ORTEGA BARS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the 52 weeks ended 27 May 2012

Registered number 03002219

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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	03002219

DIRECTORS' REPORT

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

Principal activities
The principal activity of the Company is that of operating restaurants There has been no change in this activity during the period

Results and dividends
The loss after tax for the period amounted to £221,262 (2011 £207 927) The directors do not propose the payment of a dividend (2011 £nil)

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 Groups 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 Companys 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 Ortega Bars 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 Limiteds 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 Groups 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

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

Employment of disabled persons
The Companys 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

ORTEGA BARS LIMITED

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 year Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

Disclosure of information to auditors
Pursuant to section 418 of the Companies Act 2006 each of the persons who is a director at the date of approval of this report confirms that so far as the director is aware there is no relevant audit information of which the Company's auditors are unaware and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

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

On behalf of the Board of Directors

John Derkach
DIRECTOR
19th September 2012

1st Floor
163 Eversholt Street
LONDON NW1 1BU

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORTEGA BARS LIMITED

We have audited the financial statements of Ortega Bars Limited for the 52 week period ended 27 May 2012 which comprise the Profit and Loss Account the Balance Sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report including the opinions has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not in giving these opinions accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 27 May 2012 and of its loss for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Fiona Kelsey

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

19 September 2012

PROFIT AND LOSS ACCOUNT

52 weeks ended 27 May 2012

	Note	52 weeks ended 27 May 2012	52 weeks ended 29 May 2011
		£	£
TURNOVER		**664,215**	688 761
Cost of sales		**(844,676)**	(857 258)
GROSS LOSS		**(180,461)**	(168 497)
Administrative expenses		**(40,801)**	(39 377)
OPERATING LOSS	2	**(221,262)**	(207 874)
Interest payable	4	**-**	(53)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(221,262)**	(207 927)
Tax on loss on ordinary activities	5	**-**	-
LOSS FOR THE FINANCIAL PERIOD	10	**(221,262)**	(207 927)

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 loss on ordinary activities before taxation and the loss for the financial period stated above and their historic cost equivalent

Registered number 03002219

BALANCE SHEET

As at 27 May 2012

	Note	27 May 2012	29 May 2011
		£	£
FIXED ASSETS			
Tangible assets	6	144 151	147 497
CURRENT ASSETS			
Stocks		5,846	5 095
Debtors	7	14,661	213 638
Cash in hand		100	100
		20,607	218 833
CREDITORS - amounts falling due within one year	8	(77,005)	(57 315)
NET CURRENT ASSETS		(56,398)	161 518
TOTAL ASSETS LESS CURRENT LIABILITIES		87,753	309 015
NET ASSETS		87,753	309 015
CAPITAL AND RESERVES			
Called up share capital	9	909,002	909 002
Share premium account	10	297,640	297 640
Profit and loss account	10	(1,118,889)	(897 627)
TOTAL SHAREHOLDERS' FUNDS	11	87,753	309 015

These financial statements on pages 5 to 11 were approved by the Board of Directors and authorised for issue on 19th September 2012 and signed on its behalf by

M. Mansigani

Mohan Mansigani
Director

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 27 May 2012

1 ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom (UK GAAP)

The principal accounting policies adopted by the directors and which have been consistently applied across the group and prior periods are described below

Accounting convention

The financial statements are prepared on 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 Companys 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 loss 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

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

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

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 taxation assets and liabilities are calculated using the taxation rates that have been enacted or substantively enacted by the balance sheet date

Cash

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

Cash flow statement

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

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 27 May 2012

2 OPERATING LOSS

	52 weeks ended 27 May 2012 £	52 weeks ended 29 May 2011 £
Operating loss is stated after charging		
Depreciation of tangible fixed assets (note 6)	43,226	38 638
Operating lease charges		
Land and buildings	35,726	59 689

The following fees for services provided by the Company's auditor were charged to the Company

	52 weeks ended 27 May 2012 £	52 weeks ended 29 May 2011 £
Audit services		
Fees payable to Company auditors	2,500	2 500
Non-audit services		
Tax services	2,500	2 500

3 STAFF COSTS

	52 weeks ended 27 May 2012 Number	52 weeks ended 29 May 2011 Number
The average number of persons employed by the Company during the period was		
Directors	3	3
Restaurant staff	19	19

