707	
		830,484		1,203,848	
Creditors: amounts falling due within one year	9	(367,337)		(1,371,913)	
Net current assets/(liabilities)			463,147		(168,065)
Total assets less current liabilities			541,477		315,868
Capital and reserves					
Called up share capital	10	100,000		100,000	
Profit and loss account	11	441,477		215,868	
Shareholders' funds	12	541,477		315,868	

Approved by the Board and authorised for issue on 8 December 2008


C F Hutcherson
Director

GORDON RAMSAY AT THE CONNAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Turnover

Turnover represents amounts receivable for food, beverage and service fees net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	over lease period
Plant and machinery	15% straight line
Fixtures, fittings & equipment	15% straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all material timing differences.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2007 £	2006 £
Operating profit is stated after charging:		
Depreciation of tangible assets	39,633	165,118
Loss on disposal of tangible assets	23,433	-
Operating lease rentals		
- Other assets	364,853	625,000
Auditors' remuneration	11,000	4,692

GORDON RAMSAY AT THE CONNAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

4	Interest payable	2007	2006
		£	£
	On other loans wholly repayable within five years	1,678	5,232
	On overdue tax	304	4,255
		<u>1,982</u>	<u>9,487</u>
5	Taxation	2007	2006
		£	£
	Domestic current year tax		
	U.K. corporation tax	134,063	4,280
	Adjustment for prior years	(4,280)	-
		<u>129,783</u>	<u>4,280</u>
	Current tax charge		
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>355,392</u>	<u>478,777</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	<u>106,618</u>	<u>143,633</u>
	Effects of:		
	Non deductible expenses	16,001	1,277
	Depreciation add back	11,890	49,535
	Capital allowances	(6)	(31,387)
	Group loss relief	-	(158,778)
	Other tax adjustments	(4,720)	-
		<u>23,165</u>	<u>(139,353)</u>
	Current tax charge	<u>129,783</u>	<u>4,280</u>

GORDON RAMSAY AT THE CONNAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

6 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2006	83,066	742,320	303,342	1,128,728
Additions	-	5,263	2,200	7,463
Disposals	(83,066)	(178,090)	(305,542)	(566,698)
At 31 August 2007	-	569,493	-	569,493
Depreciation				
At 1 September 2006	34,109	451,530	159,156	644,795
On disposals	(34,109)	-	(159,156)	(193,265)
Charge for the year	-	39,633	-	39,633
At 31 August 2007	-	491,163	-	491,163
Net book value				
At 31 August 2007	-	78,330	-	78,330
At 31 August 2006	48,957	290,790	144,186	483,933

7 Stocks

	2007 £	2006 £
Raw materials and consumables	-	4,081
Food, beverage and consumables	1,434	183,010
	1,434	187,091

GORDON RAMSAY AT THE CONNAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

8 Debtors	2007 £	2006 £
Trade debtors	198,595	8,310
Amounts owed by parent and fellow subsidiary undertakings	607,048	604,467
Other debtors	23,407	300,026
Prepayments and accrued income	-	97,247
	<u>829,050</u>	<u>1,010,050</u>

Amounts falling due after more than one year and included in the debtors above are:

	2007 £	2006 £
Other debtors	<u>-</u>	<u>250,000</u>

9 Creditors: amounts falling due within one year	2007 £	2006 £
Bank loans and overdrafts	35,748	332,631
Trade creditors	7,585	678,200
Corporation tax	134,063	4,181
Other taxes and social security costs	8,560	120,731
Other creditors	13,609	60,795
Accruals and deferred income	167,772	175,375
	<u>367,337</u>	<u>1,371,913</u>

The bank loans and overdrafts are secured on a group basis (see note 13 and note 17).

10 Share capital	2007 £	2006 £
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

GORDON RAMSAY AT THE CONNAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 2006	215,868
Profit for the year	225,609
Balance at 31 August 2007	441,477

12 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the financial year	225,609	474,497
Opening shareholders' funds	315,868	(158,629)
Closing shareholders' funds	541,477	315,868

13 Financial commitments

At 31 August 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 August 2008:

	Land and buildings 2007 £	2006 £
Operating leases which expire:		
In over five years	-	625,000

The company's previous bankers provided banking facilities on a group basis. A group overdraft and loan facility totalling £6,130,695 (2006: £4,561,000) were secured by a debenture over the present and future assets of the company, its parent undertaking, fellow subsidiaries and by personal guarantees from directors in the group. Under facilities with the group's previous banker, at 31 August 2007 the total group financial commitment under this cross guarantee was £4,206,717 (2006 - £3,091,119).

