

CAFE ROUGE RESTAURANTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the 53 weeks ended 2 June 2013

Registered number 00425057

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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	00425057

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of Café Rouge Restaurants Limited (the Company) for the 53 weeks ended 2 June 2013. The comparatives are for the 52 weeks ended 27 May 2012.

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 £5,433,000 (2012: £7,515,000). The directors do not propose the payment of a dividend (2012: £nil).

Exceptional costs of £1,489,000 were incurred by the Company for the 53 weeks ended 2 June 2013 (52 weeks ended 27 May 2012: £1,410,000). 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 Café 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 2 June 2013, creditor days were 62 (2012: 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. 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 period 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.

DIRECTORS' REPORT

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 period. 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.

In accordance with Section 418, directors' reports shall include a statement in the case of each director in office at the date the directors' report is approved that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order 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 period.

On behalf of the Board of Directors


J Derkach
DIRECTOR

16 September 2013

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 53 week period ended 2 June 2013 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 2 June 2013 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.



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

16 September 2013

CAFE ROUGE RESTAURANTS LIMITED

PROFIT AND LOSS ACCOUNT

53 weeks ended 2 June 2013

	Note	Before exceptional items 53 weeks ended 2 June 2013 £'000	Exceptional items 53 weeks ended 2 June 2013 (note 3) £'000	Total 53 weeks ended 2 June 2013 £'000	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
TURNOVER		117,722	-	117,722	113 395	-	113 395
Cost of sales		(103,090)	-	(103,090)	(98 053)	-	(98 053)
GROSS PROFIT		14,632	-	14,632	15 342	-	15 342
Administrative expenses		(7,186)	(1,489)	(8,675)	(6,451)	(1 410)	(7,861)
OPERATING PROFIT	2	7,446	(1,489)	5,957	8,891	(1 410)	7 481
Profit on disposal of fixed assets	7	3	-	3	60	-	60
Loss on disposal of fixed assets	7	(16)	-	(16)	(80)	-	(80)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		7,433	(1,489)	5,944	8 871	(1,410)	7 461
Interest (payable) / receivable	5	(12)	-	(12)	7	-	7
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,421	(1,489)	5,932	8 878	(1 410)	7,468
Tax on profit on ordinary activities	6			(499)			47
PROFIT FOR THE FINANCIAL PERIOD	14			<u>5,433</u>			<u>7 515</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 00425057

BALANCE SHEET

As at 2 June 2013

	Note	2 June 2013 £'000	27 May 2012 £'000
FIXED ASSETS			
Tangible assets	7	44,344	38 582
Investments	8	<u>7,287</u>	<u>7 287</u>
		51,631	45 869
CURRENT ASSETS			
Stocks		969	946
Debtors	9	188,043	178 060
Cash at bank and in hand		<u>16</u>	<u>16</u>
		189,028	179 022
CREDITORS - amounts falling due within one year	10	<u>(159,464)</u>	<u>(149 305)</u>
NET CURRENT ASSETS		<u>29,564</u>	<u>29 717</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		81,195	75 586
CREDITORS - amounts falling due after more than one year	11	(145)	-
PROVISIONS FOR LIABILITIES	12	<u>(6,202)</u>	<u>(6 171)</u>
NET ASSETS		<u><u>74,848</u></u>	<u><u>69 415</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	<u>69,513</u>	<u>64 080</u>
TOTAL SHAREHOLDERS' FUNDS	15	<u><u>74,848</u></u>	<u><u>69 415</u></u>

These financial statements on pages 5 to 13 were approved by the Board of Directors and authorised for issue on 16 September 2013 and signed on its behalf by

M. Mansigan

M Mansigan
Director

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 2 June 2013

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 financial statements are publicly available. Tragus Group Limited is registered in England and Wales and has drawn up consolidated financial statements to the period ending 2 June 2013 which include the Company.

The principal accounting policies adopted by the directors, and which have been consistently applied with the 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.

Leases

Rental payments in respect of operating leases are charged on a straight line basis 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 on a straight line basis in the profit and loss account over the period to the first rent review.

Leasing arrangements which transfer to the Company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets.

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.

