

**BELLA ITALIA RESTAURANTS
LIMITED
(formerly Brightreasons Restaurants
Limited)**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Year ended 28 May 2006

Registered number: 964194



BELLA ITALIA RESTAURANTS LIMITED
(FORMERLY BRIGHTREASONS RESTAURANTS LIMITED)

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BELLA ITALIA RESTAURANTS LIMITED
(FORMERLY BRIGHTREASONS RESTAURANTS LIMITED)

COMPANY INFORMATION

DIRECTORS:	G Turner M Mansigani J Parsons
SECRETARY:	M Mansigani
AUDITORS:	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
REGISTERED OFFICE:	1st Floor 163 Eversholt Street London NW1 1BU
REGISTERED NUMBER:	964194

DIRECTORS' REPORT

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

Principal activity

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

Results and dividends

The profit after tax for the year amounted to £4,238,000 (2005: £1,471,000). The directors do not propose the payment of a dividend (2005: £nil).

Review of developments and future prospects

On 16 May 2006 the company changed its name to Bella Italia Restaurants Limited.

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

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

Principal risks and uncertainties

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

Key Performance Indicators

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

Directors and their interests

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

G Turner
M Mansigani
J Parsons

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

Employee involvement

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

Employment of disabled persons

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

BELLA ITALIA RESTAURANTS LIMITED
(FORMERLY BRIGHTREASONS RESTAURANTS LIMITED)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Provision of information to auditors

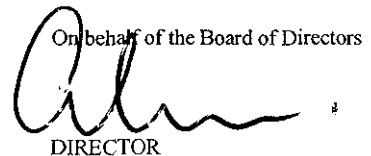
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all of the steps that ought to have been taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditors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

Auditors

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

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

On behalf of the Board of Directors



DIRECTOR

7th September 2006

1st Floor
163 Eversholt Street
LONDON NW1 1BU

BELLA ITALIA RESTAURANTS LIMITED
(FORMERLY BRIGHTREASONS RESTAURANTS LIMITED)

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BELLA
ITALIA RESTAURANTS LIMITED**

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

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 28 May 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH

11th September 2006

BELLA ITALIA RESTAURANTS LIMITED
(FORMERLY BRIGHTREASONS RESTAURANTS LIMITED)

PROFIT AND LOSS ACCOUNT

Year ended 28 May 2006

		Before exceptional items	Exceptional items	Total	Before exceptional items	Exceptional items	Total
	Notes	Year ended 28 May 2006	Year ended 28 May 2006 (note 3)	Year ended 28 May 2006	Year ended 29 May 2005	Year ended 29 May 2005 (note 3)	Year ended 29 May 2005
		£'000	£'000	£'000	£'000	£'000	£'000
TURNOVER		47,887	-	47,887	44,669	-	44,669
Cost of sales		<u>(10,672)</u>	<u>-</u>	<u>(10,672)</u>	<u>(10,277)</u>	<u>-</u>	<u>(10,277)</u>
GROSS PROFIT		37,215	-	37,215	34,392	-	34,392
Administrative expenses		<u>(31,734)</u>	<u>(960)</u>	<u>(32,694)</u>	<u>(30,238)</u>	<u>(578)</u>	<u>(30,816)</u>
OPERATING PROFIT	2,4	5,481	(960)	4,521	4,154	(578)	3,576
Amounts written off investments		-	(204)	(204)	-	-	-
Profit on disposal of fixed assets		<u>-</u>	<u>146</u>	<u>146</u>	<u>-</u>	<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		5,481	(1,018)	4,463	4,154	(578)	3,576
Interest payable and similar charges	5	<u>(5)</u>	<u>-</u>	<u>(5)</u>	<u>(1,618)</u>	<u>-</u>	<u>(1,618)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,476	(1,018)	4,458	2,536	(578)	1,958
Taxation on ordinary activities	6	<u>-</u>	<u>-</u>	<u>(220)</u>	<u>-</u>	<u>-</u>	<u>(487)</u>
RETAINED PROFIT FOR THE YEAR	13			<u>4,238</u>			<u>1,471</u>

There were no recognised gains or losses other than those reported above, which relate entirely to continuing activities.