	52 weeks ended 27 May 2012 £	52 weeks ended 29 May 2011 £
Staff costs incurred during the period in respect of these employees were		
Wages and salaries	433,684	414 359
Social security costs	21,438	19 442
	455,122	433 801

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

4 INTEREST PAYABLE

	52 weeks ended 27 May 2012 £	52 weeks ended 29 May 2011 £
Interest payable	-	53

5 TAX ON LOSS ON ORDINARY ACTIVITIES

	52 weeks ended 27 May 2012 £	52 weeks ended 29 May 2011 £
Current taxation on loss for the period		
UK corporation tax at 25 69% (2011 27 68%)	-	-
Total current taxation charge	-	-
Taxation on loss on ordinary activities	-	-

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 27 May 2012

5 TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

The tax assessed for the period is higher (2011 higher) than the standard effective rate of corporation tax in the UK of 25 69% (2011 27 68%) The differences are explained below

Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(221,262)	(207 927)
Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 25 69% (2011 27 68%)	(56,842)	(57 554)
Effect of		
Capital allowances in excess of depreciation	3,891	3 158
Group relief	52,951	54 396
Total current taxation charge	-	-

The Company has a deferred taxation asset in respect of fixed assets temporary differences of £4 135 (2011 £2 237) which is not recognised in the balance sheet due to it not being sufficiently probable that it will be fully utilised in the foreseeable future

On 23 March 2011, a number of changes to the UK corporation tax system were announced including a reduction of the main rate of corporation tax from 26% to 24% with effect from 1 April 2012 The reduction in the rate to 24% became substantively enacted on 26 March 2012 under the Provisional Collection of Taxes Act 1968 Deferred tax has therefore been provided for at 24% (2011 26%) and the pro-rated corporation tax rate for the period is 25 69% (2011 27 68%)

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

6 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Furniture, fixtures & equipment £	Total £
Cost			
At 29 May 2011	145 855	162 612	308,467
Additions	(639)	40 519	39 880
At 27 May 2012	145 216	203 131	348 347
Accumulated depreciation			
At 29 May 2011	(74 736)	(86 234)	(160 970)
Charge for the period	(16 138)	(27 088)	(43 226)
At 27 May 2012	(90 874)	(113 322)	(204 196)
Net book amount			
At 27 May 2012	54,342	89,809	144,151
At 29 May 2011	71 119	76 378	147 497

7 DEBTORS

	27 May 2012 £	29 May 2011 £
Trade debtors	5,043	3 134
Amounts owed by group undertakings	-	203 721
Other debtors	8	-
Prepayments	9,610	6 783
	14,661	213 638

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

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 27 May 2012

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	27 May 2012 £	29 May 2011 £
Amounts owed to group undertakings	30,858	-
Other creditors	1,073	1 142
Accruals	45,074	56 173
	77,005	57 315

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

9 CALLED UP SHARE CAPITAL

	Authorised	
	27 May 2012 £	29 May 2011 £
1 818 002 (2011 1 818 002) Ordinary shares of £0 50 each	909,001	909 001
1 (2011 1) "A" Ordinary share of £1 each	1	1
	909,002	909 002

	Allotted, called up and fully paid	
	27 May 2012 £	29 May 2011 £
1 818 002 (2011 1 818 002) Ordinary shares of £0 50 each	909,001	909,001
1 (2011 1) "A" Ordinary share of £1 each	1	1
	909,002	909,002

The A Ordinary share shall not confer on the holder thereof the right to receive notice of attend and vote at any general meeting

All ordinary shares have no right to dividends other than those recommended by directors have no redemption rights and have one vote per share

10 STATEMENT OF MOVEMENTS IN RESERVES

	Share premium account £	Profit and loss account £	Total £
At 29 May 2011	297 640	(897 627)	(599 987)
Loss for the financial period	-	(221 262)	(221 262)
At 27 May 2012	297,640	(1,118,889)	(821,249)

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	27 May 2012 £	29 May 2011 £
Shareholders funds at beginning of period	309,015	516 942
Loss for the financial period	(221,262)	(207 927)
Shareholders funds at end of period	87,753	309 015

12 LEASE COMMITMENTS

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

	27 May 2012 £	29 May 2011 £
Between two and five years	43,500	43 500

NOTES TO THE FINANCIAL STATEMENTS
52 weeks ended 27 May 2012

13 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

14 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