

Ma Potter's Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

Registered number 3092239



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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	3092239

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the 52 week period ended 25 May 2008. The comparatives are for the 78 week period ended 27 May 2007.

Principal activity

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 £3,319,260 (2007: £1,795,875). The directors do not propose the payment of a dividend (2007: £nil).

Review of business developments and future prospects

The company will continue to operate restaurants for the foreseeable future under the brand of Ma Potter's, with a number of units being converted to Cafe Rouge, Strada or Bella Italia formats. All systems and accounting data have been integrated to the Tragus' systems and Tragus' accounting policies have been implemented in Ma Potter's Limited.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Tragus Group Limited, which include those of the company, are disclosed in the group's annual report which does not form part of this report.

Key Performance Indicators

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

Directors

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

G Turner
M Mansigani
J Parsons

DIRECTORS' REPORT

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

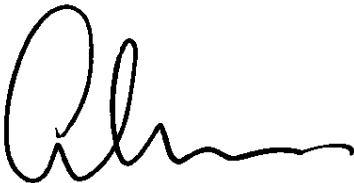
Auditors and disclosure of information to auditors

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.

Auditors

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 period 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



G Turner
DIRECTOR

10 September 2008

1st Floor
163 Eversholt Street
LONDON NW1 1BU

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF **MA POTTER'S LIMITED**

We have audited the financial statements of Ma Potter's Limited for the 52 week period ended 25 May 2008 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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

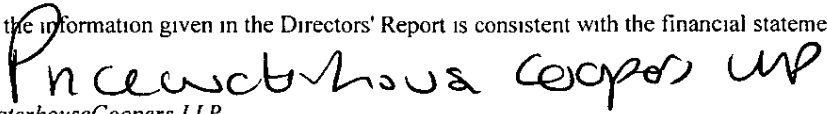
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 25 May 2008 and of its loss for the 52 week period 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
Chartered Accountants and Registered Auditors
London

15TH SEPTEMBER 2008

PROFIT AND LOSS ACCOUNT**52 weeks ended 25 May 2008**

	Notes	Before exceptional items 52 weeks ended 25 May 2008 £	Exceptional items 52 weeks ended 25 May 2008 (note 3) £	Total 52 weeks ended 25 May 2008 £	Before exceptional items 78 weeks ended 27 May 2007 £	Exceptional items 78 weeks ended 27 May 2007 (note 3) £	Restated Total 78 weeks ended 27 May 2007 (note 1) £
TURNOVER	1	10,249,754	-	10,249,754	18,179,658	-	18,179,658
Cost of sales		(9,711,731)		(9,711,731)	(17,014,840)		(17,014,840)
GROSS PROFIT		538,023	-	538,023	1,164,818	-	1,164,818
Administrative expenses		(532,628)	(2,946,706)	(3,479,334)	(1,086,054)	(1,846,785)	(2,932,839)
OPERATING (LOSS) / PROFIT	2	5,395	(2,946,706)	(2,941,311)	78,764	(1,846,785)	(1,768,021)
Loss on disposal of fixed assets		(128,947)	-	(128,947)	(110,146)	-	(110,146)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(123,552)	(2,946,706)	(3,070,258)	(31,382)	(1,846,785)	(1,878,167)
Interest receivable		-	-	-	13,556	-	13,556
Interest payable and similar charges	6	(6,241)	-	(6,241)	(305,314)	(54,507)	(359,821)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(129,793)	(2,946,706)	(3,076,499)	(323,140)	(1,901,292)	(2,224,432)
Taxation on ordinary activities	7			(242,761)			428,557
LOSS FOR THE PERIOD	15			<u>(3,319,260)</u>			<u>(1,795,875)</u>

All activities are in respect of continuing operations

The Company has no recognised gains or losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been prepared

There is no difference between the loss on ordinary activities before taxation and the loss for the period stated above and their historic cost equivalent

