

CAFE ROUGE RESTAURANTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the 52 weeks ended 27 May 2012

Registered number 425057

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CAFE ROUGE RESTAURANTS LIMITED

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CAFE ROUGE RESTAURANTS LIMITED

COMPANY INFORMATION

DIRECTORS	J Derkach M Mansigani
COMPANY SECRETARY	M Mansigani
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH
BANKERS	Barclays Bank PLC 1 Churchill Place London E14 5HP
SOLICITORS	Ashurst Broadwalk House 5 Appold Street London EC2A 2AH
REGISTERED OFFICE	1st Floor 163 Eversholt Street London NW1 1BU
REGISTERED NUMBER	425057

CAFE ROUGE RESTAURANTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of Cafe Rouge Restaurants Limited (the Company) for the 52 weeks ended 27 May 2012. The comparatives are for the 52 weeks ended 29 May 2011.

Principal activities

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 £7,515,000 (2011: £7,510,000). The directors do not propose the payment of a dividend (2011: £nil).

Exceptional costs of £1,410,000 were incurred by the Company for the 52 weeks ended 27 May 2012 (52 weeks ended 29 May 2011: £1,759,000). These costs are considered exceptional per the accounting policies set out in Note 1 and related to the movements in onerous contract provisions and brand development costs.

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

Financial risk management

From the perspective of the Company, the financial risks of the Company are integrated with the financial risks of the Group and are not managed separately. Accordingly, the management of the financial risks 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.

Directors

The directors of the company during the period and up to the date of signing the financial statements were as follows:

G Turner	Resigned 1st August 2012
J Derkach	Appointed 1st August 2012
M Mansigani	
J Parsons	Resigned 1st August 2012

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. As at 27 May 2012, creditor days were 66 (2011: 60 creditor days).

Employee involvement

The Board recognises the importance of employees being fully informed of events which directly affect them and their working conditions. The Company has in place a number of channels of communication including regular team and area meetings, weekly and monthly publications and a company intranet. In addition, the management board carries out two business updates a year with all restaurant managers.

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.

Statement of 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 prepared 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;
- 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.

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.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CAFE ROUGE RESTAURANTS LIMITED

DIRECTORS' REPORT

Disclosure of information to auditors

Pursuant to section 418 of the Companies Act 2006 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

Independent auditors

In the absence of a notice proposing that their appointment be terminated the auditors PricewaterhouseCoopers LLP will be deemed to be re-appointed for the next financial year

On behalf of the Board of Directors



John Derkach
DIRECTOR

19th September 2012

1st Floor
163 Eversholt Street
LONDON NW1 1BU

CAFE ROUGE RESTAURANTS LIMITED

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 week period ended 27 May 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

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 27 May 2012 and of its profit for the period 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.

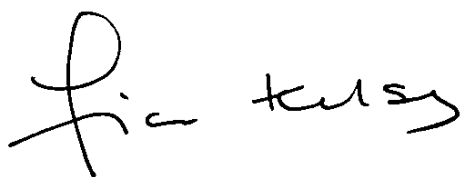
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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.



Fiona Kelsey (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

19 September 2012

CAFE ROUGE RESTAURANTS LIMITED

PROFIT AND LOSS ACCOUNT

52 weeks ended 27 May 2012

	Note	Before exceptional items 52 weeks ended 27 May 2012 £'000	Exceptional items 52 weeks ended 27 May 2012 (note 3) £'000	Total 52 weeks ended 27 May 2012 £'000	Before exceptional items 52 weeks ended 29 May 2011 £'000	Exceptional items 52 weeks ended 29 May 2011 (note 3) £'000	Total 52 weeks ended 29 May 2011 £'000
TURNOVER		113,395	-	113,395	106,755	-	106,755
Cost of sales		<u>(98,053)</u>	<u>-</u>	<u>(98,053)</u>	<u>(91,226)</u>	<u>-</u>	<u>(91,226)</u>
GROSS PROFIT		15,342	-	15,342	15,529	-	15,529
Administrative expenses		<u>(6,451)</u>	<u>(1,410)</u>	<u>(7,861)</u>	<u>(6,343)</u>	<u>(1,759)</u>	<u>(8,102)</u>
OPERATING PROFIT	2	8,891	(1,410)	7,481	9,186	(1,759)	7,427
Profit on disposal of fixed assets		60	-	60	-	-	-
Loss on disposal of fixed assets	8	<u>(80)</u>	<u>-</u>	<u>(80)</u>	<u>(11)</u>	<u>-</u>	<u>(11)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		8,871	(1,410)	7,461	9,175	(1,759)	7,416
Interest receivable / (payable)	5	<u>7</u>	<u>-</u>	<u>7</u>	<u>(3)</u>	<u>-</u>	<u>(3)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,878	(1,410)	7,468	9,172	(1,759)	7,413
Tax on profit on ordinary activities	6			<u>47</u>			<u>97</u>
PROFIT FOR THE FINANCIAL PERIOD	14			<u><u>7,515</u></u>			<u><u>7,510</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 financial period stated above and their historic cost equivalent