In May 2008, the group refinanced its loan facilities with The Royal Bank of Scotland Plc (RBS). Under the terms of these facilities, RBS has provided on a group basis, in conjunction with Gordon Ramsay Holdings International Limited and its subsidiaries, a group overdraft and loan facility totalling £10,500,000 which is secured by debenture over the present and future assets of the company, Gordon Ramsay Holdings International Limited and its subsidiaries and personal guarantees from directors.

GORDON RAMSAY AT THE CONNAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

14 Directors' emoluments	2007 £	2006 £
Emoluments for qualifying services	<u>103,264</u>	<u>100,000</u>

15 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2007 Number	2006 Number
Directors	3	3
Restaurant staff	123	130
	<u>126</u>	<u>133</u>

Employment costs

	2007 £	2006 £
Wages and salaries	1,110,326	1,663,938
Social security costs	98,740	138,328
	<u>1,209,066</u>	<u>1,802,266</u>

16 Control

Gordon Ramsay Holdings Limited is the company's immediate and ultimate parent undertaking and G J Ramsay who controls a majority of the shares in Gordon Ramsay Holdings Limited is the company's ultimate controlling party.

Gordon Ramsay Holdings Limited prepares group financial statements and copies can be obtained from 'Companies house, Crown Way, Cardiff, CF14 3UZ.'

GORDON RAMSAY AT THE CONNAUGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2007

17 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

G J Ramsay is a director and therefore a related party. As at 31 August 2007, G J Ramsay has given personal guarantees totalling £1,600,000 (2006: £1,600,000) in respect of the group banking facility (see notes 13).

C Hutcheson is a director and therefore a related party. As at 31 August 2007, C Hutcheson had given personal guarantees totalling £500,000 (2006: £500,000) in respect of the group banking facility (see notes 13).

GORDON RAMSAY AT THE CONNAUGHT LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2007

GORDON RAMSAY AT THE CONNAUGHT LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2007

	2007		2006	
	£	£	£	£
Turnover				
Sales		4,542,144		6,703,010
Cost of sales				
Opening stock	187,091		181,074	
Purchases	982,355		1,803,784	
Wages and salaries	1,007,062		1,563,938	
Directors' remuneration	103,264		100,000	
Employers national insurance	98,740		138,328	
Credit card charges	88,634		139,736	
	<u>2,467,146</u>		<u>3,926,860</u>	
Closing stock	(1,434)		(187,090)	
		<u>(2,465,712)</u>		<u>(3,739,770)</u>
Gross profit		2,076,432		2,963,240
Administrative expenses		<u>(1,719,058)</u>		<u>(2,474,976)</u>
Operating profit		357,374		488,264
Interest payable				
Bank loan interest	1,678		5,232	
Interest on overdue tax paid	304		4,255	
		<u>(1,982)</u>		<u>(9,487)</u>
Profit before taxation		<u>355,392</u>		<u>478,777</u>

GORDON RAMSAY AT THE CONNAUGHT LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 AUGUST 2007

	2007 £	2006 £
Administrative expenses		
Recruitment expenses	39,932	60,769
Rent	493,800	730,885
Rates	53,408	110,125
Insurance	26,315	39,115
Light and heat	42,667	59,817
Cleaning	46,559	77,388
Laundry	58,522	97,522
Repairs and maintenance	106,167	196,069
Waste	17,741	25,560
Flowers	40,497	89,146
Uniforms	2,245	8,316
Printing, postage and stationery	20,739	36,489
Advertising	38,970	56,029
Telephone	2,043	2,121
Holding company costs	441,111	653,680
Travelling expenses	3,779	5,758
Legal and professional fees	6,914	32,402
Consultancy fees	2,450	1,916
Accountancy	14,638	-
Audit fees	11,000	4,692
Bank charges	-	5,438
Canteen	32,681	11,435
Sundry expenses	104,041	5,186
Amortisation	-	8,306
Depreciation	39,633	156,812
Loss on disposal of tangible assets	23,433	-
Dilapidations	49,773	-
	<u>1,719,058</u>	<u>2,474,976</u>