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 2 June 2013

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 at bank and in hand

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

	53 weeks ended 2 June 2013 £'000	52 weeks ended 27 May 2012 £'000
Operating profit is stated after charging		
Depreciation of tangible fixed assets (note 7)	6,190	5,896
Amortisation of goodwill	-	35
Operating lease charges		
Land and buildings	14,118	13,238

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.

	53 weeks ended 2 June 2013 £'000	52 weeks ended 27 May 2012 £'000
Audit services		
Fees payable to Company auditors	9	10
Non-audit services		
Other services	3	6
Tax services	15	15

3 EXCEPTIONAL ITEMS

	53 weeks ended 2 June 2013 £'000	52 weeks ended 27 May 2012 £'000
Impairment of tangible fixed assets (note 7)	188	-
Net increase in onerous contract provision (note 12)	807	1,241
Brand development costs	494	169
	1,489	1,410

The tax effect in the profit and loss account relating to the exceptional items is £310,000 (2012: £362,000).

An impairment review was conducted and highlighted sites which management consider to have onerous fixed cost obligations for which a net provision of £807,000 has been created (2012: £1,241,000). Fixed assets of £188,000 have also been impaired (2012: £nil).

Brand development costs relate to costs incurred in the fundamental restructuring of the brand during the period of £494,000 (2012: £169,000). These costs include new menus, staff uniforms, training, relaunch marketing and fixed costs payable during the period of refurbishment.

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 2 June 2013

4 STAFF COSTS

	53 weeks ended 2 June 2013 Number	52 weeks ended 27 May 2012 Number
The monthly average number of persons employed by the Company during the period was		
Directors	2	3
Restaurant staff	2,850	2 762

Staff costs incurred during the period in respect of these employees were

	53 weeks ended 2 June 2013 £'000	52 weeks ended 27 May 2012 £'000
Wages and salaries	34,494	32 519
Social security costs	2,154	2 100
Other pension costs (note 18)	27	31
	<u>36,675</u>	<u>34 650</u>

None of the directors received any remuneration in respect of their services for the Company during the period (2012 nil)

5 INTEREST (PAYABLE) / RECEIVABLE

	53 weeks ended 2 June 2013 £'000	52 weeks ended 27 May 2012 £'000
Interest (payable) / receivable	(12)	7

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	53 weeks ended 2 June 2013 £'000	52 weeks ended 27 May 2012 £'000
Current taxation on profit for the period		
UK corporation tax at 23.83% (2012 25.69%)	-	-
Adjustments in respect of prior period	(1)	539
Total current taxation (credit) / charge	<u>(1)</u>	<u>539</u>
Deferred taxation		
Timing differences	122	(60)
Effect of change in corporation tax rate	(23)	(17)
Prior period adjustment	401	(509)
Total deferred taxation charge / (credit) (note 12)	<u>500</u>	<u>(586)</u>
Taxation on profit on ordinary activities	<u>499</u>	<u>(47)</u>

The tax assessed for the period is lower (2012 lower) than the standard effective rate of corporation tax in the UK of 23.83% (2012 25.69%). The differences are explained below

Factors affecting the tax charge for the period

Profit on ordinary activities before taxation	5,932	7 468
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 23.83% (2012 25.69%)	1,413	1 919
Effect of		
Capital allowances in excess of depreciation	173	219
Amortisation of goodwill	-	9
Expenses not deductible for tax purposes	23	18
Adjustments in respect of prior period	(1)	539
Fixed asset impairment	45	-
Group relief claimed for nil consideration	(1,644)	(2 171)
Loss on disposal of assets	4	21
Lease premium relief	(14)	(15)
Total current taxation (credit) / charge	<u>(1)</u>	<u>539</u>

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 2 June 2013

6 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

On 21 March 2012 a number of changes to the UK corporation tax system were announced including a reduction of the main rate of corporation tax from 24% to 23% with effect from 1 April 2013. The reduction in the rate to 23% became substantively enacted on 3 July 2012 under the Finance Bill 2012. Deferred tax has therefore been provided for at 23% (2012: 24%) and the pro-rated corporation tax rate for the period is 23.83% (2012: 25.69%).