CAFE ROUGE RESTAURANTS LIMITED

Registered number 425057

BALANCE SHEET

As at 27 May 2012

	Note	27 May 2012 £'000	29 May 2011 £'000
FIXED ASSETS			
Intangible assets	7	-	35
Tangible assets	8	38,582	36,935
Investments	9	7,287	7,287
		<u>45,869</u>	<u>44,257</u>
CURRENT ASSETS			
Stocks		946	930
Debtors	10	178,060	156,594
Cash at bank and in hand		16	18
		<u>179,022</u>	<u>157,542</u>
CREDITORS - amounts falling due within one year	11	<u>(149,305)</u>	<u>(133,224)</u>
NET CURRENT ASSETS		<u>29,717</u>	<u>24,318</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>75,586</u>	<u>68,575</u>
PROVISIONS FOR LIABILITIES	12	<u>(6,171)</u>	<u>(6,675)</u>
NET ASSETS		<u><u>69,415</u></u>	<u><u>61,900</u></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	64,080	56,565
TOTAL SHAREHOLDERS' FUNDS	15	<u><u>69,415</u></u>	<u><u>61,900</u></u>

These financial statements on pages 5 to 13 were approved by the Board of Directors and authorised for issue on 19th September 2012 and signed on its behalf by

U. Maney

Mohan Mansigam
Director

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 May 2012

1 ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom (UK GAAP). The Company has elected not to produce consolidated financial statements under Section 400 of the Companies Act 2006. Under this requirement, a company is exempt from the obligation to prepare and deliver group financial statements if it is included in the consolidated financial statements of a larger group drawn up to the same date if the group is incorporated in the European Union and the group accounts are publicly available. Tragus Group Limited is registered in England and Wales and has drawn up consolidated financial statements to the period ending 27 May 2012 which include the Company.

The principal accounting policies adopted by the directors, and which have been consistently applied across the group and prior periods, 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.

Exceptional items

Costs incurred in the period 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

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 or 20 years or 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. Impairment reviews are performed by the directors when there is an indication of impairment.

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 operates a defined contribution pension scheme. The amount charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting period. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs disclosed in note 18 represent contributions payable by the Company to the fund. The Company will continue to contribute to this fund in future accounting periods.

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 and depreciation

Tangible fixed assets are stated at historic purchase price less accumulated depreciation. 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 15 years. The maximum depreciation period for leasehold improvements is 30 years.

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.

Fixed asset investments

Investments are stated at cost less provision for any impairment in value. Impairment reviews are performed by the directors when there is an indication of impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value and on a first in first out basis. No provision for obsolete or slow-moving stocks has been made given the nature of the stocks.

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 May 2012

1 ACCOUNTING POLICIES (continued)

Onerous contract provision

Onerous contract provisions are made for the future net costs of leasehold properties which are vacant, loss making or sub-let below passing rent. Provisions are based on discounted future net cash outflows. Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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.

Deferred income

Capital contributions received from landlords are held as deferred income on the balance sheet and recognised as income on a straight line basis in the profit and loss account over the period to the first rent review.

Cash

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

Cash flow statement

The Company is a wholly owned subsidiary undertaking of Tragus Group Limited. The cash flows of the Company are included in the consolidated cash flow statement of Tragus Group Limited, which is publicly available. Consequently, the Company is exempt under the terms of Financial Reporting Standard No. 1 (Revised 1996) Cash Flow Statements from presenting a cash flow statement.

2 OPERATING PROFIT

	52 weeks ended 27 May 2012 £'000	52 weeks ended 29 May 2011 £'000
Operating profit is stated after charging:		
Depreciation of tangible fixed assets (note 8)	5,896	5,947
Amortisation of goodwill (note 7)	35	43
Operating lease charges		
Land and buildings	13,238	12,195

The following fees for services provided by the Company's auditor were charged to the Company. In the prior period these fees were borne by Tragus Holdings Limited, a fellow subsidiary.

