

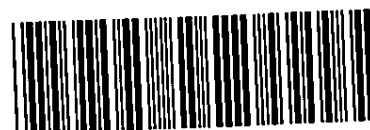
CAFE ROUGE RESTAURANTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

Registered number 425057

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CAFE ROUGE RESTAURANTS LIMITED

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CAFE ROUGE RESTAURANTS 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

CAFE ROUGE RESTAURANTS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 52 week period ended 25 May 2008

Principal activity

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

Results and dividends

The profit after tax for the period amounted to £7,799,000 (2007: £10,560,000). The directors do not propose the payment of a dividend (2007: £nil).

Review of developments and future prospects

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

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Tragus Group Limited, which include those of the company, are disclosed in the group's annual report which does not form part of this report.

Key Performance Indicators

The Directors of Tragus Group 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 Group Limited's financial statements which does not form part of this report.

Directors

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

G Turner
M Mansigani
J Parsons

Creditor payment policy

The policy is to agree the terms of payments with its 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, provided the supplier meets its obligations. At 25 May 2008 creditor days were 37 (2007: 66 creditor days).

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

DIRECTORS' REPORT

Statement of directors responsibilities

The directors are responsible for preparing the Annual 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). 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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 and disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

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 prior period and have indicated their willingness to continue in office, will be deemed to be re-appointed each period unless a resolution to terminate their appointment is made under section 386.

On behalf of the Board of Directors



DIRECTOR
Graham Turner
10 September 2008

1st Floor
163 Eversholt Street
LONDON NW1 1BU

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

We have audited the financial statements of Cafe Rouge Restaurants Limited for the 52 weeks ended 2008 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

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). 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 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 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 25 May 2008 and of its profit for the period 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

*PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London*

15TH SEPTEMBER 2008

CAFE ROUGE RESTAURANTS LIMITED

PROFIT AND LOSS ACCOUNT

52 weeks ended 25 May 2008

	Notes	Before exceptional items 25 May 2008 £'000	Exceptional items 25 May 2008 (note 3) £'000	Total 52 weeks ended 25 May 2008 £'000	Before exceptional items 27 May 2007 £'000	Exceptional items 27 May 2007 (note 3) £'000	Restated Total 52 weeks ended 27 May 2007 (note 1) £'000
TURNOVER	1	86,968	-	86,968	79,846	-	79,846
Cost of sales		<u>(69,446)</u>	<u>-</u>	<u>(69,446)</u>	<u>(61,983)</u>	<u>-</u>	<u>(61,983)</u>
GROSS PROFIT		17,522	-	17,522	17,863	-	17,863
Administrative expenses		<u>(4,343)</u>	<u>(4,908)</u>	<u>(9,251)</u>	<u>(5,730)</u>	<u>128</u>	<u>(5,602)</u>
OPERATING PROFIT	2	13,179	(4,908)	8,271	12,133	128	12,261
Loss on disposal of fixed assets		<u>-</u>	<u>-</u>	<u>-</u>	<u>(255)</u>	<u>-</u>	<u>(255)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		<u>13,179</u>	<u>(4,908)</u>	<u>8,271</u>	<u>11,878</u>	<u>128</u>	<u>12,006</u>
Interest payable and similar charges	5			<u>(12)</u>			<u>(10)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				<u>8,259</u>			<u>11,996</u>
Taxation on ordinary activities	6			<u>(460)</u>			<u>(1,436)</u>
PROFIT FOR THE PERIOD				<u><u>7,799</u></u>			<u><u>10,560</u></u>

All activities are in respect of continuing operations

The Company has no recognised gains or losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been prepared

There is no difference between the profit on ordinary activities before taxation and the profit for the period stated above and their historic cost equivalent

CAFE ROUGE RESTAURANTS LIMITED

BALANCE SHEET

As at 25 May 2008

	Notes	25 May 2008 £'000	27 May 2007 £'000
FIXED ASSETS			
Intangible assets	7	164	207
Tangible assets	8	27,551	24,429
Investments	9	<u>7,287</u>	<u>7,287</u>
		35,002	31,923
CURRENT ASSETS			
Stock - raw materials		716	616
Debtors	10	65,913	57,263
Cash at bank and in hand		<u>15</u>	<u>16</u>
		66,644	57,895
CREDITORS - amounts falling due within one year	11	<u>(56,819)</u>	<u>(56,691)</u>
NET CURRENT ASSETS		<u>9,825</u>	<u>1,204</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		44,827	33,127
PROVISIONS FOR LIABILITIES AND CHARGES	12	<u>(7,129)</u>	<u>(3,228)</u>
NET ASSETS		<u>37,698</u>	<u>29,899</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	<u>32,363</u>	<u>24,564</u>
TOTAL SHAREHOLDERS' FUNDS	15	<u>37,698</u>	<u>29,899</u>