MA POTTER'S LIMITED

BALANCE SHEET

As at 25 May 2008

	Notes	25 May 2008 £	27 May 2007 £
FIXED ASSETS			
Investments	8	6	6
Tangible assets	9	<u>4,794,712</u>	<u>5,019,978</u>
		4,794,718	5,019,984
CURRENT ASSETS			
Stock - raw materials		98,023	73,924
Debtors	10	243,733	397,426
Cash at bank and in hand		<u>68,996</u>	<u>517,946</u>
		410,752	989,296
CREDITORS - amounts falling due within one year	11	<u>(6,389,156)</u>	<u>(5,100,356)</u>
NET CURRENT LIABILITIES		<u>(5,978,404)</u>	<u>(4,111 060)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,183,686)	908,924
CREDITORS - amounts falling due after more than one year	12	-	(32,412)
PROVISIONS FOR LIABILITIES AND CHARGES	13	<u>(1,459,062)</u>	<u>(200 000)</u>
NET (LIABILITIES) / ASSETS		<u><u>(2,642,748)</u></u>	<u><u>676,512</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	5,380	5,380
Share premium account	15	820,081	820,081
Other reserves	15	150,350	150,350
Profit and loss account	15	<u>(3,618,559)</u>	<u>(299,299)</u>
TOTAL SHAREHOLDERS' (DEFICIT) / FUNDS	16	<u><u>(2,642,748)</u></u>	<u><u>676,512</u></u>

These financial statements on pages 5 to 15 were approved by the Board of Directors and authorised for issue on 10th September 2008 and signed on its behalf by

U. Mansigani

M Mansigani
Director

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

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 which have been consistently applied are described below.

Basis of preparation

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Tragus Group Limited. The company's ultimate parent undertaking Tragus Group Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Accounting convention

The financial statements are prepared 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 and optional service charges.

Prior period restatement

Management have reviewed the allocation of costs between the cost of sales and administrative expenses in the period. Management consider cost of sales should include all costs of operating the restaurants. The prior period profit and loss account has been restated to reflect this change in classification. This has resulted in a reclassification of £11,640,753 from administrative expenses to cost of sales and £1,174,152 from depreciation to cost of sales.

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.

Exceptionals

Costs incurred in the year which are classified as exceptional in note 4 and on the face of the profit and loss account are those which are material in nature and derive from events or transactions that fall within the ordinary activities of the company and which are individually, or in aggregate, of such size or incidence to require specific disclosure.

Leases

Rental payments in respect of operating leases where substantially all of the benefits and risks of ownership remain with the lessor, 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.

Assets financed under hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful economic lives.

Finance charges and interest in connection with finance leases and hire purchase contracts are charged to the profit and loss account on the sum of the digits or actuarial basis.

NOTES TO THE FINANCIAL STATEMENTS**52 weeks ended 25 May 2008****1 ACCOUNTING POLICIES (CONTINUED)****Investments**

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

Tangible fixed assets

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 14 years. The maximum depreciation period for leasehold improvements is 30 years. In the current period, adopting this policy has resulted in a total net decrease in depreciation charged for the year of £nil
- 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. Cost is based on the cost of purchase on a first in, first out basis.

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.

The 2007 Finance Act reduced the main rate of UK corporation tax from 30% to 28% effective from 1 April 2008 and this change is reflected in these financial statements.

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 (LOSS) / PROFIT

	52 weeks ended 25 May 2008 £	78 weeks ended 27 May 2007 £
Operating loss is stated after charging.		
Depreciation charge for the period		
Tangible owned fixed assets	779,675	1,055,033
Tangible fixed assets held under finance lease	83,705	119,119
Operating lease charges - Land and buildings	<u>1,490,913</u>	<u>2,827,506</u>
	52 weeks ended 25 May 2008 £	78 weeks ended 27 May 2007 £
Audit services		
Fees payable to company auditor for the audit of company accounts	4,000	19,000
Non audit services		
Other services	1,500	1,500
Tax services	<u>1,000</u>	<u>3,000</u>

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

3 EXCEPTIONAL ITEMS

	52 weeks ended 25 May 2008 £	78 weeks ended 27 May 2007 £
Proceeds received from insurance claim	-	(150,525)
Pre-opening site costs	240,469	-
Onerous contract provisions	1,639,619	-
Professional fees	25,785	-
Impairment of fixed assets	1,040,833	1,897,310
Dilapidations provisions	-	100,000
Interest - amortisation of loan note issue costs	-	54,507
Total exceptional items	<u>2,946,706</u>	<u>1,901,292</u>

Professional fees arising from the acquisition of the company and pre-opening costs of re-branded restaurants are disclosed separately under exceptional items as they are considered to be non-recurring for the company and not part of the normal course of business

An impairment review was conducted during the period and 5 sites had onerous rent and rate obligations for which a provision of £1,639,619 was created

Each period, the company undertakes a review of the performance of its operating units. Restaurants which are loss making at EBITDA level where management considered these restaurants were unlikely to recover to profitability and their fixed assets were impaired. In the current period, there were three restaurants impaired as follows -

