

Registration number: 00425057

Cafe Rouge Restaurants Limited

Annual Report and Financial Statements

for the 52 weeks ended 31 May 2015

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Cafe Rouge Restaurants Limited

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**Cafe Rouge Restaurants Limited
Company Information**

Directors	S Richards T Doubleday
Registered office	1st Floor 163 Eversholt Street London NW1 1BU
Solicitors	Taylor Wessing 5 New Street Square London EC4A 3TW
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP
Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Cafe Rouge Restaurants Limited

Strategic Report for the 52 week period ended 31 May 2015

Business Review

Summary

The principal activity of Cafe Rouge Restaurants Limited ('the Company') is that of operating restaurants. There has been no change in this activity during the period.

Key Results

The results for the Company for the 52 week period ended 31 May 2015 show a loss on ordinary activities after tax of £3,523,000 (2014: £663,000).

Exceptional costs

There were exceptional costs recognised by the Company in 2015 of £3,021,000 (2014: £8,775,000). These items were outside the normal operations of the Company and related to the movement in onerous contract provisions, brand developments, fixed asset impairment and reorganisation of the wider Casual Dining Group of companies.

Principal risks and uncertainties

From the perspective of the Company, its principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The principal risks and uncertainties of the Group are disclosed in Casual Dining Bidco Limited's (formerly Tragus Bidco Limited) consolidated financial statements which does not form part of this report.

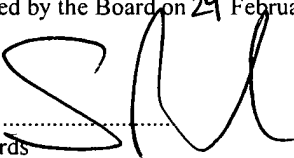
Future Operational Growth

From the perspective of the Company, its future operational growth is integrated with the future operational growth of the Group and is not managed separately. The future operational growth of the Group is disclosed in Casual Dining Bidco Limited's consolidated financial statements which does not form part of this report.

Key Performance Indicators

The Directors of Casual Dining Bidco 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 is discussed within the Strategic and Directors' Reports of Casual Dining Bidco Limited's consolidated financial statements which does not form part of this report.

Approved by the Board on ²⁹ February 2016 and signed on its behalf by:


.....
S Richards
Director

Cafe Rouge Restaurants Limited

Directors' Report for the 52 week period ended 31 May 2015

The Directors present their annual report and the audited financial statements financial statements of ('the Company') for the 52 week period ended 31 May 2015. The comparatives are for the 52 week period ended 1 June 2014.

Directors of the company

The directors who held office during the period were as follows:

S Richards

T Doubleday (appointed 4 July 2014)

M Mansigani (resigned 31 July 2014)

Results and dividends

The results for the Company for the 52 week period ended 31 May 2015 are presented in the profit and loss account on page 7.

The Directors do not propose the payment of a dividend (2014: £nil).

Review of developments and future prospects

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

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 the Group, which include those of the Company, are disclosed in Casual Dining Bidco Limited's consolidated financial statements which does not form part of this report.

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.

Going concern

The financial statements are prepared on a going concern basis.

Cafe Rouge Restaurants Limited
Directors' Report for the 52 week period ended 31 May 2015

Statement of directors responsibilities

The Directors are responsible for preparing the Strategic Report, 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 elected to prepare 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping 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.


Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The auditors PricewaterhouseCoopers LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on ²⁹ February 2016 and signed on its behalf by:


.....
S Richards
Director

Independent auditors' report to the members of Cafe Rouge Restaurants Limited

Report on the financial statements

Our opinion

In our opinion, Cafe Rouge Restaurants Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 May 2015 and of its loss for the 52 week period (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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 May 2015;
- the profit and loss account for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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) ("ISAs (UK & 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 parent 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Rachel Savage (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

29 February 2016

Cafe Rouge Restaurants Limited
Profit and Loss Account for the 52 weeks ended 31 May 2015