These financial statements on pages 5 to 15 were approved by the Board of Directors and authorised for issue on 10th September 2008 and signed on its behalf by

M. Mansigani

Mohan Mansigani
Director

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

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 which have been consistently applied 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.

Prior period restatement

Management have reviewed the allocation of costs between cost of sales and administrative expenses during the period. Management consider cost of sales should include all costs of operating the restaurants. The prior period profit and loss account has been restated to reflect this change in classification. This has resulted in a reclassification of £43,783,000 from administration expenses to cost of sales.

Exceptionals

Costs incurred in the year which are classified as exceptional in note 3 and on the face of the profit and loss account are those which are material in nature and derive from events or transactions that fall within the ordinary activities of the company and which are individually, or in aggregate, of such size or incidence to require specific disclosure.

Goodwill and intangible fixed assets

On the acquisition of a business, fair values are attributed to the group's share of net separable assets. Where the cost of acquisition exceeds the fair values attributable to such net assets, the difference is treated as purchased goodwill and capitalised in the balance sheet in the period of acquisition. Purchased goodwill is amortised to nil by equal annual instalments over the shorter of the directors' estimate of its useful life of 20 periods and the remaining period of the lease of the restaurant to which the goodwill relates. On acquisition, directors make estimates to the fair value of the assets acquired. If necessary, these are revised in the period after acquisition.

Capitalised purchased goodwill in respect of subsidiaries is included within intangible fixed assets.

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 period 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 improvements are depreciated to their estimated residual values over their remaining lease periods, except where the anticipated renewal or extension of the lease is sufficiently certain that a longer estimated useful life is appropriate. Current legislation and the terms of the lease contracts are such that in most instances, leases are readily extendible by an additional 14 years. The maximum depreciation period for leasehold improvements is 30 years. In the current period, adopting this policy has resulted in a total net decrease in depreciation charged for the year of £38,000.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

1 ACCOUNTING POLICIES (continued)

Investments

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

Stocks

Stocks are valued at the lower of cost and net realisable value on a first in first out basis

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

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.

The 2007 Finance Act reduced the main rate of UK corporation tax from 30% to 28% with effect from 1 April 2008 and this change is reflected in the financial statements

Cash

Cash held within this company is not cash held at bank, rather represents the cash floats held at restaurant sites. There will be no finance charges associated with this cash in the Profit and Loss account

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

	52 weeks ended 25 May 2008 £'000	52 weeks ended 27 May 2007 £'000
Operating profit is stated after charging		
Depreciation of fixed assets (note 8)	3,582	2,952
Amortisation of goodwill	43	43
Exceptional items (see note 3)	4,908	(128)
Rentals under operating leases		
Land and buildings	<u>8,326</u>	<u>6,420</u>

Audit and tax fees are borne for the company by Tragus Holdings Limited, split as follows

	52 weeks ended 25 May 2008 £'000	52 weeks ended 27 May 2007 £'000
Audit services		
Fees payable to company auditor for the audit of company accounts	9	9
Non audit services		
Other services	5	5
Tax services	<u>2</u>	<u>3</u>

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

3. EXCEPTIONAL ITEMS

	52 weeks ended 25 May 2008 £'000	52 weeks ended 27 May 2007 £'000
Impairment of fixed assets	827	-
Onerous contract provision	4,081	(128)
Total exceptional items	4,908	(128)

A review has been undertaken of the performance of the company's operating units, as in the prior period Restaurants which were loss making at EBITDA level where management considered these restaurants were unlikely to recover to profitability are treated as onerous contracts and as such provisions are made against certain future lease payments and fixed assets have been fully impaired. The total impairment to fixed assets is £0.8m and the amount provided within onerous contracts is £0.6m.

Also included in onerous contract provision is an additional £0.1m on a site which had previously been sublet but which had become empty during the period and remains so at the period end.