BELLA ITALIA RESTAURANTS
(FORMERLY BRIGHTREASONS RESTAURANTS LIMITED)

BALANCE SHEET

As at 28 May 2006

	Notes	28 May 2006 £'000	29 May 2005 £'000
FIXED ASSETS			
Tangible fixed assets	7	10,205	9,448
Investments	8	-	204
		<u>10,205</u>	<u>9,652</u>
CURRENT ASSETS			
Stock - finished goods and goods for resale		251	279
Debtors - amounts falling due within one year	9	25,268	25,496
		<u>25,519</u>	<u>25,775</u>
CREDITORS - amounts falling due within one year	10	<u>(24,153)</u>	<u>(28,642)</u>
NET CURRENT LIABILITIES		<u>1,366</u>	<u>(2,867)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,571	6,785
PROVISIONS FOR LIABILITIES AND CHARGES	11	<u>(1,582)</u>	<u>(1,034)</u>
NET ASSETS		<u><u>9,989</u></u>	<u><u>5,751</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	111	111
Special reserve	13	1,476	1,476
Profit and loss account	13	<u>8,402</u>	<u>4,164</u>
EQUITY SHAREHOLDERS' FUNDS	14	<u><u>9,989</u></u>	<u><u>5,751</u></u>

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

U. Haney

Director

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

1. ACCOUNTING POLICIES

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

Accounting convention

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

Turnover

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

Leases

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

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

Pension costs

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

Pre-opening costs

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

Tangible fixed assets

The cost of fixed assets is their purchase price, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost or valuation of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

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

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

Investments

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

Stocks

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

Vacant properties

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

BELLA ITALIA RESTAURANTS LIMITED
(FORMERLY BRIGHTREASONS RESTAURANTS LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

1. ACCOUNTING POLICIES (continued)

Deferred taxation

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

Cash flow

As permitted by Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated accounts.

2. OPERATING PROFIT

	Year ended 28 May 2006 £'000	Year ended 29 May 2005 £'000
Operating profit is stated after charging		
Depreciation of fixed assets	1,495	1,256
Impairment of fixed assets	243	-
Rentals under operating leases:		
Land and buildings	5,899	5,872
Plant and machinery	34	34
	<u>1,495</u>	<u>1,256</u>

Audit fees are borne by Tragus Holdings Limited.

3. EXCEPTIONAL ITEMS

	Year ended 28 May 2006 £'000	Year ended 29 May 2005 £'000
Impairment of investment	204	-
Fixed asset impairment and onerous contract expense	960	578
Profit on disposal of fixed assets	(146)	-
	<u>1,018</u>	<u>578</u>

Following its acquisition on 25 May 2006, Bella Italia Restaurants Limited's new management team reviewed the performance of its operating units. Restaurants which were loss making at EBITDA level where management considered these restaurants were unlikely to recover to profitability were treated as onerous contracts and as such provisions were made against certain future lease payments and fixed assets were impaired. The same review took place following the acquisition on 17 January 2005.

The carrying value of investments have been written down to their recoverable amounts.