	Continuing Operations		Exceptional items		Total		Continuing Operations		Exceptional items		Total	
	52 weeks ended	31 May 2015	52 weeks ended	31 May 2015	52 weeks ended	31 May 2015	52 weeks ended	1 June 2014	52 weeks ended	1 June 2014	52 weeks ended	1 June 2014
	£ 000	Note	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000
Turnover	93,520		-		93,520		116,691		-		116,691	
Cost of sales	<u>(85,276)</u>		-		<u>(85,276)</u>		<u>(103,669)</u>		-		<u>(103,669)</u>	
Gross profit	8,244		-		8,244		13,022		-		13,022	
Administration expenses	<u>(6,610)</u>		<u>(3,021)</u>		<u>(9,631)</u>		<u>(7,065)</u>		<u>(8,775)</u>		<u>(15,840)</u>	
Operating profit/(loss)	1,634	2	(3,021)		(1,387)		5,957		(8,775)		(2,818)	
(Loss)/profit on disposal of fixed assets	(1,699)		-		(1,699)		58		-		58	
Interest payable and similar charges	<u>(53)</u>	7	-		<u>(53)</u>		-		-		-	
(Loss)/profit on ordinary activities before taxation	(118)		(3,021)		(3,139)		6,015		(8,775)		(2,760)	
Tax on loss on ordinary activities	<u>(384)</u>	8	-		<u>(384)</u>		<u>2,097</u>		-		<u>2,097</u>	
(Loss)/profit for the financial period	<u>(502)</u>	17	<u>(3,021)</u>		<u>(3,523)</u>		<u>8,112</u>		<u>(8,775)</u>		<u>(663)</u>	

Turnover and operating loss derive wholly from continuing operations.

The Company has no recognised gains or losses for the period other than the results above.

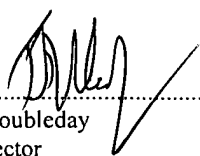
There is no difference between the loss on ordinary activities before taxation and the loss for the financial periods stated above and their historic cost equivalents.

The notes on pages 9 to 21 form an integral part of these financial statements.

Cafe Rouge Restaurants Limited
(Registration number: 00425057)
Balance Sheet as at 31 May 2015

	Note	31 May 2015 £ 000	1 June 2014 £ 000
Fixed assets			
Tangible assets	9	37,179	38,676
Investments	10	<u>7,287</u>	<u>7,287</u>
		<u>44,466</u>	<u>45,963</u>
Current assets			
Stocks		712	862
Debtors	11	53,102	66,505
Cash in hand		<u>9</u>	<u>15</u>
		53,823	67,382
Creditors: Amounts falling due within one year	12	<u>(26,646)</u>	<u>(33,272)</u>
Net current assets		<u>27,177</u>	<u>34,110</u>
Total assets less current liabilities		71,643	80,073
Creditors: Amounts falling due after more than one year	13	(87)	(75)
Provisions for liabilities	15	<u>(894)</u>	<u>(5,813)</u>
Net assets		<u>70,662</u>	<u>74,185</u>
Capital and reserves			
Called up share capital	16	2,709	2,709
Other reserves	17	2,626	2,626
Profit and loss account	17	<u>65,327</u>	<u>68,850</u>
Shareholders' funds	18	<u>70,662</u>	<u>74,185</u>

These financial statements on pages 7 to 21 were approved by the Board of Directors and authorised for issue on 29 February 2016 and signed on its behalf by:



 T Doubleday
 Director

The notes on pages 9 to 21 form an integral part of these financial statements.

Cafe Rouge Restaurants Limited
Notes to the Financial Statements
52 weeks ended 31 May 2015

1 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the Companies Act 2006 and applications accounting standards in the United Kingdom (UK GAAP). The financial statements are prepared on the going concern basis and under the historical cost convention.

Cash flow statement

The company is a wholly owned subsidiary of Casual Dining Bidco Limited (formerly Tragus Bidco Limited). The cash flows of the company are included in the consolidated cash flow statement of Casual Dining Bidco 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.

Exemption from preparing Group accounts

The company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 and has not prepared group accounts. Casual Dining Bidco Limited is registered in England and Wales and has drawn up consolidated financial statements to the period ending 31 May 2015, which include the company.

Turnover

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

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.

Asset class

Depreciation method and rate

Leasehold improvements

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

Over 4 to 25 years

Impairment of fixed assets

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.

Cafe Rouge Restaurants Limited
Notes to the Financial Statements
52 weeks ended 31 May 2015

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.

Stock

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

Provisions

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.

Deferred tax

Taxation is provided on the profits of the period together with deferred taxation. Deferred taxation is recognised in respect of all timing differences that have originated but not yet 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. Provision for deferred taxation is 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.