During the period, 3 sites reverted to Cafe Rouge Restaurants Limited, under the terms of the original headleases, as a result of the administration of the Laurel Pub Company. These sites are onerous and full provision of £3.8 million has been charged in the period for these sites.

In the period, an opportunity arose to sell a site which had previously been provided against, resulting in a net release to the profit and loss account of £0.5m (2007: £0.1m).

4. STAFF COSTS

	52 weeks ended 25 May 2008 Number	52 weeks ended 27 May 2007 Number
The average number of persons employed by the company during the period was		
Restaurant staff	2,447	2,136
	52 weeks ended 25 May 2008 £'000	52 weeks ended 27 May 2007 £'000
Staff costs incurred during the period in respect of these employees were		
Wages and salaries	24,614	21,718
Social security costs	1,735	1,512
Pension costs	18	18
	26,367	23,248

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

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

5 INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 25 May 2008 £'000	52 weeks ended 27 May 2007 £'000
Other interest payable	<u>12</u>	<u>10</u>

6 TAXATION

	52 weeks ended 25 May 2008 £'000	52 weeks ended 27 May 2007 £'000
Current taxation on profits for the period		
UK corporation tax	-	680
Charge relating to prior period	<u>192</u>	<u>131</u>
Total current taxation	<u>192</u>	<u>811</u>
Deferred tax		
Timing differences	299	538
Effect of decreased tax rate on opening balance	(112)	-
Prior period adjustment	81	87
Total deferred taxation (note 12)	<u>268</u>	<u>625</u>
Total taxation charge	<u>460</u>	<u>1,436</u>

The tax assessed for the period is lower (2007 lower) than the standard rate of corporation tax in the UK. The differences are explained below

Factors affecting the tax charge for the period

Profit before tax	<u>8,259</u>	<u>11,996</u>
Tax at current UK corporation tax rate of 29.67% (2007 - 30%)	2,450	3,599
Effect of		
Capital allowances in excess of depreciation	(241)	(389)
Amortisation of goodwill	13	13
Expenses not deductible for tax purposes	8	6
Impairment of investments	245	-
Group relief	(2,475)	(2,626)
Loss on disposal of assets	-	77
Charge relating to prior period	192	131
Current tax charge for the period	<u>192</u>	<u>811</u>

The corporation tax rate was reduced to 28% from 30% on 1 April 2008. The pro-rated corporation tax rate for the year is 29.67%.

The tax effect of the exceptional items during the period is a credit of £1,215,000 (2007 credit £38,400).

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

7 INTANGIBLE ASSETS

	Goodwill £'000
<u>Cost</u>	
At 27 May 2007 and 25 May 2008	261
<u>Amortisation</u>	
At 27 May 2007	(54)
Charge for the period	(43)
At 25 May 2008	(97)
<u>Net book amount</u>	
At 25 May 2008	164
At 27 May 2007	207

The goodwill above relates to the goodwill that arose in the prior period upon the acquisition of the trade and assets as well as the beneficial interest of the Cafe Rouge restaurant in Bath, for consideration of £500,000 which was accounted for using the acquisition method of accounting

8 TANGIBLE ASSETS

	Leasehold properties £'000	Furniture, fixtures & equipment £'000	Total £'000
<u>Cost</u>			
At 27 May 2007	22,113	38,127	60,240
Additions	2,792	4,739	7,531
At 25 May 2008	24,905	42,866	67,771
<u>Accumulated depreciation</u>			
At 27 May 2007	(13,429)	(22,382)	(35,811)
Charge for the period	(1,155)	(2,427)	(3,582)
Impairments	(193)	(634)	(827)
At 25 May 2008	(14,777)	(25,443)	(40,220)
<u>Net book amount</u>			
At 25 May 2008	10,128	17,423	27,551
At 27 May 2007	8,684	15,745	24,429

As a result of the review carried out during the period per note 3 a site was considered to be onerous and all the fixed assets associated with that site have been impaired to nil, resulting in a charge of £827,000 to the Profit and Loss account

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

9 INVESTMENTS

	Shares in subsidiary undertakings £'000
Cost	
At 27 May 2007 and 25 May 2008	<u>11,566</u>
Impairment	
At 27 May 2007 and 25 May 2008	<u>(4,279)</u>
Net Book Amount	
At 27 May 2007 and 25 May 2008	<u><u>7,287</u></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%
Cafe 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	98%
Ortega Bars Limited	Restaurateur	England and Wales	100%
Mamma Amalfi Restaurants Limited #	Restaurateur	England and Wales	100%
Huxleys Bar & Restaurant Limited (formerly Bunters 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

The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Tragus Bidco Limited, a company registered in England and Wales.

