

**CAFE ROUGE RESTAURANTS
LIMITED
(formerly The Pelican Group Limited)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Year ended 28 May 2006

Registered number: 425057



CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

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CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

COMPANY INFORMATION

DIRECTORS:	G Turner M Mansigani J Parsons
SECRETARY:	M Mansigani
AUDITORS:	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
REGISTERED OFFICE:	1st Floor 163 Eversholt Street London NW1 1BU
REGISTERED NUMBER:	425057

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 28 May 2006.

Principal activity

The principal activity of the company is that of operating restaurants. There has been no change in this activity during the year.

Results and dividends

The profit after tax for the year amounted to £2,622,000 (2005: £6,325,000). The directors do not propose the payment of a dividend (2005: £nil).

Review of developments and future prospects

On 16 May 2006 the company changed its name to Cafe Rouge Restaurants Limited.

On 25 May 2006 the entire share capital of the existing ultimate parent undertaking, Tragus Group Holdings Limited, was purchased by Tragus Limited.

The company will continue to operate restaurants for the foreseeable future.

Principal risks and uncertainties

The Directors of Tragus Limited manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of Cafe Rouge Restaurants Limited's business. The principal risks and uncertainties of Tragus Limited, which include those of the company, are discussed within the Directors' Report of the Tragus Limited financial statements, which does not form part of this report.

Key Performance Indicators

The Directors of Tragus Limited manage the group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Cafe Rouge Restaurants Limited. The development, performance and position of the business of the group, which includes the company, is discussed within the Directors' Report of the Tragus Limited's financial statements which does not form part of this report.

Directors and their interests

The directors of the company during the year were as follows:

G Turner
M Mansigani
J Parsons

None of the directors who held office at the end of the year had any interests in the shares of the company or parent company. The interests of the directors in the shares of the ultimate parent company are disclosed in the Directors' Report and Financial Statements of Tragus Limited.

Employee involvement

The board recognises the importance of employees being fully informed of events which directly affect them and their working conditions and to this end regular meetings are held with them.

Employment of disabled persons

The company's policy is that, wherever it is practicable and reasonable within existing legislation, all employees, including disabled persons, are treated in the same way in matters relating to employment, training, career development and promotion. Every effort is made to retain and assist any individuals disabled during their employment. Full and fair consideration is given to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

Statement of directors responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 the 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Provision of information to auditors

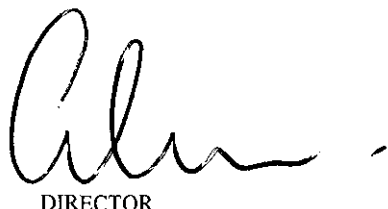
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all of the steps that ought to have been taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors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

Auditors

During the year KPMG LLP resigned as auditors. PricewaterhouseCoopers LLP were appointed auditors to fill the vacancy.

Pursuant to section 386 of the Companies Act 1985, the company has elected to dispense with the obligation to appoint auditors annually. PricewaterhouseCoopers LLP who were appointed by the directors during the year and have indicated their willingness to continue in office will be deemed to be re-appointed each year unless a resolution to terminate their appointment is made under section 386.

On behalf of the Board of Directors



DIRECTOR

2006

7th Sept.

1st Floor
163 Eversholt Street
LONDON NW1 1BU

CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CAFE
ROUGE RESTAURANTS LIMITED**

We have audited the financial statements of Cafe Rouge Restaurants Limited for the year ended 28 May 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also 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

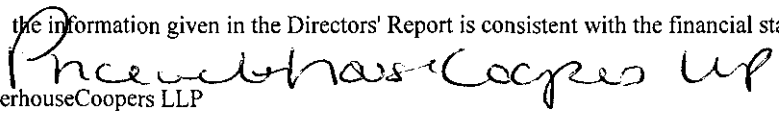
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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.