Leases

Rental payments in respect of operating leases are charged straight line 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.

Exceptional items

Costs incurred in the period which are classified as exceptional in the notes and on the face of the profit and loss account are those which are material in nature and derive from events or transactions that do not fall within the ordinary activities of the company and which are individually, or in aggregate, of such size or incidence to require specific disclosure.

Cafe Rouge Restaurants Limited
Notes to the Financial Statements
52 weeks ended 31 May 2015

Pensions

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 the notes represents contributions payable by the company to the fund. The company will continue to contribute to this fund in future accounting periods.

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 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.

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.

2 Operating profit / loss

Operating loss is stated after charging/(crediting):

	2 June 2014 to 31 May 2015 £ 000	3 June 2013 to 1 June 2014 £ 000
Operating leases - land and buildings	11,362	14,908
Depreciation of owned assets	6,763	7,034
Audit of the financial statements	<u>13</u>	<u>13</u>

Cafe Rouge Restaurants Limited
Notes to the Financial Statements
52 weeks ended 31 May 2015

3 Auditor's remuneration

	2 June 2014 to 31 May 2015 £ 000	3 June 2013 to 1 June 2014 £ 000
Audit of the financial statements	<u>13</u>	<u>13</u>
Fees payable to the company's auditor for other services:		
Tax services	7	14
Other services	<u>4</u>	<u>4</u>
	<u>11</u>	<u>18</u>

4 Exceptional items

	2 June 2014 to 31 May 2015 £ 000	3 June 2013 to 1 June 2014 £ 000
Net (decrease) / increase in onerous contract provision	(4,462)	1,781
Impairment of tangible fixed assets	1,114	3,979
Reorganisation costs	4,489	2,893
Brand development costs	<u>1,880</u>	<u>122</u>
	<u>3,021</u>	<u>8,775</u>

The tax effect in the profit and loss account relating to the exceptional items recognised below operating profit is £398,000 (2014 - £1,087,000).

An impairment review was conducted across the Company and highlighted sites which management consider to have onerous fixed cost obligations, for which a net provision of £4,462,000 has been released (2014 - £1,781,000 charged). Fixed assets of £1,114,000 have also been impaired (2014 - £3,979,000).

During the period the Company continued the fundamental reorganisation of the business, begun in the prior financial period, incurring costs of £4,489,000 (2014 - £2,893,000).

Brand development costs relate to costs incurred in the fundamental restructuring of the brand during the period of £1,880,000 (2014: £122,000). 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
52 weeks ended 31 May 2015

5 Particulars of employees

The monthly average number of persons employed by the Company (including directors) during the period, analysed by category was as follows:

	2 June 2014 to 31 May 2015 No.	3 June 2013 to 1 June 2014 No.
Restaurant staff	2,251	2,822
Directors	<u>2</u>	<u>2</u>
	<u><u>2,253</u></u>	<u><u>2,824</u></u>

The aggregate payroll costs were as follows:

	2 June 2014 to 31 May 2015 £ 000	3 June 2013 to 1 June 2014 £ 000
Wages and salaries	28,138	34,340
Social security costs	1,769	2,125
Other pension schemes	<u>175</u>	<u>195</u>
	<u><u>30,082</u></u>	<u><u>36,660</u></u>

6 Directors' remuneration

The remuneration of the Directors is borne by a fellow Group company and is recharged to the Company as part of a management charge. This management charge also includes administrative costs borne by the fellow Group company and is not possible to identify separately the amount of Directors remuneration included in that recharge.

7 Interest payable and similar charges

	2 June 2014 to 31 May 2015 £ 000	3 June 2013 to 1 June 2014 £ 000
Other interest payable	<u>53</u>	<u>-</u>

Cafe Rouge Restaurants Limited
Notes to the Financial Statements
52 weeks ended 31 May 2015

8 Taxation

Tax on loss on ordinary activities

	2 June 2014 to 31 May 2015 £ 000	3 June 2013 to 1 June 2014 £ 000
Current tax		
Corporation tax charge	12	-
Deferred tax		
Origination and reversal of timing differences	788	(1,780)
Deferred tax adjustment relating to previous periods	170	(286)
Effect of changes in tax rates	<u>(586)</u>	<u>(31)</u>
Total deferred tax	<u>372</u>	<u>(2,097)</u>
Total tax on loss on ordinary activities	<u><u>384</u></u>	<u><u>(2,097)</u></u>

Factors affecting current tax charge for the year

The tax on loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK (2014 - higher than the standard rate of corporation tax in the UK) of 20.84% (2014 - 22.66%).

