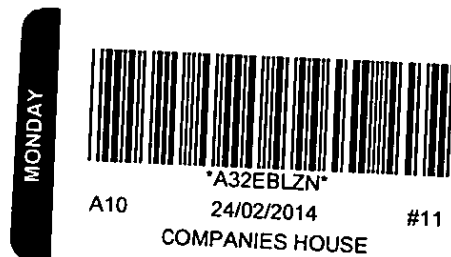


MA POTTER'S LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the 53 weeks ended 2 June 2013

Registered number 03092239



CONTENTS

Page

Company information	1
Directors' report	2 - 3
Independent auditors' report to the members of Ma Potter's Limited	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12

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

03092239

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of Ma Potters Limited (the Company) for the 53 weeks ended 2 June 2013. The comparatives are for the 52 weeks ended 27 May 2012.

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 £49,427 (2012: £6,988). The directors do not propose the payment of a dividend (2012: £nil).

Net exceptional credit of £60,884 was recognised by the Company for the 53 weeks ended 2 June 2013 (52 weeks ended 27 May 2012: exceptional cost £29,509). These items are considered exceptional per the accounting policies set out in Note 1 and related to the impairment of fixed assets and movements in onerous contract provisions.

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 Tragus Group Limited's 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 Group's annual report which does not form part of this report.

Going concern

The directors believe that preparing financial statements on the going concern basis is appropriate due to the continued financial support of Tragus Group Limited. The directors have received confirmation that Tragus Group Limited intend to support the Company for at least one year after these financial statements are signed.

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 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.

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 period. 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.

In accordance with Section 418, directors' reports shall include a statement in the case of each director in office at the date the directors' report is approved that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order 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 period.

On behalf of the Board of Directors



J Derkach
DIRECTOR

16

September 2013

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 53 week period ended 2 June 2013 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 2 June 2013 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.



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

16 September 2013

PROFIT AND LOSS ACCOUNT**53 weeks ended 2 June 2013**

	Note	Before exceptional items 53 weeks ended 2 June 2013	Exceptional items 53 weeks ended 2 June 2013 (note 3)	Total 53 weeks ended 2 June 2013	Before exceptional items 52 weeks ended 27 May 2012	Exceptional items 52 weeks ended 27 May 2012 (note 3)	Total 52 weeks ended 27 May 2012
		£	£	£	£	£	£
TURNOVER		6,096,958	-	6,096,958	6,878,876	-	6,878,876
Cost of sales		(5,788,469)	-	(5,788,469)	(6,578,876)	-	(6,578,876)
GROSS PROFIT		308,489	-	308,489	300,000	-	300,000
Administrative expenses		(418,800)	60,884	(357,916)	(471,026)	(29,509)	(500,535)
OPERATING LOSS	2	(110,311)	60,884	(49,427)	(171,026)	(29,509)	(200,535)
Profit on disposal of fixed assets		-	-	-	197,460	-	197,460
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(110,311)	60,884	(49,427)	26,434	(29,509)	(3,075)
Interest payable	5	-	-	-	(3,913)	-	(3,913)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(110,311)	60,884	(49,427)	22,521	(29,509)	(6,988)
Tax on loss on ordinary activities	6	-	-	-	-	-	-
LOSS FOR THE FINANCIAL PERIOD	13	-	-	(49,427)	-	-	(6,988)

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

MA POTTER'S LIMITED

Registered number 03092239

BALANCE SHEET

As at 2 June 2013

	Note	2 June 2013 £	27 May 2012 £
FIXED ASSETS			
Investments	7	6	6
Tangible assets	8	<u>1,176,513</u>	<u>1 701 319</u>
		<u>1,176,519</u>	<u>1 701 325</u>
CURRENT ASSETS			
Stocks		41,774	46 286
Debtors	9	124,332	177 336
Cash in hand		<u>150</u>	<u>770</u>
		<u>166,256</u>	<u>224 392</u>
CREDITORS - amounts falling due within one year	10	<u>(4,221,476)</u>	<u>(4,624 693)</u>
NET CURRENT LIABILITIES		<u>(4,056,220)</u>	<u>(4,400,301)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(2,879,701)</u>	<u>(2 698 976)</u>
PROVISIONS FOR LIABILITIES	11	-	(131 298)
NET LIABILITIES		<u>(2,879,701)</u>	<u>(2 830 274)</u>
CAPITAL AND RESERVES			
Called up share capital	12	5,380	5 380
Share premium account	13	820,081	820 081
Other reserves	13	150,350	150,350
Profit and loss account	13	<u>(3,855,512)</u>	<u>(3 806 085)</u>
TOTAL SHAREHOLDERS' DEFICIT	14	<u>(2,879,701)</u>	<u>(2 830 274)</u>