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 28 May 2006 and of the 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.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

1 Embankment Place

London

WC2N 6RH

11th September 2006

CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

PROFIT AND LOSS ACCOUNT

Year ended 28 May 2006

	Notes	Before exceptional items 28 May 2006 £'000	Exceptional items 28 May 2006 (note 3) £'000	Total Year ended 28 May 2006 £'000	Before exceptional items 29 May 2005 £'000	Exceptional items 29 May 2005 (note 3) £'000	Total Year ended 29 May 2005 £'000
TURNOVER		66,432	-	66,432	57,482	-	57,482
Continuing operations		65,376	-	65,376	57,482	-	57,482
Acquisitions		1,056	-	1,056	-	-	-
Cost of sales		(14,767)	-	(14,767)	(13,009)	-	(13,009)
GROSS PROFIT		51,665	-	51,665	44,473	-	44,473
Administrative expenses		(42,444)	(1,008)	(43,452)	(37,780)	(713)	(38,493)
OPERATING PROFIT	2,4	9,221	(1,008)	8,213	6,693	(713)	5,980
Continuing operations		8,886	(1,008)	7,878	6,693	(713)	5,980
Acquisitions		335	-	335	-	-	-
Impairment of fixed asset investments		-	(4,279)	(4,279)	-	-	-
(Loss) /Profit on disposal of fixed assets		-	(104)	(104)	-	3,455	3,455
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		9,221	(5,391)	3,830	6,693	2,742	9,435
Interest payable and similar charges	5			(2)			(2,101)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				3,828			7,334
Taxation on ordinary activities	6			(1,206)			(1,009)
RETAINED PROFIT FOR THE YEAR				2,622			6,325

There were no recognised gains or losses other than those reported above.

CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

BALANCE SHEET

As at 28 May 2006

	Notes	28 May 2006 £'000	29 May 2005 £'000
FIXED ASSETS			
Intangible assets	7	250	-
Tangible fixed assets	8	20,148	14,580
Investments	9	6,729	11,008
		<u>27,127</u>	<u>25,588</u>
CURRENT ASSETS			
Stock - finished goods and goods for resale		487	418
Debtors - amounts falling due within one year	10	21,459	21,318
		<u>21,946</u>	<u>21,736</u>
CREDITORS - amounts falling due within one year	11	<u>(26,846)</u>	<u>(28,950)</u>
NET CURRENT LIABILITIES		<u>(4,900)</u>	<u>(7,214)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,227	18,374
PROVISIONS FOR LIABILITIES AND CHARGES	12	<u>(2,888)</u>	<u>(1,657)</u>
NET ASSETS		<u>19,339</u>	<u>16,717</u>
CAPITAL AND RESERVES			
Called up share capital	13	2,709	2,709
Special reserve	14	2,626	2,626
Profit and loss account	14	14,004	11,382
EQUITY SHAREHOLDERS' FUNDS	15	<u>19,339</u>	<u>16,717</u>

These financial statements were approved by the Board of Directors and authorised for issue on 7th September 2006 and signed on its behalf by:



Director

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with Companies Act 1985 and applicable accounting standards. The particular accounting policies adopted by the directors are described below:

Accounting convention

The financial statements are prepared on a going concern basis and under the historical cost convention.

Turnover

Turnover is the value of goods and services sold at restaurants, solely within the UK, as part of the company's continuing ordinary activities after deducting sales based taxes. Turnover is recognised on provision of goods and services.

Leases

Rental payments in respect of operating leases are charged against operating profit over the period of the lease. Rental income in respect of operating leases is recognised in the profit and loss account on a straight line basis over the term of the lease.

Rent free periods are recognised in the profit and loss account over the period to the first rent review.

Pension costs

The company provides for employee pensions through a group stakeholder pension scheme which is independently managed and the company will continue to contribute to this fund in future accounting periods. The amount charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting period.

Pre-opening costs

Property rentals and other pre-opening costs incurred up to the date of opening a new restaurant are all written off to the profit and loss account in the year in which they arise.

Tangible fixed assets

Depreciable fixed assets are written off on a straight line basis over their estimated useful lives as follows:

- Leasehold properties are depreciated to their estimated residual values over the shorter of 50 years, their estimated useful lives and their remaining lease periods.
- Retail furniture, fixtures and equipment are depreciated over 4 to 25 years.

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets below depreciated historical cost is charged to the profit and loss account. Profits and losses on disposal of fixed assets reflect the difference between net selling price and net book value at the date of disposal.

Investments

Investments are stated at cost less provision for any impairment in value.

CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

1. ACCOUNTING POLICIES (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value.

Vacant properties

An onerous contract provision is made for the future net rental costs of leasehold properties which are vacant, loss-making or sub-let below passing rent. The provision is based on estimated future net cash outflows discounted to net present value where the time value of money is material.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not been reversed by the balance sheet date. Deferred taxation is not recognised when an asset is sold if it is more likely than not that the taxable gain will be rolled over. Deferred taxation assets are recognised to the extent that they are regarded as recoverable. Provisions for deferred taxation are not discounted. Deferred tax assets and liabilities are calculated using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Cash flow

As permitted by Financial Reporting Standard No.1 (Revised) a cash flow statement has not been prepared as the company is a wholly owned subsidiary of a European Community parent whose consolidated accounts are publicly available.

2. OPERATING PROFIT

	Year ended 28 May 2006 £'000	Year ended 29 May 2005 £'000
Operating profit is stated after charging:		
Depreciation of fixed assets (note 8)	2,420	1,895
Amortisation of goodwill	11	-
Rentals under operating leases:		
Land and buildings	6,689	5,958
Hire of plant and machinery	<u>26</u>	<u>26</u>

All audit fees were borne by Tragus Holdings Limited.

CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

3. EXCEPTIONAL ITEMS

	Year ended 28 May 2006 £'000	Year ended 29 May 2005 £'000
Fixed asset impairments	(6)	(569)
Onerous contract provision	(1,002)	-
Dilapidations	-	(55)
Other	-	(89)
	<u>(1,008)</u>	<u>(713)</u>
Impairment of investments	(4,279)	-
(Loss) / profit on disposal of fixed assets	<u>(104)</u>	<u>3,455</u>
Total exceptional items	<u>(5,391)</u>	<u>2,742</u>

Following its acquisition on 25 May 2006 Cafe Rouge Restaurants Limited's new management team reviewed the performance of its operating units. Restaurants which were loss making at EBITDA level where management considered these restaurants were unlikely to recover to profitability were treated as onerous contracts and as such provisions were made against certain future lease payments and fixed assets were impaired. The 2005 charge relates to the acquisition on 17 January 2005 of Cafe Rouge Restaurants Limited by Tragus Group Holdings Limited. Profit on disposal of fixed assets in 2005 relates to the sale of ten restaurants to group companies during the year.

Following a review of the carrying value of investments in subsidiary undertakings, the investments have been written down to their recoverable amounts.

4. STAFF COSTS

	Year ended 28 May 2006 Number	Year ended 29 May 2005 Number
The average number of persons employed by the company during the year was:		
Restaurant staff	<u>1,991</u>	<u>1,865</u>
	Year ended 28 May 2006 £'000	Year ended 29 May 2005 £'000
Staff costs incurred during the year in respect of these employees were:		
Wages and salaries	22,672	16,875
Social security costs	1,745	1,368
Pension costs	<u>122</u>	<u>24</u>
	<u>24,539</u>	<u>18,267</u>

None of the directors received any remuneration in respect of their services for the company during the year.

CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 28 May 2006 £'000	Year ended 29 May 2005 £'000
Interest payable to group companies	-	2,101
Other interest payable	<u>2</u>	<u>-</u>
	<u>2</u>	<u>2,101</u>

Interest is incurred by Tragus Limited and Tragus Group Holdings Limited and in 2005 was recharged to operating companies within the group on the basis of turnover.

6. TAXATION

	Year ended 28 May 2006 £'000	Year ended 29 May 2005 £'000
Current taxation on profits for the year		
UK corporation tax	775	522
Charge relating to prior year	<u>14</u>	<u>59</u>
Total current taxation	<u>789</u>	<u>581</u>
Deferred tax		
Timing differences	499	137
Prior year	<u>(82)</u>	<u>291</u>
Total deferred taxation	<u>417</u>	<u>428</u>
Total taxation charge	<u>1,206</u>	<u>1,009</u>
Factors affecting the tax charge for the year		
Profit before tax	<u>3,828</u>	<u>7,334</u>
Tax at current UK corporation tax rate of 30% (2005 - 30%)	1,148	2,200
Effect of:		
Capital allowances in excess of depreciation	(489)	(245)
Amortisation of goodwill	3	-
Expenses not deductible for tax purposes	-	10
Impairment of investments	1,285	-
Fixed asset write-off	2	72
Group relief	(1,199)	(478)
Loss / (profit) on disposal of assets	25	(1,037)
Charge relating to prior year	<u>14</u>	<u>59</u>
Current tax charge for the year	<u>789</u>	<u>581</u>

The tax effect of the exceptional items during the year is a credit of £400,000 (29 May 2005: credit £142,000).

CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

7. INTANGIBLE FIXED ASSETS

	Goodwill £'000
<u>Cost</u>	
At 29 May 2005	-
Additions on acquisition	<u>261</u>
At 28 May 2006	<u>261</u>
<u>Amortisation</u>	
At 29 May 2005	-
Charge for the period	<u>(11)</u>
At 28 May 2006	<u>(11)</u>
<u>Net book value</u>	
At 28 May 2006	<u>250</u>
At 29 May 2005	<u><u>-</u></u>

On 14 March 2006 the company acquired the trade and assets as well as the beneficial interest of the Cafe Rouge restaurant in Bath, for consideration of £500,000. The acquisition has been accounted for using the acquisition method of accounting. The amount of goodwill arising as a result of the acquisition is £261,000.

The following assets were acquired. The net book value was considered by the directors to be the fair value.

	£'000
Tangible fixed assets	224
Net current assets	<u>15</u>
	239
Goodwill	<u>261</u>
Consideration	<u>500</u>

CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

8. TANGIBLE FIXED ASSETS

	Land & buildings £'000	Furniture, fixtures & equipment £'000	Total £'000
<u>Cost</u>			
At 29 May 2005	18,884	26,983	45,867
Additions on acquisition	133	91	224
Additions	3,582	4,292	7,874
On disposals	(77)	(216)	(293)
At 28 May 2006	<u>22,522</u>	<u>31,150</u>	<u>53,672</u>
<u>Accumulated depreciation</u>			
At 29 May 2005	(12,306)	(18,981)	(31,287)
Charge for the year	(758)	(1,662)	(2,420)
Impairment (note 3)	(2)	(4)	(6)
On disposals	38	151	189
At 28 May 2006	<u>(13,028)</u>	<u>(20,496)</u>	<u>(33,524)</u>
<u>Net book value</u>			
At 28 May 2006	<u>9,494</u>	<u>10,654</u>	<u>20,148</u>
At 29 May 2005	<u>6,578</u>	<u>8,002</u>	<u>14,580</u>

CAFE ROUGE RESTAURANTS LIMITED
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NOTES TO THE ACCOUNTS

Year ended 28 May 2006

9. INVESTMENTS

	Shares in subsidiary undertakings £'000
Cost	
At 29 May 2005 and 28 May 2006	<u>11,008</u>
Impairment	
At 29 May 2005	-
Charge for the year(see note 3)	<u>(4,279)</u>
At 28 May 2006	<u>(4,279)</u>
Net Book Value	
At 28 May 2006	<u>6,729</u>
At 29 May 2005	<u>11,008</u>

The principal undertakings in which the company's interest at the period end is more than 20% are as follows:

Subsidiary undertaking	Activity	Country of registration and incorporation	% of ordinary shares held
Oriel Restaurants Limited	Restaurateur	England and Wales	100%
Café Rouge Limited*	Dormant	England and Wales	100%
Ortega Restaurants Limited	Restaurateur	England and Wales	100%
Handyminster Limited	Non-trading	England and Wales	100%
Heathgate Restaurants Limited	Restaurateur	England and Wales	96%
Ortega Bars Limited	Restaurateur	England and Wales	100%
Mamma Amalfi Restaurants Limited #	Restaurateur	England and Wales	100%

* Indicates held by a subsidiary undertaking. The percentage of voting rights held is the same as the percentage of the nominal value of the shares held.

Preference and ordinary shares held.

Group accounts have not been prepared as the company has taken advantage of the exemptions under section 228 of the Companies Act 1985 available to companies with an EC parent.