	52 weeks ended 27 May 2012 £'000	52 weeks ended 29 May 2011 £'000
Audit services		
Fees payable to Company auditors	10	10
Non-audit services		
Other services	6	6
Tax services	15	3

3 EXCEPTIONAL ITEMS

	52 weeks ended 27 May 2012 £'000	52 weeks ended 29 May 2011 £'000
Impairment of tangible fixed assets (note 8)	-	885
Net increase in onerous contract provision (note 12)	1,241	715
Integration costs		159
Brand development costs	169	-
	1,410	1,759

The tax effect in the profit and loss account relating to the exceptional items is £362,000 (2011: £190,000).

An impairment review was conducted and highlighted sites which management consider to have onerous fixed cost obligations for which a net provision of £1,241,000 has been created (2011: £715,000). No fixed assets have also been impaired (2011: £885,000).

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 May 2012

4. STAFF COSTS

	52 weeks ended 27 May 2012 Number	52 weeks ended 29 May 2011 Number
The average number of persons employed by the Company during the period was		
Directors	3	3
Restaurant staff	2,762	2,744
	52 weeks ended 27 May 2012 £'000	52 weeks ended 29 May 2011 £'000
Staff costs incurred during the period in respect of these employees were		
Wages and salaries	32,519	30,262
Social security costs	2,100	2,121
Pension costs (note 18)	31	29
	34,650	32,412

None of the directors received any remuneration in respect of their services for the Company during the period (2011: nil)

5. INTEREST RECEIVABLE / (PAYABLE)

	52 weeks ended 27 May 2012 £'000	52 weeks ended 29 May 2011 £'000
Interest receivable / (payable)	7	(3)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	52 weeks ended 27 May 2012 £'000	52 weeks ended 29 May 2011 £'000
Current taxation on profit for the period		
UK corporation tax at 25.69% (2011: 27.68%)	-	573
Adjustments in respect of prior period	539	(271)
Total current taxation charge	539	302
Deferred taxation		
Timing differences	(60)	(200)
Effect of change in corporation tax rate	(17)	(72)
Prior period adjustment	(509)	(127)
Total deferred taxation credit (note 12)	(586)	(399)
Taxation on profit on ordinary activities	(47)	(97)

The tax assessed for the period is lower (2011: lower) than the standard effective rate of corporation tax in the UK of 25.69% (2011: 27.68%). The differences are explained below:

Factors affecting the tax charge for the period

Profit on ordinary activities before taxation	7,468	7,413
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 25.69% (2011: 27.68%)	1,919	2,052
Effect of:		
Capital allowances in excess of depreciation	219	139
Amortisation of goodwill	9	12
Expenses not deductible for tax purposes	18	(3)
Adjustments in respect of prior period	539	(271)
Fixed asset impairment	-	245
Group relief	(2,171)	(1,867)
Loss on disposal of assets	21	7
Lease premium relief	(15)	(8)
Total current taxation charge	539	302

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 May 2012

6 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

On 23 March 2011 a number of changes to the UK corporation tax system were announced including a reduction of the main rate of corporation tax from 26% to 24% with effect from 1 April 2012. The reduction in the rate to 24% became substantively enacted on 26 March 2012 under the Provisional Collection of Taxes Act 1968. Deferred tax has therefore been provided for at 24% (2011: 26%) and the pro-rated corporation tax rate for the period is 25.69% (2011: 27.68%).

Further reductions to the main rate are proposed to reduce the rate of corporation tax by 1% per annum to 22% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and are therefore not included in these financial statements. If these changes had been enacted at the balance sheet date the effect of the changes would not have had a material effect on recognised or unrecognised deferred tax balances.

7 INTANGIBLE FIXED ASSETS

	Goodwill £'000
<u>Cost</u>	
As at 29 May 2011 and 27 May 2012	261
<u>Accumulated amortisation</u>	
At 29 May 2011	(226)
Charge for the period	(35)
At 27 May 2012	(261)
<u>Net book amount</u>	
At 27 May 2012	-
At 29 May 2011	35

8 TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Furniture, fixtures & equipment £'000	Total £'000
<u>Cost</u>			
At 29 May 2011	35,062	59,102	94,164
Additions	1,824	5,800	7,624
Disposals	(248)	(616)	(864)
At 27 May 2012	36,638	64,286	100,924
<u>Accumulated depreciation</u>			
At 29 May 2011	(18,549)	(38,680)	(57,229)
Charge for the period	(1,285)	(4,611)	(5,896)
Disposals	207	576	783
At 27 May 2012	(19,627)	(42,715)	(62,342)
<u>Net book amount</u>			
At 27 May 2012	17,011	21,571	38,582
At 29 May 2011	16,513	20,422	36,935