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

10 DEBTORS

	25 May 2008 £'000	27 May 2007 £'000
Trade debtors	1,647	866
Amounts owed by group undertakings	61,417	54,682
Other debtors	1,458	70
Prepayments and accrued income	1,356	1,165
Corporation tax recoverable	35	480
	<u>65,913</u>	<u>57,263</u>

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

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	25 May 2008 £'000	27 May 2007 £'000
Trade creditors	15,408	8,552
Amounts owed to group undertakings	27,330	34,106
Other taxation and social security	6,014	4,270
Other creditors	936	1,809
Accruals and deferred income	7,131	7,954
	<u>56,819</u>	<u>56,691</u>

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

12 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £'000	Other £'000	Total £'000
At 27 May 2007	1,600	1,628	3,228
Charge to P&L (exceptional note 3)	187	4,596	4,783
Release in the period (exceptional note 3)	-	(515)	(515)
Prior period adjustment	81	-	81
Utilised	-	(448)	(448)
At 25 May 2008	<u>1,868</u>	<u>5,261</u>	<u>7,129</u>

Other provisions relate primarily to the future cost of vacant leasehold properties which have ceased to be used for a business purpose. They are vacant, loss making or sub-let below passing rent. The provision will unwind over the lesser of the date to the termination of the leases or the date of exit if negotiated sooner.

Additions in the period relate primarily to the 2 key provisions required as detailed in note 3. £3.8 million relates to a provision made for the Laurel sites that have reverted back to Cafe Rouge restaurants in the period. £0.6 million relate to the site which was identified as onerous as part of the review carried out at the period end. The release related to a property previously identified as onerous, which was sold in the period.

The amounts provided for deferred taxation are set out below

	Provided 25 May 2008 £'000	Provided 27 May 2007 £'000
Capital allowances in excess of depreciation (note 6)	<u>1,868</u>	<u>1,600</u>

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

13. SHARE CAPITAL

	Authorised	
	25 May 2008	27 May 2007
	£'000	£'000
489,725,000 Ordinary shares of 20p each	<u>97,945</u>	<u>97,945</u>
	Allotted, called up and fully paid	
	25 May 2008	27 May 2007
	£'000	£'000
13,545,000 Ordinary shares of 20p each	<u>2,709</u>	<u>2,709</u>

14. STATEMENT OF MOVEMENTS ON RESERVES

	Special reserve	Profit and loss account	Total
	£'000	£'000	£'000
At 27 May 2007	2,626	24,564	27,190
Profit for the period	<u>-</u>	<u>7,799</u>	<u>7,799</u>
At 25 May 2008	<u>2,626</u>	<u>32,363</u>	<u>34,989</u>

Included in the profit and loss account is a non distributable reserve of £3,687,000 (2007 £3,687,000) arising from the sale of restaurants to group companies in prior periods

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	25 May 2008	27 May 2007
	£'000	£'000
Opening shareholders' funds	29,899	19,339
Profit for the period	<u>7,799</u>	<u>10,560</u>
Shareholders' funds at end of period	<u>37,698</u>	<u>29,899</u>

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

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>	
	<u>25 May 2008</u>	<u>27 May 2007</u>
	<u>£'000</u>	<u>£'000</u>
Within one year	7	49
Between one and two years	175	175
Between two and five years	797	514
After five years	7,951	6,752
	<u>8,930</u>	<u>7,490</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.

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 £18,000 (2007: £18,000). There were outstanding contributions at the end of the financial year of £27,000 (2007: £23,000).

19 RELATED PARTIES

The company is a wholly owned subsidiary of Tragus Group 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 Cayco Limited, registered in the Cayman Islands. The smallest group of undertakings for which group accounts are drawn up and of which the company is a member is Tragus Bidco Limited, registered in England and Wales, the largest Tragus Group Limited registered in England and Wales. Copies of these accounts can be obtained from 1st Floor, 163 Eversholt Street, London, NW1 1BU, United Kingdom.

The Group considers The Blackstone Group as the ultimate controlling party by way of its majority shareholding of Tragus Cayco Limited.