4. STAFF COSTS

	Year ended 28 May 2006 Number	Year ended 29 May 2005 Number
The average number of persons employed by the company in their restaurants during the year was:		
Restaurant staff	<u>1,377</u>	<u>1,389</u>

BELLA ITALIA RESTAURANTS LIMITED
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NOTES TO THE ACCOUNTS

Year ended 28 May 2006

4. STAFF COSTS (continued)

	Year ended 28 May 2006 £'000	Year ended 29 May 2005 £'000
Staff costs incurred during the year in respect of these employees were:		
Wages and salaries	12,920	12,318
Social security costs	863	871
Pension costs	(80)	55
	<u>13,703</u>	<u>13,244</u>

The credit in pension costs was due to a repayment of surplus funds relating to a scheme where maximum pension had been achieved. None of the directors received any remuneration in respect of their services for the company during the year.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 28 May 2006 £'000	Year ended 29 May 2005 £'000
Interest payable to group companies	-	1,618
Other interest payable	5	-
	<u>5</u>	<u>1,618</u>

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

BELLA ITALIA RESTAURANTS LIMITED
(FORMERLY BRIGHTREASONS RESTAURANTS LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

6. TAXATION

	Year ended 28 May 2006 £'000	Year ended 29 May 2005 £'000
Current taxation on profits for the year		
UK corporation tax	82	(13)
Total current taxation	<u>82</u>	<u>(13)</u>
Deferred tax		
Timing differences	261	505
Prior year	(123)	(5)
Total deferred taxation	<u>138</u>	<u>500</u>
Total taxation charge	<u>220</u>	<u>487</u>
Factors affecting the tax charge for the year		
Profit before tax	<u>4,458</u>	<u>1,958</u>
Tax at current UK corporation tax rate of 30% (2005: 30%)	1,337	587
Effect of:		
Capital allowances in excess of depreciation	(259)	(309)
Capital gain	-	114
Expenses not deductible for tax purposes	-	56
Group relief received	(1,086)	(242)
Losses utilised	-	(282)
Fixed asset write off	73	-
Impairment of investments	61	-
Loss on disposal of assets	(44)	-
Profit on sale of fixed assets to group companies	-	76
Credit relating to prior year	-	(16)
Overseas taxation	-	3
Current tax charge for the year	<u>82</u>	<u>(13)</u>

The tax effect of the exceptional items during the year is £332,000 (2005: credit of £89,000).

BELLA ITALIA RESTAURANTS LIMITED
(FORMERLY BRIGHTREASONS RESTAURANTS LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

7. TANGIBLE FIXED ASSETS

	Land & buildings £'000	Furniture, fixtures & equipment £'000	Total £'000
<u>Cost</u>			
At 29 May 2005	23,476	16,241	39,717
Additions	729	2,165	2,894
Disposals	(521)	(751)	(1,272)
	<u>23,684</u>	<u>17,655</u>	<u>41,339</u>
<u>At 28 May 2006</u>			
	<u>23,684</u>	<u>17,655</u>	<u>41,339</u>
<u>Accumulated depreciation</u>			
At 29 May 2005	(18,110)	(12,159)	(30,269)
Charge for the year	(617)	(878)	(1,495)
Disposals	314	559	873
Impairment	(91)	(152)	(243)
	<u>(18,504)</u>	<u>(12,630)</u>	<u>(31,134)</u>
<u>At 28 May 2006</u>			
	<u>(18,504)</u>	<u>(12,630)</u>	<u>(31,134)</u>
<u>Net book value</u>			
At 28 May 2006	<u>5,180</u>	<u>5,025</u>	<u>10,205</u>
At 29 May 2005	<u>5,366</u>	<u>4,082</u>	<u>9,448</u>

8. INVESTMENTS

	Shares in subsidiary undertakings £'000
<u>Cost</u>	
At 29 May 2005 and at 28 May 2006	<u>204</u>
<u>Impairment</u>	
At 29 May 2005	-
Charge for the year	(204)
At 28 May 2006	<u>(204)</u>
<u>Net Book Value</u>	
At 28 May 2006	<u>-</u>
At 29 May 2005	<u>204</u>