These financial statements on pages 5 to 12 were approved by the Board of Directors and authorised for issue on 16 September 2013 and signed on its behalf by

M. Mansigani

M Mansigani
Director

NOTES TO THE FINANCIAL STATEMENTS**53 weeks ended 2 June 2013****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 Company has elected not to produce consolidated financial statements under Section 400 of the Companies Act 2006. Under this requirement a company is exempt from the obligation to prepare and deliver group financial statements if it is included in the consolidated financial statements of a larger group drawn up to the same date if the group is incorporated in the European Union and the group financial statements are publically available. Tragus Group Limited is registered in England and Wales and has drawn up consolidated financial statements to the period ending 2 June 2013 which include the Company.

The principal accounting policies adopted by the directors, and which have been consistently applied across with the prior periods 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. Turnover is recognised on provision of goods and services.

Pension costs

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 note 16 represents contributions payable by the Company to the fund. The Company will continue to contribute to this fund in future accounting periods.

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.

Exceptional items

Costs incurred in the year which are classified as exceptional in note 3 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 outside the ordinary activities of the Company and which are individually or in aggregate of such size or incidence to require specific disclosure.

Onerous contract provision

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.

NOTES TO THE FINANCIAL STATEMENTS**53 weeks ended 2 June 2013****1 ACCOUNTING POLICIES (CONTINUED)****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.

Fixed asset investments

Investments are stated at cost less any provision for impairment in value. Impairment reviews are performed by the directors when there is an indication of impairment.

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 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.

Cash flow statement

The Company is a wholly owned subsidiary undertaking of Tragus Bideo Limited. The cash flows of the Company are included in the consolidated cash flow statement of Tragus Bideo 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.

2 OPERATING LOSS

	53 weeks ended 2 June 2013 £	52 weeks ended 27 May 2012 £
Operating loss profit is stated after charging		
Depreciation charge for the period		
- Tangible owned fixed assets (note 8)	367,312	403,895
Operating lease charges		
- Land and buildings	1,077,673	1,214,350

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

	53 weeks ended 2 June 2013 £	52 weeks ended 27 May 2012 £
Audit services		
Fees payable to Company auditors	3,000	4,000
Non-audit services		
Other services	400	1,000
Tax services	1,250	2,000

3 EXCEPTIONAL ITEMS

	53 weeks ended 2 June 2013 £	52 weeks ended 27 May 2012 £
Net (decrease) / increase in onerous contract provision	(60,884)	29,509

The tax effect in the profit and loss account relating to the exceptional items is a charge of £14,509 (2012 credit of £7,581).

An impairment review was conducted and highlighted sites which management consider to have onerous fixed cost obligations for which a net provision of £60,884 has been released (2012 £29,509 provided).

NOTES TO THE FINANCIAL STATEMENTS**53 weeks ended 2 June 2013****4. STAFF COSTS**

	53 weeks ended 2 June 2013 Number	52 weeks ended 27 May 2012 Number
The monthly average number of persons employed by the Company during the period was		
Directors	2	3
Restaurant staff	156	185
	53 weeks ended 2 June 2013 £	52 weeks ended 27 May 2012 £
Staff costs incurred during the period in respect of these employees were		
Wages and salaries	1,694,366	1 887 427
Social security costs	100,147	115,692
Other pension costs (note 16)	2,316	2 335
	1,796,829	2 005 454

None of the directors received any remuneration in respect of their services for the Company during the period (2012 nil)

5. INTEREST PAYABLE

	53 weeks ended 2 June 2013 £	52 weeks ended 27 May 2012 £
Interest payable	-	3 913

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	53 weeks ended 2 June 2013 £	52 weeks ended 27 May 2012 £
Current taxation on loss for the period		
UK corporation tax at 23.83% (2012 25.69%)	-	-
Total current taxation charge	-	-
Deferred taxation		
Timing differences	-	-
Effect of change in corporation tax rate	-	-
Prior period adjustment	-	-
Total deferred taxation charge	-	-
Taxation on loss on ordinary activities	-	-

The tax assessed for the period is higher (2012 higher) than the standard rate of corporation tax in the UK of 23.83% (2012 25.69%). The differences are explained below

	53 weeks ended 2 June 2013 £	52 weeks ended 27 May 2012 £
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(49,427)	(6 988)
Loss on ordinary activities before taxation multiplied by the standard effective rate of corporation tax in the UK of 23.83% (2012 25.69%)	(11,779)	(1 795)
Effect of		
Expenses not deductible for tax purposes	337	151
Depreciation in excess of capital allowances	25,227	(3,318)
Group relief (claimed) / surrendered for nil consideration	(13,785)	4 962
Total current taxation charge	-	-

The Company has a deferred taxation asset in respect of fixed assets temporary differences of £380 985 (2012 £296 096) 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

NOTES TO THE FINANCIAL STATEMENTS**53 weeks ended 2 June 2013****6 TAX ON LOSS ON ORDINARY ACTIVITIES (continued)**

On 21 March 2012 a number of changes to the UK corporation tax system were announced including a reduction of the main rate of corporation tax from 24% to 23% with effect from 1 April 2013. The reduction in the rate to 23% became substantively enacted on 3 July 2012 under the Finance Bill 2012. Deferred tax has therefore been provided for at 23% (2012: 24%) and the pro-rated corporation tax rate for the period is 23.83% (2012: 25.69%).