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 May 2012

9 FIXED ASSET INVESTMENTS

£'000

At 29 May 2011 and 27 May 2012

7,287

Investments comprise the Company's investments in subsidiary undertakings

Subsidiary undertaking	Activity	Country of registration and incorporation	% of ordinary shares held
Onel Restaurants Limited	Restaurateur	England and Wales	100%
Cafe Rouge Limited*	Dormant	England and Wales	100%
Onega Restaurants Limited	Restaurateur	England and Wales	100%
Handymaster Limited	Non trading	England and Wales	100%
Heathgate Restaurants Limited	Restaurateur	England and Wales	98%
Onega Bars Limited	Restaurateur	England and Wales	100%
Mamma Amalfi Restaurants Limited #	Restaurateur	England and Wales	100%
Huxleys Bar & Restaurant 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 directors believe the carrying value of the assets is supported by their underlying net assets

10. DEBTORS

	27 May 2012 £'000	29 May 2011 £'000
Trade debtors	1,674	2,481
Amounts owed by group undertakings	174,096	151,884
Other debtors	226	241
Prepayments	1,961	1,813
Corporation tax recoverable	103	175
	178,060	156,594

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

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	27 May 2012 £'000	29 May 2011 £'000
Trade creditors	17,889	15,087
Amounts owed to group undertakings	111,426	98,157
Taxation and social security	9,212	9,136
Other creditors	3,448	3,081
Accruals and deferred income	7,330	7,763
	149,305	133,224

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

12. PROVISIONS FOR LIABILITIES

	Deferred taxation £'000	Other £'000	Total £'000
At 29 May 2011	733	5,942	6,675
(Credit) / charge for the period (note 3 and note 6)	(586)	2,888	2,302
Release in the period	-	(1,677)	(1,677)
Utilised in the period	-	(1,129)	(1,129)
At 27 May 2012	147	6,024	6,171

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

The amounts provided for deferred taxation are set out below

	27 May 2012 £'000	29 May 2011 £'000
Capital allowances in excess of depreciation	147	733

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 May 2012

13. CALLED UP SHARE CAPITAL

	<u>Authorised</u>	
	27 May 2012 £'000	29 May 2011 £'000
489 725 000 (2011: 489 725 000) Ordinary shares of 20p each	<u>97,945</u>	<u>97,945</u>
	<u>Allotted, called up and fully paid</u>	
	27 May 2012 £'000	29 May 2011 £'000
13 545 000 (2011: 13 545 000) Ordinary shares of 20p each	<u>2,709</u>	<u>2,709</u>

14. STATEMENT OF MOVEMENTS IN RESERVES

	Special reserve £'000	Profit and loss account £'000	Total £'000
At 29 May 2011	2,626	56,565	59,191
Profit for the financial period	-	7,515	7,515
At 27 May 2012	<u>2,626</u>	<u>64,080</u>	<u>66,706</u>

Included in the profit and loss account is a non-distributable reserve of £3 687 000 (2011: £3 687 000) arising from the sale of restaurants to fellow group subsidiaries in prior periods

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	27 May 2012 £'000	29 May 2011 £'000
Shareholders' funds at beginning of period	61,900	54,390
Profit for the financial period	<u>7,515</u>	<u>7,510</u>
Shareholders' funds at end of period	<u>69,415</u>	<u>61,900</u>

16. LEASE COMMITMENTS

At the period end, the Company was committed to making the following payments during the next year in respect of operating leases on land and buildings which expire:

	27 May 2012 £'000	29 May 2011 £'000
Within one year	560	494
Within two to five years	2,171	2,101
After five years	<u>11,452</u>	<u>10,839</u>
	<u>14,183</u>	<u>13,434</u>

The financial commitments for operating lease amounts payable calculated as a percentage of turnover have been based on the minimum payment that is required under the terms of the relevant lease. As a result, the amounts charged to the profit and loss account are different to the financial commitment at the year end.

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 27 May 2012

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 possible to reliably 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 £31,000 (2011: £29,000). There were outstanding contributions at the end of the financial year of £34,000 (2011: £33,000) which are included in other creditors in note 11.

19. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption given in Financial Reporting Standard 8 Related Party Disclosures not to disclose transactions with other group companies on the grounds that it is a wholly owned subsidiary of a group headed by Tragus Group Limited whose financial statements are publicly available.

20. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Tragus Cayco Holdco Limited registered in the Cayman Islands. The smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Tragus Bideo Limited registered in England and Wales, the largest Tragus Group Limited registered in England and Wales. Copies of these financial statements can be obtained from 1st Floor, 163 Eversholt Street, London, NW1 1BU, United Kingdom.

The Company considers The Blackstone Group L.P., a firm listed on the New York Stock Exchange, as the ultimate controlling party by way of its majority shareholding of Tragus Cayco Holdco Limited.