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

Subsidiary undertaking	Activity	Country of registration and incorporation	% of ordinary shares held
UB Restaurants (C.I.) Limited	Dormant	Jersey	100%
Associated Restaurants (Overseas) Limited	Dormant	Jersey	100%
Pizzaland Limited	Dormant	England and Wales	100%
Bella Pasta Restaurants Limited	Dormant	England and Wales	50%
Prima Pasta Limited	Dormant	England and Wales	100%
The Pizza Gallery Limited	Dormant	England and Wales	99%
Ampleflow Limited	Dormant	England and Wales	100%

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

BELLA ITALIA RESTAURANTS LIMITED
(FORMERLY BRIGHTREASONS RESTAURANTS LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

9. DEBTORS

	28 May 2006 £'000	29 May 2005 £'000
Trade debtors	78	95
Amounts owed by group and parent undertakings	24,206	24,206
Prepayments and accrued income	807	770
Other debtors	15	125
Deferred tax asset	162	300
	<u>25,268</u>	<u>25,496</u>

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

The deferred tax asset includes £90,000 (2005: £56,000) due after more than one year.

	Deferred tax £'000
At 29 May 2005	300
Charge for the year	<u>(138)</u>
At 28 May 2006	<u>162</u>

The amounts provided for deferred taxation are set out below:

	Provided 28 May 2006 £'000	Provided 29 May 2005 £'000
Depreciation in excess of capital allowances	162	300
Tax losses	<u>-</u>	<u>-</u>
	<u>162</u>	<u>300</u>

Deferred tax assets have been recognised to the extent that the directors consider it is more likely than not that they will be recovered. In performing this assessment, the directors have considered the period over which the assets are expected to crystallise.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 May 2006 £'000	29 May 2005 £'000
Amounts owed to group undertakings	20,843	26,134
Other creditors	374	303
Accruals and deferred income	2,936	2,205
	<u>24,153</u>	<u>28,642</u>

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

BELLA ITALIA RESTAURANTS LIMITED
(FORMERLY BRIGHTREASONS RESTAURANTS LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Total £'000
At 29 May 2005	1,034
Increase in provision	717
Utilised	<u>(169)</u>
At 28 May 2006	<u>1,582</u>

Provisions for liabilities and charges relate primarily to the future cost of vacant leasehold properties which have ceased to be used for a business purpose.

12. SHARE CAPITAL

	<u>Authorised</u>	
	28 May 2006 £'000	29 May 2005 £'000
25,000,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
	<u>Alotted, called up and fully paid</u>	
	28 May 2006 £'000	29 May 2005 £'000
111,000 Ordinary shares of £1 each	<u>111</u>	<u>111</u>

13. STATEMENT OF MOVEMENTS ON RESERVES

	Special reserve £'000	Profit and loss account £'000	Total £'000
At 29 May 2005	1,476	4,164	5,640
Profit retained for the year	<u>-</u>	<u>4,238</u>	<u>4,238</u>
At 28 May 2006	<u>1,476</u>	<u>8,402</u>	<u>9,878</u>

BELLA ITALIA RESTAURANTS LIMITED
(FORMERLY BRIGHTREASONS RESTAURANTS LIMITED)

NOTES TO THE ACCOUNTS

Year ended 28 May 2006

14. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	28 May 2006 £'000	29 May 2005 £'000
Shareholders' funds at beginning of year	5,751	4,280
Profit for the year	<u>4,238</u>	<u>1,471</u>
Shareholders' funds at end of year	<u>9,989</u>	<u>5,751</u>

15. LEASE COMMITMENTS

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

	28 May 2006 £'000	29 May 2005 £'000
Within one year	422	279
Between two and five years	1,752	1,096
After five years	<u>4,114</u>	<u>5,019</u>
	<u>6,288</u>	<u>6,394</u>

16. 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 credited to the profit and loss account includes a repayment of £128,139 in relation to a closed scheme and the contributions payable in respect of the accounting period of £47,908 which amounted to net income of £80,231 (2005: £54,602 cost). There were no outstanding contributions at the end of the financial year (2005: £nil).

17. RELATED PARTIES

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

18. PARENT UNDERTAKING

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