Further reductions to the main rate are proposed to reduce the rate of corporation tax by 2% to 21% by 1 April 2014 followed by a further 1% reduction to 20% by 1 April 2015. 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.

7 FIXED ASSET INVESTMENTSCost and net book amount

As at 27 May 2012 and 2 June 2013

£

6

The investments shown below are dormant companies

	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%

The directors believe the carrying value is supported by underlying net assets

8 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Furniture, fixtures & equipment £	Total £
<u>Cost</u>			
At 27 May 2012	2,171,079	8,598,730	10,769,809
Additions	9,000	174,746	183,746
Transfers out	(87,329)	(691,076)	(778,405)
At 2 June 2013	2,092,750	8,082,400	10,175,150
<u>Accumulated depreciation</u>			
At 27 May 2012	(1,301,062)	(7,767,428)	(9,068,490)
Charge for the period	(102,824)	(264,488)	(367,312)
Transfers out	24,705	412,460	437,165
At 2 June 2013	(1,379,181)	(7,619,456)	(8,998,637)
<u>Net book amount</u>			
At 2 June 2013	713,569	462,944	1,176,513
At 27 May 2012	870,017	831,302	1,701,319

9 DEBTORS

	2 June 2013 £	27 May 2012 £
Trade debtors	759	787
Prepayments and accrued income	123,573	176,549
	124,332	177,336

NOTES TO THE FINANCIAL STATEMENTS**53 weeks ended 2 June 2013****10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2 June 2013 £	27 May 2012 £
Amount owed to group undertakings	3,894,930	4 325 152
Other creditors	4,678	10 009
Accruals and deferred income	<u>322,868</u>	<u>289 532</u>
	<u>4,222,476</u>	<u>4 624 693</u>

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

11 PROVISIONS FOR LIABILITIES

	£
At 27 May 2012	131 298
Released in period (note 3)	(60 884)
Utilised in the period	<u>(70 414)</u>
At 2 June 2013	<u>-</u>

Provisions relate primarily to the future cost of vacant leasehold properties which have ceased to be used for trading purposes. 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.

12 CALLED UP SHARE CAPITAL

	2 June 2013 £	27 May 2012 £
10 000 (2012 10 000) Ordinary shares of £1 each	10,000	10 000
150 000 (2012 150 000) Redeemable preference shares of £1 each	<u>150,000</u>	<u>150 000</u>
	<u>160,000</u>	<u>160 000</u>

	2 June 2013 £	27 May 2012 £
5 380 (2012 5 380) Ordinary shares of £1 each	<u>5,380</u>	<u>5 380</u>

13 STATEMENT OF MOVEMENTS IN RESERVES

	Other reserves £	Share premium account £	Profit and loss account £	Total £
At 27 May 2012	150 350	820 081	(3 806 085)	(2,835,654)
Loss for the financial period	-	-	(49 427)	(49 427)
At 2 June 2013	<u>150,350</u>	<u>820,081</u>	<u>(3,855,512)</u>	<u>(2,885,081)</u>

Other reserve is a capital contribution reserve

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2 June 2013 £	27 May 2012 £
Shareholders' deficit at beginning of period	(2,830,274)	(2 823 286)
Loss for the financial period	<u>(49,427)</u>	<u>(6 988)</u>
Shareholders' deficit at end of period	<u>(2,879,701)</u>	<u>(2 830 274)</u>

NOTES TO THE FINANCIAL STATEMENTS

53 weeks ended 2 June 2013

15. LEASE COMMITMENTS

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

	2 June 2013 £	27 May 2012 £
Within one year	285,250	-
Within two to five years	301,700	586,950
After five years	507,112	589,901
	<u>1,094,062</u>	<u>1,176,851</u>

The financial commitments for operating lease amounts 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.

16. PENSION COSTS

The group contributes to a stakeholder pension scheme for employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable in respect of the accounting period and amounted to £2,316 (2012: £2,335). There were nil outstanding contributions at the end of the financial period (2012: £nil).

17. 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 wholly owned 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.

18. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of the Company 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.