

BRIGHTREASONS GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

Year Ended 29 May 2005

Registered number: 2521829



BRIGHTREASONS GROUP LIMITED

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BRIGHTREASONS GROUP LIMITED

COMPANY INFORMATION

DIRECTORS: M Mansigani (Appointed 14 July 2004)
G Turner (Appointed 17 January 2005)
J Parsons (Appointed 17 January 2005)
H M C Morley (Resigned 17 January 2005)
G L Williams (Resigned 17 January 2005)
F Scott (Resigned 17 January 2005)

SECRETARY: M Mansigani (Appointed 17 January 2005)
H M C Morley (Resigned 17 January 2005)

AUDITORS: KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD

REGISTERED OFFICE: 1st Floor
163 Eversholt Street
London
NW1 1BU

REGISTERED NUMBER: 2521829

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 29 May 2005.

Principal activity

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

Results and dividends

The profit after tax for the year amounted to £nil (year ended 30 May 2004 : £nil). The directors do not recommend the payment of a dividend.

Review of developments and future prospects

On 17 January 2005 the entire share capital of the existing ultimate parent undertaking, Tragus Holdings Limited, was purchased by Tragus Group Holdings Limited.

The company will continue to be a holding company for the foreseeable future.

Directors and their interests

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

G Turner (Appointed 17 January 2005)
M Mansigani (Appointed 14 July 2004)
J Parsons (Appointed 17 January 2005)
H M C Morley (Resigned 17 January 2005)
G L Williams (Resigned 17 January 2005)
F Scott (Resigned 17 January 2005)

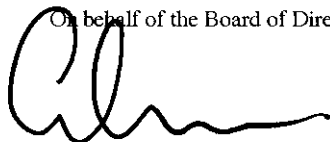
None of the directors who held office at the end of the year had any interests in the share capital of the company or subsidiary companies. The interests of the directors in the shares of the ultimate parent company are disclosed in the Directors' Report and Financial Statements of Tragus Group Holdings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

Auditors

During the year KPMG LLP resigned as auditors. PricewaterhouseCoopers LLP were appointed auditors to fill the vacancy arising and subsequently resigned. KPMG LLP have been re-appointed as auditors.

Pursuant to section 386 of the Companies Act 1985, the company has elected to dispense with the obligation to appoint auditors annually. KPMG 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

27 Sept 2005

1st Floor
163 Eversholt Street
LONDON NW1 1BU

BRIGHTREASONS GROUP 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 of the company for the 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.



KPMG LLP
Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

Report of the independent auditors to the members of Brightreasons Group Limited

We have audited the financial statements on pages 5 to 8.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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 of the state of the company's affairs as at 29 May 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
Chartered Accountants
Registered Auditor

KPMG LLP

29/05/05

BRIGHTREASONS GROUP LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 29 May 2005

The company did not trade, have recognised gains or losses or movements in shareholders funds for the current or prior year.

BRIGHTREASONS GROUP LIMITED

BALANCE SHEET

As at 29 May 2005

	Notes	29 May 2005 £'000	30 May 2004 £'000
FIXED ASSETS			
Investments	2	<u>24,206</u>	<u>24,206</u>
CURRENT ASSETS			
Debtors	3	16,152	16,152
Creditors	4	<u>(24,206)</u>	<u>(24,206)</u>
NET ASSETS		<u><u>16,152</u></u>	<u><u>16,152</u></u>
CAPITAL AND RESERVES			
Called up share capital	5	16,112	16,112
Capital redemption reserve	6	40	40
EQUITY SHAREHOLDERS FUNDS	7	<u><u>16,152</u></u>	<u><u>16,152</u></u>

These financial statements were approved by the Board of Directors on 27 September 2005
Signed on behalf of the Board of Directors.

Y. Yang

Director

NOTES TO THE ACCOUNTS

Year ended 29 May 2005

1. ACCOUNTING POLICIES

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments

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

Cash flow

As permitted by Financial Reporting Standard No.1 (Revised) a cash flow statement has not been prepared as the company is a wholly owned subsidiary of a European Community parent whose consolidated accounts are publicly available.

2. INVESTMENTS

	Shares in subsidiary undertakings £'000
Cost at 30 May 2004 and 29 May 2005	33,932
Provisions at 30 May 2004 and 29 May 2005	(9,726)
Net Book Value at 30 May 2004 and 29 May 2005	<u>24,206</u>

The principal undertaking in which the company's interest at the period end is more than 20% is as follows:

Subsidiary undertaking	Activity	Country of registration and incorporation	% of ordinary shares held
BrightReasons Restaurants Limited	Restaurateur	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.

3. DEBTORS

	29 May 2005 £'000	30 May 2004 £'000
Amounts owed by group undertakings	<u>16,152</u>	<u>16,152</u>

BRIGHTREASONS GROUP LIMITED

NOTES TO THE ACCOUNTS

Year ended 29 May 2005

4. CREDITORS

	29 May 2005 £'000	30 May 2004 £'000
Amounts owed to subsidiary undertakings	<u>24,206</u>	<u>24,206</u>

5. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	29 May 2005 £'000	30 May 2004 £'000	29 May 2005 £'000	30 May 2004 £'000
160,870,000 Ordinary shares of 10p each	74,574	99,968	16,087	41,481
Reduction of called up share capital	-	(25,394)	-	(25,394)
250,000 "A" ordinary shares of 10p each	<u>32</u>	<u>32</u>	<u>25</u>	<u>25</u>
	<u>74,606</u>	<u>74,606</u>	<u>16,112</u>	<u>16,112</u>

The rights of the 'A' ordinary shares are equal to those of the ordinary shares.

6. STATEMENT OF MOVEMENTS ON RESERVES

	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At 30 May 2004 and 29 May 2005	<u>40</u>	<u>-</u>	<u>40</u>

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	Total £'000
Shareholders funds at 30 May 2004 and 29 May 2005	<u>16,152</u>

8. RELATED PARTIES

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

9. PARENT UNDERTAKING

The ultimate parent undertaking is Tragus Group Holdings Limited, registered in England and Wales. 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 Group Holdings 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