The sites and the amounts of fixed assets impairment are as follows

Location	Operating name	52 weeks ended 25 May 2008 £	78 weeks ended 27 May 2007 £
Castleford	Ma Potter's	163,448	415,789
Braehead	Ma Potter's	118,761	330,350
Glasgow	Ma Potter's	758,624	-
Edinburgh	Cafe Espresso	-	58,769
Bullring	Ma Potter's	-	437,092
Cardiff	Coal Grill & Bar	-	300,000
Leeds	Ma Potter's	-	239,549
Star City	Ma Potter's	-	115,761
		<u>1,040,833</u>	<u>1,897,310</u>

4 STAFF COSTS

	52 weeks ended 25 May 2008 Number	78 weeks ended 27 May 2007 Number
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The average number of persons employed by the company during the period was

Restaurants	<u>347</u>	<u>400</u>
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	52 weeks ended 25 May 2008 £	78 weeks ended 27 May 2007 £
Staff costs incurred during the period in respect of these employees were		
Wages and salaries	2,922,931	5,064,428
Social security costs	237,380	471,347
	<u>3,160,311</u>	<u>5,535,775</u>

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

5 DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	52 weeks ended 25 May 2008 £	78 weeks ended 27 May 2007 £
Emoluments receivable	-	412,915
Emoluments of highest paid director	52 weeks ended 25 May 2008 £	78 weeks ended 27 May 2007 £
Total emoluments (excluding pension contributions)	-	177,484

None of the directors received any remuneration in respect of their services for the company during the period

6 INTEREST PAYABLE AND SIMILAR CHARGES

	52 weeks ended 25 May 2008 £	78 weeks ended 27 May 2007 £
Interest payable on bank loans and overdrafts	-	224,629
Finance lease interest	5,443	40,920
Amortisation of loan note issue costs	-	94,272
Other	798	-
	6,241	359,821

The loan notes and bank overdrafts were repaid on acquisition by Tragus Bidco Limited in the prior period

7 TAXATION

	52 weeks ended 25 May 2008 £	78 weeks ended 27 May 2007 £
Current taxation on losses for the period		
UK corporation tax	-	(47,349)
Prior period adjustment	268,480	(91,208)
Total current taxation	268,480	(138,557)
Deferred tax		
Timing differences	(121,474)	(290,000)
Effect of decreased tax rate on opening balance	(21,125)	-
Prior period adjustment	116,880	-
Total deferred taxation (note 13)	(25,719)	(290,000)
Tax charge / (credit) on losses on ordinary activities	242,761	(428,557)

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

7 TAXATION (CONTINUED)

The tax assessed for the period is higher (2007 lower) than the standard rate of corporation tax in the UK. The differences are explained below

	52 weeks ended 25 May 2008 £	78 weeks ended 27 May 2007 £
Factors affecting the tax charge for the period		
Loss before tax	(3,076,499)	(2,224,432)
Tax at current UK corporation tax rate of 29.67% (2007 30%)	(912,797)	(667,330)
Effect of		
Non-deductible expenses	3,982	1,373
Timing differences	-	618,608
Depreciation in excess of capital allowances	7,417	-
Fixed asset impairment	308,815	-
Loss on disposal of assets	38,256	-
Group relief	554,327	-
Under / (over) provision in previous periods	268,480	(79,651)
Tax refund for prior period	-	(11,557)
Current tax charge for the period	268,480	(138,557)

The corporation tax rate was reduced to 28% from 30% on 1 April 2008. The pro-rated corporation tax rate for the period is 29.67%.

The tax effect of the exceptional items during the period is a credit of £565,473 (2007 £570,388).

8. INVESTMENTS

	Shares in group undertakings £
Cost and net book amount	
At 25 May 2008 and 27 May 2007	6

The investments shown below are dormant companies who have not experienced any movement in balances in the period which is being reported here. Therefore, Ma Potter's Limited have elected not to produce group accounts -

	Country of incorporation	Class of share held	Percentage held by Ma Potter's Limited
Chargrill Limited	England	Ordinary	100%
Espresso Limited	England	Ordinary	100%
Espresso UK Limited	England	Ordinary	100%