Further reductions to the main rate are proposed to reduce the rate of corporation tax by 2% to 21% by 1 April 2014 followed by a further 1% reduction to 20% by 1 April 2015. 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 TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Furniture, fixtures & equipment £'000	Total £'000
Cost			
At 27 May 2012	36,638	64,286	100,924
Additions	4,091	8,065	12,156
Disposals	(380)	(457)	(837)
At 2 June 2013	40,349	71,894	112,243
Accumulated depreciation			
At 27 May 2012	(19,627)	(42,715)	(62,342)
Charge for the period	(1,102)	(5,088)	(6,190)
Disposals	364	457	821
Impairment	(188)	-	(188)
At 2 June 2013	(20,553)	(47,346)	(67,899)
Net book amount			
At 2 June 2013	19,796	24,548	44,344
At 27 May 2012	17,011	21,571	38,582

8 FIXED ASSET INVESTMENTS

	£'000
At 27 May 2012 and 2 June 2013	7,287

Investments comprise the Company's investments in subsidiary undertakings.

Subsidiary undertaking	Activity	Country of registration and incorporation	% of ordinary shares held
Ornel Restaurants Limited	Restaurateur	England and Wales	100%
Café Rouge Limited*	Dormant	England and Wales	100%
Ortega Restaurants Limited	Restaurateur	England and Wales	100%
Handymunster 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	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.

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 2 June 2013

9 DEBTORS

	2 June 2013 £'000	27 May 2012 £'000
Trade debtors	2,638	1 674
Amounts owed by group undertakings	182,572	174 096
Corporation tax recoverable	642	103
Other debtors	224	226
Prepayments and accrued income	1,967	1 961
	188,043	178 060

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

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2 June 2013 £'000	27 May 2012 £'000
Trade creditors	17,244	17 889
Amounts owed to group undertakings	121,550	111 426
Taxation and social security	8,762	9,212
Other creditors	3,477	3 448
Accruals and deferred income	8,431	7 330
	159,464	149 305

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

11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2 June 2013 £'000	27 May 2012 £'000
Accruals and deferred income	145	-

12 PROVISIONS FOR LIABILITIES

	Deferred taxation £'000	Other £'000	Total £'000
At 27 May 2012	147	6 024	6,171
Charge for the period (note 3 and note 6)	500	1 610	2 110
Release in the period	-	(803)	(803)
Utilised in the period	-	(1,276)	(1 276)
At 2 June 2013	647	5,555	6,202

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

	2 June 2013 £'000	27 May 2012 £'000
Capital allowances in excess of depreciation	647	147

13 CALLED UP SHARE CAPITAL

	Authorised 2 June 2013 £'000	27 May 2012 £'000
489,725 000 (2012 489 725 000) Ordinary shares of 20p each	97,945	97,945
	Allotted, called up and fully paid	
	2 June 2013 £'000	27 May 2012 £'000
13 545 000 (2012 13,545,000) Ordinary shares of 20p each	2,709	2 709

CAFE ROUGE RESTAURANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 2 June 2013

14 STATEMENT OF MOVEMENTS IN RESERVES

	Special reserve £'000	Profit and loss account £'000	Total £'000
At 27 May 2012	2 626	64 080	66,706
Profit for the financial period	-	5 433	5 433
At 2 June 2013	<u>2,626</u>	<u>69,513</u>	<u>72,139</u>

Included in the profit and loss account is a non-distributable reserve of £3 687 000 (2012 £3 687 000) arising from the sale of restaurants to fellow group subsidiaries in prior periods

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2 June 2013 £'000	27 May 2012 £'000
Shareholders' funds at beginning of period	69,415	61 900
Profit for the financial period	<u>5,433</u>	<u>7 515</u>
Shareholders' funds at end of period	<u>74,848</u>	<u>69,415</u>

16 LEASE COMMITMENTS

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

	2 June 2013 £'000	27 May 2012 £'000
Within one year	781	560
Within two to five years	2,333	2,171
After five years	<u>11,629</u>	<u>11 452</u>
	<u>14,743</u>	<u>14 183</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 period-end.

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 £27 000 (2012 £31 000). There were outstanding contributions at the end of the financial period of £40 000 (2012 £34,000) which are included in other creditors in note 10.

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.

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 2 June 2013

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 Bidco 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.