CAFE ROUGE RESTAURANTS LIMITED
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NOTES TO THE ACCOUNTS

Year ended 28 May 2006

10. DEBTORS

	28 May 2006 £'000	29 May 2005 £'000
Trade debtors	731	336
Amounts owed by group undertakings	19,800	19,800
Other debtors	97	56
Prepayments and accrued income	831	790
Corporation tax recoverable	-	336
	<u>21,459</u>	<u>21,318</u>

Amounts owed by group undertakings have no fixed repayment date are interest free and unsecured.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 May 2006 £'000	29 May 2005 £'000
Trade creditors	7,931	5,171
Amounts owed to group undertakings	5,779	18,054
Other taxation and social security	4,452	1,006
Other creditors	1,711	719
Corporation tax payable	165	-
Accruals and deferred income	6,808	4,000
	<u>26,846</u>	<u>28,950</u>

Amounts owed to group undertakings have no fixed repayment date, are interest free and unsecured.

CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

12. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £'000	Other £'000	Total £'000
At 29 May 2005	558	1,099	1,657
Increase in provision (exceptional)	-	1,002	1,002
Charge to profit and loss	417	-	417
Utilised	-	(188)	(188)
At 28 May 2006	<u>975</u>	<u>1,913</u>	<u>2,888</u>

Other provisions relate primarily to the future cost of vacant leasehold properties which have ceased to be used for a business purpose.

The amounts provided for deferred taxation are set out below:

	Provided 28 May 2006 £'000	Provided 29 May 2005 £'000
Capital allowances in excess of depreciation	<u>975</u>	<u>558</u>

13. SHARE CAPITAL

	Authorised 28 May 2006 £'000	29 May 2005 £'000
489,725,000 Ordinary shares of 20p each	<u>97,945</u>	<u>97,945</u>
	<u>Allotted, called up and fully paid</u>	
	28 May 2006 £'000	29 May 2005 £'000
13,545,000 Ordinary shares of 20p each	<u>2,709</u>	<u>2,709</u>

CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

14. STATEMENT OF MOVEMENTS ON RESERVES

	Special reserve £'000	Profit and loss account £'000	Total £'000
At 29 May 2005	2,626	11,382	14,008
Profit for the year	<u>-</u>	<u>2,622</u>	<u>2,622</u>
At 28 May 2006	<u>2,626</u>	<u>14,004</u>	<u>16,630</u>

Included in the profit and loss account is a non distributable reserve of £3,687,000 (2005: £3,687,000) arising from the sale of restaurants to group companies in prior years.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	28 May 2006 £'000	29 May 2005 £'000
Opening shareholders' funds	16,717	10,392
Profit for the year	<u>2,622</u>	<u>6,325</u>
Shareholders' funds at end of year	<u>19,339</u>	<u>16,717</u>

16. LEASE COMMITMENTS

At the year end, the company was committed to making the following payments during the next year in respect of operating leases which expire:

	<u>Land and buildings</u>	
	28 May 2006 £'000	29 May 2005 £'000
Within one year	32	183
Between one and two years	2	54
Between two and five years	260	325
After five years	<u>7,220</u>	<u>5,816</u>
	<u>7,514</u>	<u>6,378</u>

17. CONTINGENT LIABILITIES

The company acts as guarantor in respect of certain leases granted to subsidiary undertakings and in respect of leases which have been disposed of. It is not practical to quantify the extent of any liability which may arise.

CAFE ROUGE RESTAURANTS LIMITED
(FORMERLY THE PELICAN GROUP LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

18. PENSION COSTS

The company contributes to a stakeholder pension scheme for employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable in respect of the accounting period and amounted to £121,505 (2005: £24,254). There were outstanding contributions at the end of the financial year of £23,530 (2005: £25,975).

19. RELATED PARTIES

The company is a wholly owned subsidiary of Tragus Limited and has taken advantage of the exemption given in Financial Reporting Standard No.8 not to disclose transactions with other group companies.

20. PARENT UNDERTAKING

The ultimate parent undertaking is Tragus Limited, registered in England and Wales. LGV4 Private Equity Fund Limited Partnership owns 85.4% of the ordinary share capital of Tragus Limited. The smallest group of undertakings for which group accounts are drawn up and of which the company is a member is Tragus Holdings Limited, the largest is Tragus Limited, both are companies registered in England and Wales. Copies of group accounts can be obtained from 1st Floor, 163 Eversholt Street, London, NW1 1BU.