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

9 TANGIBLE ASSETS

	Leasehold improvements £	Furniture, fixtures & equipment £	Motor vehicles £	Total £
Cost				
At 27 May 2007	1,481,891	8,841,047	16,150	10,339,088
Additions	1,164,025	645,861	-	1,809,886
Disposals	(143,971)	(263,217)	(16,150)	(423,338)
At 25 May 2008	2,501,945	9,223,691	-	11,725,636
Depreciation				
At 27 May 2007	(562,115)	(4,744,041)	(12,954)	(5,319,110)
Charge for the period	(138,702)	(724,678)	-	(863,380)
On disposals	73,986	205,459	12,954	292,399
Impairment	(229,264)	(811,569)	-	(1,040,833)
At 25 May 2008	(856,095)	(6,074,829)	-	(6,930,924)
Net book amount				
At 25 May 2008	1,645,850	3,148,862	-	4,794,712
At 27 May 2007	919,776	4,097,006	3,196	5,019,978

Assets held under finance leases and capitalised in furniture, fixtures and equipment -

	As at 25 May 2008 £	As at 27 May 2007 £
Cost	745,563	745,563
Aggregate depreciation	(282,816)	(199,111)
Net book amount	462,747	546,452

10 DEBTORS

	25 May 2008 £	27 May 2007 £
Other debtors	7,222	7,537
Corporation tax	-	47,349
Prepayments and accrued income	236,511	342,540
	243,733	397,426

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	25 May 2008 £	27 May 2007 £
Trade creditors	-	333,312
Amount owed to group undertakings	3,532,878	2,459,355
Other taxation and social security	1,730,489	574,259
Finance lease creditor	32,371	65,551
Other creditors	68,631	-
Accruals and deferred income	1,024,787	1,667,879
	<u>6,389,156</u>	<u>5,100,356</u>

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

12 CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	25 May 2008 £	27 May 2007 £
Finance lease creditor	<u>-</u>	<u>32,412</u>

13 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £	Other £	Total £
At 27 May 2007	200,000	-	200,000
Charge to profit and loss (note 7 and note 3)	(25,719)	1,639,619	1,613,900
Utilised	<u>-</u>	<u>(354,838)</u>	<u>(354,838)</u>
At 25 May 2008	<u>174,281</u>	<u>1,284,781</u>	<u>1,459,062</u>

Other provisions relate primarily to the future cost of vacant leasehold properties which have ceased to be used for a business purpose. They 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.

The amounts provided for deferred taxation are set out below

	Provided 25 May 2008 £	Provided 27 May 2007 £
Capital allowances in excess of depreciation	<u>174,281</u>	<u>200,000</u>

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

14. SHARE CAPITAL

	<u>Authorised</u>	
	25 May 2008	27 May 2007
	£	£
10,000 Ordinary shares of £1 each	10,000	10,000
150,000 Redeemable preference shares of £1 each	150,000	150,000
	<u>160,000</u>	<u>160,000</u>
	<u>Allotted, called up and fully paid</u>	
	25 May 2008	27 May 2007
	£	£
5,380 Ordinary shares of £1 each	<u>5,380</u>	<u>5,380</u>

15. STATEMENT OF MOVEMENTS ON RESERVES

	Capital contribution reserve	Share premium account	Profit and loss account	Total
	£	£	£	£
At 27 May 2007	150,350	820,081	(299,299)	671,132
Loss for the period	-	-	(3,319,260)	(3,319,260)
At 25 May 2008	<u>150,350</u>	<u>820,081</u>	<u>(3,618,559)</u>	<u>(2,648,128)</u>

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	25 May 2008	27 May 2007
	£	£
Opening shareholders' funds	676,512	2,472,387
Loss for the period	<u>(3,319,260)</u>	<u>(1,795,875)</u>
Closing shareholders' (deficit) / funds	<u>(2,642,748)</u>	<u>676,512</u>

17 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

	25 May 2008	27 May 2007
	£	£
Within 2 to 5 years	125,000	2,516
After five years	<u>1,385,811</u>	<u>1,629,416</u>
	<u>1,510,811</u>	<u>1,631,932</u>

NOTES TO THE FINANCIAL STATEMENTS

52 weeks ended 25 May 2008

17. RELATED PARTY TRANSACTIONS

At the period end, the company is a wholly owned subsidiary of Tragus Bidco 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 of the company is Tragus Cayco Limited, registered in the Cayman Islands. The smallest group of undertakings for which group accounts 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 accounts can be obtained from 1st Floor, 163 Eversholt Street, London, NW1 1BU, United Kingdom

The Group considers The Blackstone Group as the ultimate controlling party by way of its majority shareholding of Tragus Cayco Limited