The differences are reconciled below:

	2 June 2014 to 31 May 2015 £ 000	3 June 2013 to 1 June 2014 £ 000
Loss on ordinary activities before tax	<u>(3,139)</u>	<u>(2,760)</u>
Corporation tax at standard rate	(654)	(625)
Depreciation in excess of capital allowances	2,031	1,594
Expenses not deductible for tax purposes	31	38
Fixed asset impairment	232	902
Loss on disposal of fixed assets	25	28
Group relief claimed for nil consideration	(1,645)	(1,923)
Lease premium relief	<u>(8)</u>	<u>(14)</u>
Total current tax	<u><u>12</u></u>	<u><u>-</u></u>

Cafe Rouge Restaurants Limited
Notes to the Financial Statements
52 weeks ended 31 May 2015

Factors that may affect future tax charges

The Company has an unrecognised deferred tax asset in respect of fixed assets temporary differences of £2,346,000 (2014 - £Nil) due to it not being sufficiently probable that it will be utilised in the near future.

The UK corporation tax rate will be 20% from 1 April 2015 and this has been reflected in the accounts. Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements. Deferred tax has therefore been provided for at 20% (2014 - 21%) and the pro-rated corporation tax rate for the period is 20.84% (2014 - 22.66%).

9 Tangible fixed assets

	Long leasehold land and buildings £ 000	Fixtures and fittings £ 000	Total £ 000
Cost			
At 2 June 2014	40,191	75,647	115,838
Additions	225	12,827	13,052
Disposals	(12,665)	(16,640)	(29,305)
At 31 May 2015	<u>27,751</u>	<u>71,834</u>	<u>99,585</u>
Depreciation			
At 2 June 2014	22,887	54,275	77,162
Charge for the period	915	5,848	6,763
Disposals	(8,138)	(14,495)	(22,633)
Impairment	590	524	1,114
At 31 May 2015	<u>16,254</u>	<u>46,152</u>	<u>62,406</u>
Net book value			
At 31 May 2015	<u>11,497</u>	<u>25,682</u>	<u>37,179</u>
At 1 June 2014	<u>17,304</u>	<u>21,372</u>	<u>38,676</u>

Cafe Rouge Restaurants Limited
Notes to the Financial Statements
52 weeks ended 31 May 2015

10 Investments held as fixed assets

	31 May 2015 £ 000	1 June 2014 £ 000
Shares in group undertakings and participating interests	<u>7,287</u>	<u>7,287</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
Oriel Restaurants Limited	England and Wales	Ordinary shares	100%	Restaurateur
Cafe Rouge Limited *	England and Wales	Ordinary shares	100%	Dormant
Ortega Restaurants Limited	England and Wales	Ordinary shares	100%	Restaurateur
Espresso UK Limited (formerly Handyminster Limited)	England and Wales	Ordinary shares	100%	Non-trading
Espresso Limited (formerly Heathgate Restaurants Limited)	England and Wales	Ordinary shares	98%	Restaurateur
Ortega Bars Limited	England and Wales	Ordinary shares	100%	Restaurateur
Mamma Amalfi Restaurants Limited #	England and Wales	Ordinary shares	100%	Restaurateur
Huxleys Bar & Restaurant Limited	England and Wales	Ordinary shares	100%	Restaurateur

* 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
52 weeks ended 31 May 2015

11 Debtors

	31 May 2015	1 June 2014
	£ 000	£ 000
Trade debtors	1,781	3,168
Amounts owed by group undertakings	48,873	59,765
Other debtors	190	345
Deferred tax	1,077	1,450
Prepayments and accrued income	1,181	1,777
	<u>53,102</u>	<u>66,505</u>

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

Deferred tax

The movement in the deferred tax asset in the period is as follows:

	Deferred tax
	£ 000
At 2 June 2014	1,450
Charged to the profit and loss account	(958)
Adjustment in respect of prior periods	<u>585</u>
At 31 May 2015	<u>1,077</u>

Analysis of deferred tax

	31 May 2015	1 June 2014
	£ 000	£ 000
Difference between accumulated depreciation and capital allowances	<u>1,077</u>	<u>1,450</u>

Cafe Rouge Restaurants Limited
Notes to the Financial Statements
52 weeks ended 31 May 2015

12 Creditors: Amounts falling due within one year

	31 May 2015 £ 000	1 June 2014 £ 000
Trade creditors	14,221	13,715
Other taxes and social security	2,553	8,653
Other creditors	2,648	3,491
Accruals and deferred income	7,224	7,413
	<u>26,646</u>	<u>33,272</u>

13 Creditors: Amounts falling due after more than one year

	31 May 2015 £ 000	1 June 2014 £ 000
Accruals and deferred income	<u>87</u>	<u>75</u>

Cafe Rouge Restaurants Limited
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14 Obligations under leases

Operating lease commitments

As at 31 May 2015 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	31 May 2015 £ 000	1 June 2014 £ 000
Land and buildings		
Within one year	111	868
Within two to five years	2,249	2,540
Over five years	<u>6,842</u>	<u>11,772</u>
	<u><u>9,202</u></u>	<u><u>15,180</u></u>

The financial commitments for operating lease amount 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.

15 Provisions for liabilities

	Onerous Contracts £ 000
At 2 June 2014	5,813
Utilised during the period	(456)
Additions in the period	939
Released in the period	<u>(5,402)</u>
At 31 May 2015	<u><u>894</u></u>

The Company's provisions relate primarily to the future cost of leasehold properties, which 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.

Of the £5,402,000 release in the period, £5,399,000 was released due to disposed sites following the Company Voluntary Arrangement ('CVA'). Of the £939,000 additions in the period, £580,000 related to CVA sites with £543,000 due to ongoing liabilities in regards to disposed sites as part of the conclusion of the CVA.

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16 Share capital

Authorised share capital		31 May 2015	1 June 2014	
		£ 000	£ 000	
489,725,000 (2014 - 489,725,000) Ordinary shares of £0.20 each		97,945	97,945	
Allotted, called up and fully paid shares				
	31 May 2015		1 June 2014	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.20 each	13,547	2,709	13,547	2,709

17 Reserves

	Special reserve	Profit and loss	Total
	£ 000	account	£ 000
		£ 000	
At 2 June 2014	2,626	68,850	71,476
Loss for the period	-	(3,523)	(3,523)
At 31 May 2015	2,626	65,327	67,953

Included in the profit and loss account is a non-distributable reserve of £3,687,000 (2014: £3,687,000) arising from the sale of restaurants to fellow group subsidiaries in prior periods.

18 Reconciliation of movement in shareholders' funds

	31 May 2015	1 June 2014
	£ 000	£ 000
Loss attributable to the members of the company	(3,523)	(663)
Shareholders' funds at start of period	74,185	74,848
Shareholders' funds at end of period	70,662	74,185

19 Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £175,352 (2014 - £194,797).

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20 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.

21 Related party transactions

The Company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the Group.

22 Ultimate controlling party

Casual Dining Bidco Limited (formerly Tragus Bidco Limited), registered in England and Wales, together with its subsidiaries form the smallest group of which the company is a member and for which group financial statements are drawn up. Casual Dining Group Limited (formerly Tragus Topco Limited), registered in England and Wales, together with its subsidiaries form the largest group of which the company is a member and for which group financial statements are drawn up. For both consolidations, copies of these financial statements can be obtained from 1st Floor, 163 Eversholt Street, London, NW1 1BU, United Kingdom.

The Company considers Casual Dining Group S.C.A. (formerly Tragus Lux Holdings S.C.A.), a partnership company incorporated in Luxembourg and managed by Casual Dining Group GP S.A. (formerly Tragus Lux Holdings GP S.A.), a company incorporated in Luxembourg, as the ultimate parent undertaking, through its ownership of 100% of the share capital of Casual Dining Group Limited (formerly Tragus Topco Limited). The Company considers Apollo Global Management, LLC, through its managed funds, to be its ultimate controlling party.